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Crisis management seeks to help organizations deal with unfortunate and catastrophic events. This timely topic is of special interest to academics and practitioners because of the volatile environment that organizations face today. Indeed, just mention "September 11" and most managers will recognize it as the ultimate crisis. Unfortunately, crisis management is a topic that many managers do not want to think about or discuss. Some decisionmakers have the mistaken idea that they do not need to worry about a crisis because they have insurance to cover any losses or work interruption. However, insurance does not always cover the entire cost of an unexpected crisis event. Moreover, insurance does not cover such intangible items as company reputation and customer goodwill.

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Crisis management, the process of planning for and mitigating the impact of a crisis, is an important strategic concern that should be incorporated into the overall planning process in any organization. Consequently, crisis management planning is a prudent way to minimize or eliminate the impact of a disaster on an organization. Much of the crisis management literature has addressed the for-profit sector. However, nonprofit organizations (NPOs) must also plan for the unthinkable.

The essence of crisis management is to plan for worst-case scenarios and then seek to manage the crisis in the best manner should it occur. But, why have a plan to begin with? Even the crisis management literature acknowledges that, by their nature, crisis events have a small chance of occurring (Barton, 1993; Pearson & Clair, 1998; Shrivastava, Mitroff, Miller, & Miglani, 1988). Yet, a recent survey of Fortune 500 industrial companies revealed that 78 percent of these organizations had a crisis management plan in place (Penrose, 2000). What motivates decisionmakers to plan for events that are not likely to happen?

This study sought to address this question by surveying organizational decisionmakers at nonprofit organizations and asking what potential crisis events are of the biggest concern to them as well as which events have actually occurred in their organizations. This paper begins with a review of organizational crisis events. Next, the rationale for the study and its methodology are presented and, finally, the results and implications for managers of NPOs are offered.

Overview

Vulnerability

At some time in an organization's life, it may be confronted with a crisis. The ability to manage the crisis can mean the difference between survival and disaster. One assessment of crisis readiness indicates that 50 percent of all businesses hit by a crisis will not survive if they do not have an adequate recovery plan in place (Offer, 1998). An even more pessimistic study indicates that 90 percent of businesses without a disaster recovery plan will fail within two years of a disaster (Pedone, 1997). Subsequently, the operative question in crisis management and crisis-readiness planning is not whether a crisis will occur but when and what type of crisis it will be (Caponigro, 1998; Kruse, 1993).

Crisis Management

Crisis management seeks to mitigate the impact of a crisis (Barton, 1993; Hickman & Crandall, 1997). The whole area of crisis management was launched after Johnson & Johnson experienced product sabotage when its Tylenol Extra Strength pain reliever was laced with deadly cyanide (Mitroff & Anagnos, 2001; Pines, 2000). Gorski's (1998) research states that a crisis can run the gamut from a natural disaster, such as a flood or hurricane, to a form of human tragedy. A crisis can cause an operational production failure and/or it can lead to a public relations fiasco. Crisis events can also lead to legal problems that can disrupt the normal functioning of business activity. Gorski (1998) further states that a crisis can test the capability of an organization's staff and its leaders. The demands of daily operations and crisis management are so important that organizations need to have crisis-management plans and teams in place to maintain continuity (Barton, 1993; Caponigro, 1998; Hickman & Crandall, 1997).

Crisis Management Teams

The arguments supporting the formation of crisis management teams are very convincing (Barton, 1993; Caponigro, 1998; Hickman & Crandall, 1997; Pearson & Clair, 1998). The purpose of the team is to take charge of planning for a crisis before it occurs as well as to manage the problems that emerge during the crisis. Fink (1986) states that it is necessary to establish a crisis management team before a crisis plan can be developed. As such, Pearson and Clair (1998) report that those organizational managers with crisis management teams show a greater concern for, and attention to, potential crises than organizations without crisis management teams. Moreover, Fink (1986) states that those organizations that did not have a plan reported that the crisis lasted two-and-one-half times longer than those organizations that had a crisis plan in place. The understanding of the importance of crisis management teams stems from two major factors. First, the development of a culture created by top management stressing the importance of crisis management practices is necessary (Pauchant & Mitroff, 1992; Pearson & Clair, 1998). Caponigro (1998) states that the best way to help insulate a business from the damaging effects of a crisis is to establish a crisis-management culture in the organization. The awareness in the organization that a crisis could happen will lead to planning for that event and such preparations involve the formation, at least formally, of a crisis management team. Secondly, according to Penrose (2000), experience from actions or activities that preceded the creation of the crisis management team will teach important lessons.

