An Analysis of the Theories for the Development and Selection of Crisis Strategies in Organizations

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A R T I C L E I N F O	A B S T R A C T
	The social and economic reality shows that the impact of organizational crises is becoming increasingly significant, which highlights the need to examine how organizations manage such situations through the development and effective selection of strategies. This paper identifies several widely used theories that support the development and selection of crisis strategies in organizations and analyzes them, outlining the benefits and shortcomings of each. The theories discussed include Contingency Theory, Communication Theory, and Stakeholder Theory. By reviewing those approaches, the paper aims to offer a clearer understanding of the theoretical foundations that can guide organizational responses to crisis.

1. Introduction

The review of the specialized literature on strategic management shows that most organizations operate in environments characterized by complexity and dynamism, where independent or interrelated forces constantly influence organizational processes and performance (Daft, 2015; Wheelen and Hunger, 2017). Ansoff et al. (2019) argue that these conditions require continuous adaptability and an enhanced strategic capacity to address emerging challenges and unexpected changes. Crisis situations are marked by a high degree of uncertainty, making the formulation and implementation of an effective crisis response strategy a major challenge. Such uncertainty often stems from the inability to fully anticipate the evolution and impacts of events, creating difficulties in designing a framework strategy (Van de Ven and Sun, 2011). Furthermore, Coutu (2002) highlights that rapid and unexpected changes occurring during crises may necessitate adjustments to initial strategies or even rendering them invalid. As a response, risks associated with uncertainty can be mitigated by adopting flexible and adaptive strategies and by fostering continuous learning within organizations. The influence of uncertainty is also evident in the selection of strategic options, as incomplete information can affect evaluation and lead to suboptimal decisions (Eisenhardt and Zbaracki, 1992), organizations tending to choose options that minimize short-term loses rather than those that ensure long-term gain. (Claeys & Coombs, 2020) All these are arguments support the view that adapting crisis response strategies to different types of crises constitutes a complex and inherently strategic mission for organizations. It is essential to design flexible and adaptable strategies from the outset, taking into account the specifics of as many scenarios as possible. The focus on crisis preparedness and proactive measures represents the key to minimizing their impact.

2. Theories for the development and selection of crisis strategy in organizations
2.1 Contingency Theory

Contingency Theory emerged from the need to understand and quantify variables that influence the manifestation of organizational phenomena. This theory argues that there is no universal solution applicable to all management problems; rather, effective strategies must be adapted to the specific context in which the organization operates (Donaldson, 2001; Coombs, 2012). In other words, the effectiveness of decision-making depends on the organization's ability to integrate relevant internal and external variables into its processes.

In the field of leadership, Contingency Theory was strengthened by Fiedler (1958), who demonstrated that leader's effectiveness is determined by situational characteristics such as leader-subordinate relations, task structure, and positional power. Later, Tannenbaum and Schmidt expanded the applicability of the theory by introducing, in the 1950s, an evolutionary perspective on leadership style – from authoritarian to

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participative leadership – influenced by organizational factors such as size, technology, objectives, and organizational climate (Mazzarella & Smith, 1989).

Contingency Theory subsequently became an important reference framework in strategic management, often used to justify the impossibility of formulating a single strategy applicable to all organizations. Contextual diversity requires continuous adaptation of managerial decisions to the specific characteristic of each situation (Burton et al., 2020). High-performing organizations are those that adjust their strategies according to the dynamics of both internal and external environments, particularly under volatile or uncertain conditions.

In crisis contexts, Contingency Theory provides a flexible framework that allows the adaptation of organizational strategies to variables such as the nature of the crisis, organizational structure, or leader profiles (Donaldson, 2001; Mitroff, 2005). However, the theory is not without limitations. The rapid identification of relevant contingent factors can become problematic under decision-making pressure or in conditions of high ambiguity, which characterize acute crisis situations (Mitroff, 2005). Moreover, Yukl (2013) notes that not all leaders possess the skills necessary to effectively adapt their leadership style under intense stress.

In the past decade, technological progress has contributed to modernizing Contingency Theory. The integration of artificial intelligence and advanced data analytics enables organizations to monitor environmental conditions in real time and proactively adjust strategies (Brynjolfsson & McAfee, 2014; Daugherty & Wilson, 2018). This capability transforms the adaptation process into a continuous organizational learning system, thereby strengthening strategic resilience in the face of change.

In conclusion, although Contingency Theory presents certain limitations in crisis situations, it remains a valuable theoretical tool for organizational analysis and management. Its integration with systemic and technological approaches increases its relevance in modern organizations operating under conditions of uncertainty and continuous change (Simbanu & Moga, 2025).

2.2 Communication Theory in Crisis Situations

Crisis communication is recognized as an essential tool for effectively managing critical situations and protecting organizational reputation (Mirică et al., 2022). In this context, the Situational Crisis Communication Theory (SCCT), developed by Coombs (2007), provides a strategic framework for adapting organizational responses according to public's perception of responsibility.

SCCT is grounded in attribution theory, according to which individuals seek explanations for unexpected events by assigning responsibility either to the organization or to circumstances (Weiner, 1986). This perception directly influences the emotional and behavioral reactions of the public (Coombs & Holladay, 2006).

The model proposes a two-step approach: first, identifying the type of crisis (natural, human error, organizational misbehavior, etc.), and second, assessing perception modifiers such as crisis history and prior relational reputation (Coombs, 2005, 2007). Depending on the intensity of perceived responsibility, organizations can select appropriate strategies—from denial to acceptance and remediation— in order to limit reputational damage.

Research has demonstrated a clear connection between responsibility attribution and organizational reputation (Coombs, 2004; Dean, 2004). However, the field remains limited by the predominance of case studies, while actual public reactions to implemented strategies remain insufficiently documented (Ahluwalia et al., 2000; Dawar & Pillutla, 2000).