Insurance Coverage and Crisis Management

While the argument that insurance will resolve crisis-induced problems has some merit, its value is far from complete. Simbo's (1993) analysis of this argument indicates that insurance can provide a cushion for extensive cost implications but, by itself, is inadequate in terms of assuring a firm's survival and recovery. Insurance does not protect against the loss of goodwill that a business interruption can have on customers, suppliers, distributors, and employees. Additionally, insurance does not address the public relations and social responsibility problems that may stem from the crisis. For example, insurance is available and used by companies that experience oil spills, but it does not protect them from the public relations problems that occur. The Exxon Valdez oil disaster illustrates this point vividly (Hartley, 1993).

Crisis Identification

According to Simbo (1993), one of the main reasons that businesses do not have effective crisis-management plans is because they have not identified the crisis events that could affect their organizations. Subsequently, they have not developed the critical tools for developing comprehensive crisis plans.

Warwick's (1993) research indicates that one of the important aspects to a crisis-management plan is an assessment of risks. The probabilities of a crisis vary among businesses. Many organizations identify worst-case scenarios or crisis events that could occur. For example, chemical companies prepare for chemical spills, while airlines prepare for an air disaster. The organization must anticipate events unique to its industry.

A number of classifications of crisis events exist in the literature. Crisis management researchers have classified crises by 2 x 2 matrices (Marcus & Goodman, 1991; Meyers & Holusha, 1986), by cluster analysis (Pearson & Mitroff, 1993), and by categories (Coombs, 1995; Irvine & Miller, 1997; Richardson, 1995). One thing seems certain—no one can agree exactly on how to classify crisis events in a universal manner. However, what is important to managers is the ability to identify the worst-case scenarios or "vulnerabilities" (Caponigro, 1998) unique to their organizations.

Nonprofits and Crisis Management

In general, nonprofit organizations have a central role in providing services that are considered important for the society. The nonprofit sector in the United States is significant and diverse. While the nonprofit literature regarding crisis management is relatively scant, some discussion regarding crisis management in healthcare organizations and the existence of negative publicity in various other types of nonprofit agencies has occurred. In the healthcare industry, medication errors, hospital shutdowns, and Health Maintenance Organization horror stories have caused interruptions of normal service delivery, jeopardized the positive image of organizations, and affected the bottom line in various ways (*Healthcare PR & Marketing News*, 2000). A study by Nakra (2000) discovered major weaknesses in preparedness for dealing with negative publicity of youth-oriented NPOs. Only 17.6 percent of these NPOs had a crisis management team and even fewer, 11.8 percent, had guidelines and training to handle negative publicity. The scant literature on the topic of crisis management in NPOs is an indication that many managers are either unaware of, or ignore, the risks and vulnerabilities that exist in their organizations. Because they provide such vital services to our society, every effort must be made to demonstrate the need to assess crisis preparedness on a variety of fronts.

Conceptual Framework

Essentially, managers have two ways in which to view a crisis situation—reactive or proactive. They can ignore the warning signs and react to the crisis when it occurs, or they can prepare themselves to prevent and manage a crisis. The former decision has undefined outcomes while the latter provides more opportunities to manage the crisis situation and may even avert the crisis altogether.

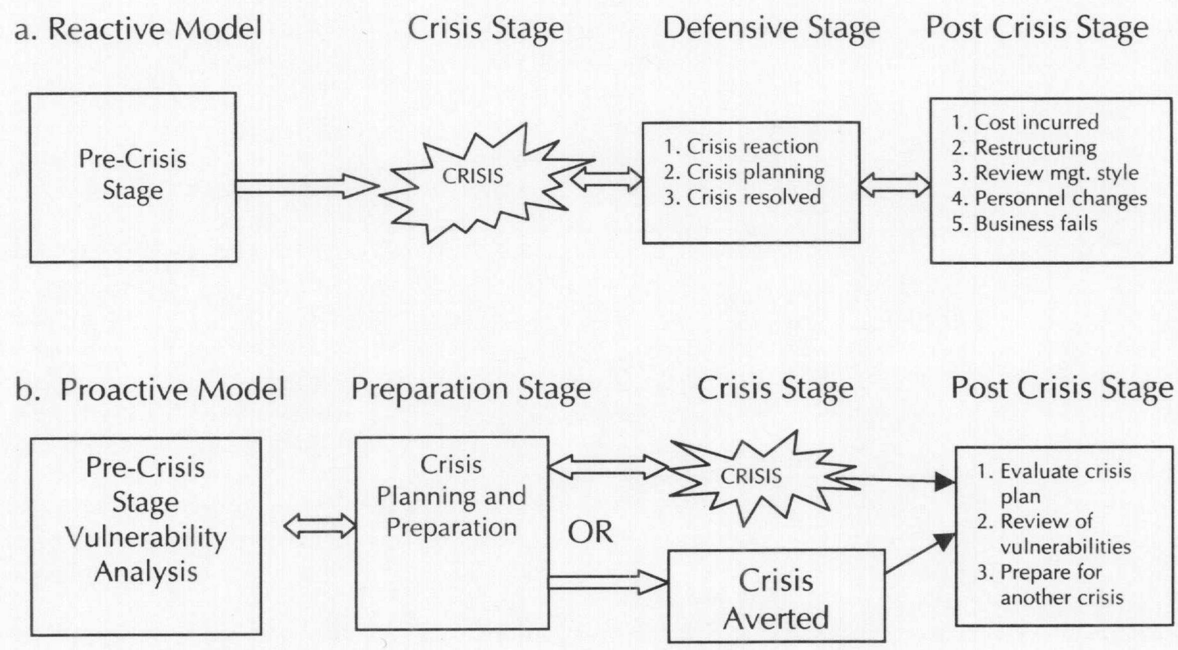
Figure 1 illustrates and summarizes the decision stages that exist in the crisis management process. In the reactive model, the decisions about planning take place during and after the event(s) occur(s). In the proactive model, decisionmakers have already anticipated various forms of crises and have developed plans to deal with their eventuality. In addition, efforts are made shortly after the crisis to learn how to better deal with the next crisis. This critical stage of learning must occur soon after the event while the facts of the disaster are still fresh in the minds of managers (Kovoor-Misra & Nathan, 2000). The consequences of each management decision are significant. Organizational leaders must evaluate the difference between the investments in planning for a crisis versus the losses that will result from a lack of planning.

Research Rationale

If the proactive model is followed, decisionmakers must eventually ask which types of crises are of most concern to the organization and have such events actually occurred previously. The current study seeks to address these questions by asking NPO managers about those crisis with which they are most concerned and if the crisis event has actually occurred in their organizations.

This information is important for three reasons. First, when potential crisis events are identified, managers can plan for them. A manager who lacks sufficient information about the crisis cannot develop a plan to address it. For example, one of the most difficult crises in a business is the on-site death of an employee. Some planned procedure needs to

FIGURE 1
CRISIS MANAGEMENT PROCESS—TWO MODELS



be in place to deal with an employee's workplace death in a professional and dignified way (i.e., notifying next of kin, counseling existing employees, etc.). Additionally, if the employee was a key person, critical to the day-to-day operations, plans must be available to replace the deceased worker with someone who has comparable skills and experience (Wnek, 2000).

Second, recognition of potential events can enable management to enact measures to prevent the occurrence of that crisis. The now famous Y2K crisis illustrates this point. Careful planning and the implementation of crisis management procedures allowed the Y2K transition to occur with minimal difficulties. Upper levels of management recognized the importance of disaster recovery in their organizations (Salerno, 2000). Finally, identifying the most probable crises allows researchers, writers, and consultants to "warn" the general business community about the key crisis events or vulnerabilities that need organizational attention. The Y2K crisis was greatly minimized because of the awareness generated by the popular press and management researchers.

An interesting question emerges during the discussion of crisis management. Why is the concern for crisis events in some organizations higher than in others? Is the crisis event the catalyst for concern, or is it merely a consequence of having a management team that considers planning for crisis events to be an integral part of business strategy? An assortment of management literature indicates that organizations are just naturally reactive concerning potential future crises (Mitroff et al., 1989; Pearson & Mitroff, 1993; Penrose, 2000; Shrivastava, 1993). The crisis event may be the only incentive for a business to initiate the planning process to prevent another occurrence of the same or similar events.

Even though no organization is exempt from being threatened by some form of major crisis, organizations showing heightened awareness and concern for crisis events may establish crisis management teams. Leading to this concern and team formation could be a catastrophic event that may be the stimulus necessary to force organizations to prepare for potential future crisis events (Crandall, McCartney, & Ziemnowicz, 1999).