Moreover, the lack of rigorous empirical validation can compromise decision efficiency during crises. As Rousseau (2006) emphasizes, organizational decisions should be grounded in scientific evidence, rather than relying solely on intuition or prior experience.

In conclusion, SCCT provides a valuable theoretical framework for crisis management, particularly when applied in conjunction with a strategic approach based on contextual analysis and empirical evidence (Simbanu & Moga, 2025).

2.3 Stakeholder Theory

Stakeholder Theory, formulated by Freeman (1984), represents an essential conceptual framework for understanding complex organizational relationships and for grounding decision-making in unstable environments. In the current context, marked by uncertainty and volatility, this theory is increasingly used to effectively manage crises that affect organizational reputation and legitimacy (Ozdemir & Fernández de Arroyabe, 2023).

Approaching crises through the lens of stakeholders involves recognizing that the perceptions and reactions of the actors involved — employees, customers, authorities, media, and others — directly influence the selection of communication and post-crisis reconstruction strategies (Hirshman, 2022). Integrating these perspectives contributes to maintaining trust and protecting reputational capital during critical moments (Coombs, 2007; Barton, 2001).

Furthermore, recent studies indicate that there is no universal formula for crisis response; rather, strategies vary according to how the organization is perceived by stakeholders (Contreras-Pacheco et al., 2022).

In this regard, the theory provides a flexible framework that can be adapted to rapidly changing stakeholder expectations and perceptions.

However, applying this theory in crisis contexts also poses significant challenges. The complexity of relationships and multiple pressures can lead to conflicts of interest, difficulties in prioritizing stakeholder needs, and limitations in implementing balanced solutions (Simbanu & Moga, 2025). Moreover, the theory requires a high level of ethical responsibility and transparency – standards that are difficult to maintain in acute situations characterized by limited time and intense decision-making pressure.

In conclusion, Stakeholder Theory offers a valuable framework for developing crisis strategies centered on relationships and legitimacy. Nonetheless, its effectiveness depends on the organizations' ability to coherently and strategically manage divergent interests simultaneously.

3. Comparative analysis of theories applicable to crisis management

Given the increasing complexity of the organizational environment, theories used in crisis management must provide adaptable and strategically oriented conceptual frameworks capable of integrating multiple internal and external factors. This section comparatively analyzes three of the most relevant theories used in the crisis management study and practice: Contingency Theory, Situational Crisis Communication Theory (SCCT), and Stakeholder Theory. Contingency Theory emphasizes that there is no universal solution applicable to all crises and that the effectiveness of managerial strategies depends on the organization's ability to adapt to the specific characteristics of the context (Fiedler, 1958; Donaldson, 2001). This theory focuses on flexibility and on identifying relevant situational variables—such as task structure, power relations, or time pressure—that influence crisis decisions. SCCT provides a systematic framework for developing crisis communication strategies, grounded in attribution theory. It centers on public perception of responsibility and recommends appropriate response strategies based on the type of crisis, organizational history, and prior reputation. Effective, efficient and empathetic communication is therefore essential for protecting reputation and restoring trust. ((Kshitij Bhalchandra & Prashant, 2025) Stakeholder Theory analyzes crises from the perspective of the organization's relationships with stakeholders. Crisis management becomes a process of balancing divergent interests in which trust, legitimacy, and transparent communication serve as strategic factors. The theory highlights the importance of anticipating stakeholder reactions and adapting decisions to their perceptions and expectations, especially in volatile environments (Ozdemir & Fernández de Arroyabe, 2023).

Table 1. Comparative analysis of theories applied in crisis management

Analysis Criterion	Contingency Theory	Crisis Communication Theory (SCCT)	Stakeholder Theory
Approach	Situational, adaptive	Communicative, perception and reputation-oriented	Relational, stakeholder-oriented
Focus	Context and situation characteristics	Public responsibility perception	Relationships and stakeholder interests
Goal in crisis	Strategy adaptation to context	Reputation protection and trust recovery	Maintaining legitimacy and social balance
Main tools	Situational analysis, decision flexibility	Crisis response strategies (denial, acceptance)	Dialogue, transparency, stakeholder adaptation
Strengths	Adaptability to different crisis types	Clear guidance in communication strategy choice	Systemic understanding of organizational relations
Limitations	Difficulty in rapid factor identification in acute crises	Based on perceptions, not always predictable	Difficulty satisfying all stakeholders simultaneously

Table 1 highlights the complementarity of the three analyzed theories, emphasizing how each provides a distinct contribution to understanding and managing organizational crises. While Contingency Theory underscores the strategic adaptation to situational specificities, SCCT offers clear guidelines for effective communication, and Stakeholder Theory brings to the forefront the importance of relationships and legitimacy. Together, these theories provide an integrated approach that is essential for developing coherent and sustainable crisis response strategies.

4. Conclusions

The three analyzed theories offer complementary perspectives on crisis management. Contingency Theory highlights the need for contextual adaptability, SCCT provides an effective guide for strategic crisis communication, and Stakeholder Theory emphasizes the ethical and relational dimension of decision-making in critical situations. By integrating these theoretical approaches, organizations can formulate crisis responses that are robust, credible, and balanced when facing contemporary risks.

Combining these perspectives allows for the construction of a comprehensive framework for crisis management – one that values flexibility, clarity of communication, and relational sensitivity. Such an integrative view helps organizations not only to navigate crisis more effectively, but also to transform these challenging models into opportunities for learning, innovation, and strengthening organizational identity. In the long term, the ability to adapt strategies, communicate transparently, and engage stakeholders contributes to building genuine resilience and sustaining organizational credibility in a constantly changing environment.

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