This thinking leads to an important question about management's concern for a crisis event. Is it the formation of the crisis management team or the occurrence of the event that causes managers to be concerned? A crisis management plan does not need to precede an event. It can be created without an event occurring. A crisis event could occur and the organization may still not establish a team. This study suggests that it is the independent crisis event(s) that generate(s) the concern among managers, not the formation of the crisis team. The rationale for the development of a crisis team can be very simple and may be explained in two ways: a) the crisis may cause the organization to react to the event(s) and implement damage control and corrective action. The event(s) will create a process of organizational learning causing management to develop contingency plans that set forth actions that can either prevent or respond to a future crisis event or, b) an organizational development process that focuses on continual improvement can recognize the organizational vulnerability and begin cultivating a culture that focuses on crisis planning, which leads to the establishment of a crisis management team.

Thus, the extant research has shaped the research question asked and the two hypotheses proposed in this study.

Research Question: What prompts managers of NPOs to plan for crisis events?

Hypothesis 1—Members of NPOs with crisis management teams will show a higher concern for crisis events than will members of organizations without such teams.

Hypothesis 2—Members of NPOs who have experienced a particular crisis in their organization will show a higher degree of concern for that crisis than organizational members who have not experienced that crisis.

Methodology

Survey Instrument

A survey instrument was adapted from one used by Crandall, McCartney, and Ziemnowicz in an earlier study (1999). The instrument is based on the crisis events listed in Figure 2. Respondents were asked to rate their degree of concern for each crisis event using a scale with one indicating a low degree of concern and five indicating a high degree of concern. In addition, the survey asked if the crisis in question had actually occurred at the respondent's organization within the past three years. Respondents were also asked if their organizations had a crisis management team.

Data Collection

The survey instrument was mailed to 980 nonprofit organizations (NPOs) across the Northeastern U. S., Pennsylvania, and New York. Each survey contained a stamped, return envelope and was addressed to executive officers of each organization. One hundred and ninety useable surveys were returned, for a response rate of 19.4 percent.

Results

Participants

Table 1 lists the sizes of the respondent organizations in terms of number of employees. One hundred and twenty-seven organizations (67.2%) had between 1 and 100 employees. Thirty organizations (15.9%) had between 101 and 200 employees. Twelve organizations (6.3%) had between 201 and 300 employees while five organizations (2.6%) reported more than 300 employees but fewer than 400. Eleven agencies (5.8%) reported more than 400 employees. Five organizations did not respond to this question on the survey.

Table 2 lists the types of nonprofit organizations that were included in the study. Fifty-nine (31.2%) NPOs indicated their businesses were healthcare related. Forty-five (23.8%) NPOs listed social services as their agency type. Forty-three (22.8%) NPOs reported other types of nonprofit areas such as cultural arts, criminal justice, and non-mental health counseling. Twenty (10.6%) NPOs reported that their focus was in education. Sixteen (8.5%) NPOs stated that they operated mental health agencies while five (2.6%) NPOs reported their service was in the child welfare area.

FIGURE 2
CATEGORIES OF CRISIS EVENTS

Operational Crises

- Loss of records permanently due to fire
- Computer system breakdown
- Loss of records permanently due to computer system breakdown
- Computer system invaded by hacker
- Major industrial accident
- Major product/service malfunction
- Death of key executive
- Breakdown of a major piece of production/service equipment

Publicity Problems

- Boycott by consumers or the public
- Product sabotage
- Negative media coverage

Fraudulent Activities

- Theft or disappearance of records
- Embezzlement by employee(s)
- Corruption by management
- Corporate espionage
- Theft of company property
- Employee violence in the workplace

Natural Disasters

- Flood
- Tornado
- Snowstorm
- Hurricane
- Earthquake

Legal Crises

- Consumer lawsuit
- Employee lawsuit
- Government investigation
- Product recall

Adapted from Crandall, McCartney, & Ziemnowicz (1999).

TABLE 1
SIZES OF NONPROFIT ORGANIZATIONS

Agency Size - Number of employees	Number of NPOs	Percent of Total
Between 1 and 100	127	67.2
Between 101 and 200	30	15.9
Between 201 and 300	12	6.3
Between 301 and 400	5	2.6
Between 401 and 500	1	0.5
Greater than 500	10	5.3
Non-reporting	5	2.2
Total	190	100.0

TABLE 2
TYPES OF NONPROFIT ORGANIZATIONS

Type of NPO	Number of This Type	Percent of Total
Healthcare	59	31.1
Social Services	45	23.7
Education	20	10.5
Mental Health	16	8.4
Child Welfare	5	2.6
Other	43	22.6
Non-reporting	2	1.1
Total	190	100.0

Hypothesis 1

The first analysis examined the mean differences in the respondents' degrees of concern in those organizations with crisis management teams versus those without teams. Table 3 lists the different potential crises in descending order by t-value. Fifty-three respondents indicated that their organizations had a crisis management team while 134 said they had no such teams. Only two out of the 26 crises displayed statistically different mean degrees of concern (for a p-value of less than .05). Internet site disruption displayed a mean of 2.38 for organizations with crisis management teams. However, for those organizations with no such team, the mean was only 1.83 ($t = 2.551$, $p = .012$). The other crisis, snowstorm, displayed a mean of 3.58 for organizations with crisis management teams. For organizations without a team, the mean was 3.11 ($t = 2.209$, $p = 0.028$). For the remaining 24 crises, the means were not statistically different, thus indicating that the degree of concern was not different regardless of whether the respondents had a crisis management team. These results indicate little support for Hypothesis 1.

Hypothesis 2

The second analysis examined the differences in mean degree of concern for each potential crisis depending on whether the event had occurred at the respondent's organization. Respondents indicated that they had a higher

TABLE 3
COMPARISON OF MEAN "DEGREE OF CONCERN" SCORES: ORGANIZATIONS WITH OR WITHOUT CRISIS MANAGEMENT TEAMS

Crisis Management Team?	Yes		No			
Degree of Concern about:	n	Mean	n	Mean	t	p (2-tailed)
Internet site disrupted due to hacker or some other act of vengeance	53	2.38	134	1.83	2.551	0.012
Snowstorm	53	3.58	134	3.11	2.209	0.028
Negative media coverage	53	3.36	134	2.99	1.444	0.151
Lost records permanently due to fire	53	2.06	134	2.40	1.412	0.160
Consumer lawsuit	53	3.34	134	3.02	1.275	0.204
Corruption by management	53	1.94	134	2.21	1.258	0.211
Tornado	53	2.40	134	2.09	1.219	0.196
Product recall	53	1.55	134	1.33	1.110	0.270
Major product/service malfunction	53	2.19	134	2.45	1.068	0.287
Flood	53	1.87	134	2.10	1.068	0.287
Lost records permanently due to computer breakdown	53	2.60	134	2.86	1.037	0.301
Theft or disappearance of records	53	2.38	134	2.62	1.004	0.317
Employee lawsuit	53	3.21	134	2.97	0.999	0.319
Breakdown of a major piece of production/service equipment	53	2.74	134	2.52	0.899	0.370
Embezzlement by employee(s)	53	2.23	134	2.43	0.863	0.389
Computer system invaded by hacker	53	2.47	134	2.29	0.797	0.426
Hurricane	53	1.66	134	1.78	0.635	0.526
Corporate espionage	53	1.58	134	1.70	0.632	0.528
Major industrial accident	53	2.15	134	2.01	0.616	0.539
Product sabotage	53	1.83	134	1.72	0.575	0.566
Boycott by consumers or the public	53	2.23	134	2.34	0.466	0.624
Theft of company property or materials	53	2.89	134	1.79	0.412	0.681
Government investigation	53	2.79	134	2.69	0.369	0.692
Earthquake	53	1.47	134	1.52	0.294	0.769
Death of a key executive	53	2.28	134	2.32	0.170	0.865
Employee violence at the workplace	53	2.47	134	2.46	0.066	0.947

degree of concern for 22 of the 26 crisis events if the crisis had actually occurred within the past three years (with a p-value of less than .05).

Table 4 lists each of the crises by descending t-value. Theft of company property displayed the largest difference in mean degree of concern. Seventy-nine respondents reported that they had had this crisis occur in their organizations while 108 said it had not occurred. The mean degree of concern was 3.82 for those who had had this crisis occur versus 2.08 for respondents who said that it had not occurred in their organizations ($t = 10.066$, $p = 0.00$).

Four of the crises displayed no statistical differences in mean degree of concern. These were corruption by management, lost records due to fire, computer system invasion by a hacker, and earthquake. Overall, this analysis shows strong support for Hypothesis 2.

Discussion—Why Plan for Something Bad?

This study has examined the concerns of NPO decisionmakers toward possible crisis events that their organizations might face. Figure 3 summarizes the research results. The following discussion is offered.

The existence of a crisis management team within an NPO does not necessarily mean that concern for all types of crisis events increases.

With the exception of two potential events, the majority of the crisis events studied showed

TABLE 4
COMPARISON OF MEAN "DEGREE OF CONCERN" SCORES: ORGANIZATIONS THAT HAVE OR HAVE NOT HAD A CRISIS

Have Had A Crisis?	Yes		No			
Degree of Concern about:	n	Mean	n	Mean	t	*p* (2-tailed)
Theft of company property or materials	79	3.82	108	2.08	10.066	0.000
Breakdown of a major piece of production/service equipment	75	3.57	112	1.90	9.102	0.000
Consumer lawsuit	46	4.24	143	2.71	8.987	0.000
Employee lawsuit	47	4.13	142	2.63	7.745	0.000
Product recall	18	3.44	171	1.16	7.325	0.000
Negative media coverage	61	4.07	127	2.60	7.089	0.000
Major product/service malfunction	35	3.77	152	2.05	6.840	0.000
Flood	30	3.40	158	1.77	6.646	0.000
Snowstorm	124	3.63	65	2.42	5.974	0.000
Government investigation	39	3.87	150	2.39	5.797	0.000
Tornado	16	3.44	172	2.05	5.249	0.000
Lost records permanently due to computer breakdown	43	3.60	145	2.52	4.720	0.000
Embezzlement by employee(s)	22	3.59	165	2.18	4.427	0.000
Boycott by consumers or the public	14	3.79	174	2.18	3.879	0.000
Major industrial accident	8	3.75	180	1.96	3.548	0.000
Hurricane	14	2.79	175	1.65	3.519	0.001
Theft or disappearance of records	43	3.21	145	2.43	3.459	0.001
Death of a key executive	12	3.42	175	2.23	2.947	0.004
Product sabotage	13	2.62	174	1.68	2.713	0.007
Internet site disrupted due to hacker or some other act of vengeance	10	2.90	178	1.92	2.255	0.025
Employee violence at the workplace	15	3.27	172	2.39	2.152	0.033
Corporate espionage	10	2.40	177	1.62	2.135	0.034
Corruption by management	11	3.09	176	2.07	1.645	0.129
Lost records permanently due to fire	2	4.00	185	2.28	1.637	0.103
Computer system invaded by hacker	6	1.83	182	2.43	1.561	0.168
Earthquake	7	1.29	182	1.50	0.521	0.603

FIGURE 3
RESEARCH RESULTS

Hypothesis	Support
Hypothesis 1—Members of NPOs with crisis management teams will show a higher concern for crisis events than will members of organizations without such teams.	Little
Hypothesis 2—Members of NPOs who have experienced a particular crisis in their organization will show a higher degree of concern for that crisis than organizational members who have not experienced that crisis.	Strong

no differences in degree of concern, regardless of whether a crisis management team was present. That is not to say that NPO decisionmakers think that such events are not important, but regardless of whether a crisis management team existed, the degree of concern for that crisis was not statistically different. For example, three crisis events—negative media coverage, employee lawsuits, and consumer lawsuits—all showed relatively high degrees of concern regardless of whether a crisis management team was present.

On the other end of the spectrum, two other crisis events showed a low degree of concern regardless of whether a crisis management team was present. Product recalls and earthquakes are rare occurrences in the organizations surveyed. Therefore, it is not surprising that a corresponding lack of concern for these events existed.

It appears, then, that the presence of a crisis management team by itself does not necessarily elevate management's degree of concern for a specific crisis event. What may be of more importance is the likelihood that such an event will occur at that organization. For example, snowstorms displayed the highest degree of concern for all crisis events, regardless of whether a team was present. Since this sample was taken from the Northeastern United States where snowstorms are common, this finding is not surprising.

NPO managers who have experienced a crisis are more concerned about that crisis than those managers who have not experienced that crisis.

Previous crisis management research has confirmed that an organization will usually experience a crisis first before it engages in any serious management planning (Mitroff et al., 1989). Although crisis management awareness has grown tremendously since this study, the viewpoint of many organizational members is still the same—serious concern for a crisis does not occur until after that crisis takes place.

The paradox, though, is that some events should be planned for—in the hope that they will never occur. Certainly, an air disaster would come under this category of thinking. Airlines do plan aggressively for the ultimate disaster; yet, they also plan to prevent such a disaster as well. Nevertheless, some organizational members carry the "it cannot happen to us" mentality and, subsequently, show little concern for crisis events. Sadly, this study indicates that, for many people, serious concern and planning for a crisis will not occur until the "event" ultimately occurs at the organization.

Regardless of the perceived crisis threat, implementing aggressive crisis management practices is highly recommended.

Crisis planning involves a great deal of time and resources. Consequently, the tendency among managers is to resist crisis planning because of the perception that such events cannot happen to them and, hence, will always occur at other organizations (Chapman, 1996; Mitroff, 1989). A number of case studies have chronicled situations in which management ignored and, in some cases, resisted any efforts toward crisis planning and management (Hartley, 1993). The results were devastating to the organizations involved. The lesson appears to be clear—crisis planning is necessary and should not be delayed.

One of the first steps toward effective crisis management is to form a crisis management team. The charge of the team is twofold:

1) anticipate and plan for future crisis events, and

2) manage those crisis events when they occur.

This study revealed that only 53 out of 190 NPOs (27.9%) had a crisis management team in place. Healthcare NPOs showed the highest percentage of crisis management teams with 23 out of 59 (39.0%) responding organizations indicating that they had such a team.

NPOs should be aware of the potential for a "smoldering" crisis.

To make matters more complicated, the category of events labeled as "smoldering" crises must be considered (*ICM*, 1996). These categories are most often characterized by poor decision-making by management or other key employees in the organization. Examples include labor disputes, class action lawsuits, illegal actions by management, and sexual harassment. The common element behind these crisis events is that management had some foreknowledge of impending trouble but failed to respond appropriately to the matter before it escalated and became a full-blown crisis. Approximately 86 percent of all crisis events covered by the news media in the 1990s were of a "smoldering" nature (*ICM*, 1996). These events can be addressed and contained before they reach the magnitude of grave concern. However, with the complacency present in many organizations, the lack of crisis planning may cause such events to move from the "smoldering" stage to a full flare-up.

The diversity of crisis events leads to a paradox in crisis planning—the need to be both specific in preparing for worst-case scenarios and, simultaneously, to be flexible in terms of planning for these events.

Decisionmakers in organizations often balk at the need to prepare for crisis events (Mitroff et al., 1989). An explanation often offered is that it is impossible to plan for every kind of crisis event. While this statement is true, it is not necessary to plan for every conceivable disaster. Synergy exists; therefore, planning for one specific type of disaster may also prepare an organization to face other crises as well (Mitroff, 1989). For example, mock disasters are often conducted by organizations to address one specific type of crisis. However, in conducting a disaster exercise, elements common to other types of crisis events are practiced as well. These common elements include the activation of the crisis management team, handling media interviews, resuming operations, and notifying appropriate stakeholders. The argument that it is impossible to plan for every kind of crisis event does not negate the need to plan. Flexibility becomes important when decisionmakers recognize that many crisis events have some commonalties, and the knowledge gained from addressing these commonalties may often be transferred to the management of other crisis events as well.

A caveat—smaller NPOs may be less sophisticated in their crisis management preparations than larger NPOs.

One caveat is in order at this point; the sample is skewed toward smaller NPOs. In fact, 67.2 percent of the sample had fewer than 100 employees, while 83.1 percent of the sample had fewer than 200 employees. The overall number of NPOs without crisis management teams, 134 organizations, represented 70.5 percent of the sample. These results should be taken into consideration when generalizing to all NPOs. Clearly, the smaller NPOs do not have the formal crisis management mechanisms in place. This result is not surprising, though, given that managers at smaller organizations are often called to "wear many hats," so to speak. Time constraints of these managers may prohibit them from implementing formal crisis management teams or plans that larger organizations are able to employ (Barton, 1993).

Conclusion

Crisis management will not be a passing management fad. Although catastrophic events have always occurred at organizations, the crisis management field had its birth during Johnson & Johnson's Tylenol cyanide case. Since that time, numerous articles have been written by practitioners and researchers advocating the importance of this field. This study indicates that managers at NPOs are generally concerned about crisis events, particularly if their organization has experienced the crisis.

Unfortunately, the paradox here is that concern is not as high if the event has not occurred. This lack of concern may encourage complacency in crisis planning, which could lead to an organization being unprepared when the "big one" does hit.

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