

Reviews

L. Barton, *Crisis in Organizations: Managing and Communicating in the Heat of Chaos*. South-Western Publishing Company, College Division, Cincinnati, Ohio 1993, 228 pages.

'Are you prepared to handle today's business crises?' This question is posed to today's managers by author Laurence Barton in *Crisis in Organizations* which is an in-depth, timely look at how many of today's large, successful organizations, such as Coca Cola, Chrysler, and AT&T, deal with strategic challenges. In detailed, illustrious fashion, Barton describes how managers can become adept at managing unexpected, negative events in order to protect their own reputations and their entire organization. Acknowledging that disasters and unanticipated occurrences cannot always be prevented, Barton explains that their affects can be mitigated by practiced and careful management.

Initially, the author introduces the reader to the types of crises often faced by managers. In the eight chapters that follow, he explores important characteristics of certain crises and the critical skills needed to successfully lessen the impact of these events. Chapter 1, 'The Rise of Public Opinion: Crises Are No Longer Private', discusses the influence that organized public opinion has played in today's society and the role of the mass media in disseminating and interpreting news. Several dozen well-known crises that have changed the world are reviewed in chapter 2, 'Chaos and Management', Managerial strengths and weaknesses that can either enhance or impede an organization's response to crises and examination of several prominent and serious organizational problems are highlighted in chapters 3 and 4, respectively. Important communication skills are studied in chapter 5, while chapter 6 explores the increasingly serious affect of disasters that harm the natural environment. The last chapters, 'How Organizations Cope: Crisis Training Managers for Worst-Case Scenarios'

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(chapter 7) and 'The Crisis Management Plan' (chapter 8), discuss the role of the organizational team in crisis planning and provide a concrete outline for developing a crises management plan.

Case studies as the end of each chapter are used to accentuate the key points of each section as well as illustrate the many factors that influence management's approach and decision-making when faced with a crisis. The reader is asked to identify the best response to each situation given the dynamics of the case.

Laurence Barton, and Associate Professor of Management at the University of Nevada, Las Vegas, and a former instructor at Harvard Business School, Boston College and Tufts University, is a leading business and crisis communication consultant. His clients include companies such as Arthur d. Little, Lucky-Gold Start of Korea, and the IRS. Barton's articles are published regularly in *The New York Times*, *Boston Globe*, *USA Today*, and *Parade Magazine*.

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T. Pauchant and I. Mitroff, *Transforming the Crisis-Prone Organization: Preventing Individual, Organizational, and Environmental Tragedies*. Jossey-Bass, San Francisco, CA 1992, 227 pages.

Like Laurence Barton's *Crisis in Organizations*, Pauchant and Mitroff's *Transforming the Crisis-Prone Organization* is an up-to-date, in-depth look at how organizations either prevent crises or, importantly, effectively manage those that do occur. *Transforming the Crisis-Prone Organization*, a handbook for executive, managers, and consultants, offers concrete, tested guidelines for developing crisis management programs.

The foundation of the book, and what lends this work its practical and realistic approach to crisis management, is a series of more than 500 interviews with professionals responsible for crisis management. Through their conversations with these individuals, the authors have been able to decipher the factors which dramatically influence how well an organization will manage crisis situations. The roles played by individuals within the organization, the corporate culture, structure, and strategy determine an organization's susceptibility to crisis and its ability to respond appropriately.

Pauchant and Mitroff argue that although recent and visible environmental tragedies such as Bhopal, Chernobyl, and Exxon Valdez incident, and the Gulf War have heightened awareness of the impact and magnitude of modern-day, technological crises, these events have done little to spur corporate America to take steps to protect themselves from similar disasters. The authors' research shows that less than ten to fifteen percent of the large corporations in North America and Europe have developed significant crisis management programs.

The initial chapters of *Transforming the Crisis-Prone Organization* deal with the nature of human crises and crisis management. Using the Bhopal disasters as a case study, the complexity and severity of these issues are examined. Much of the text is devoted to a study of what the authors call the 'Onion Model of Crisis Management', which emphasizes the interaction and relationship between the psyche of the individuals within an organization, the culture of the organization, the structure of the organization, and the strategy of the organization.

A useful summary in chapter 8 provides a synopsis of the major differences between crisis-prone and crisis-prepared organizations. Successful, or crisis-prepared organizations foster environments which embrace development and learning; create reactive, proactive, and interactive strategies; challenge assumptions and encourage internal cultures that are positive; and are critically concerned with addressing problems as they occur. In juxtaposition, crisis-prone organizations embody traditional management styles, with a focus on survival and growth; are reactive, rather than proactive, in their approach to crisis management; and foster internal environments which are highly defensive and anxiety-producing.

Practitioners will find the various tools provided by the authors especially useful. Included are examples for self-assessment of crisis preparedness, an evaluation questionnaire to assess the degree to which an organization is prepared for crisis, specific strategies for crisis management, and several case studies dealing with the art of crisis management that are drawn from research and consultation.

The authors are keenly qualified in the field of crisis management. Thierry C. Pauchant is an assistant professor management at l'Ecole des Hautes Etudes Commerciales (HEC) of the University of Montreal. A research associate at the Center for Crisis Management at the University of Southern California since 1985, he is also a consultant on industrial and organizational crises for firms located in the United States, Canada, and France. Ian I. Mitroff is Harold Quinton Distinguished Professor Business Policy and Strategic Management and director of the Center for Crisis Management at the Graduate School of Business of the University of Southern California. Mitroff is a well-known consultant to many Fortune 500 companies and government agencies as well as a member of the editorial board of several management journals and management book series.

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Hugues Molet, *The New Production Management (Une Nouvelle Gestion Industrielle)*. (Hermès, Paris, France, 1993), 164 pp. (In French).

This handy short text has four parts: In the first part (Introduction and Ch.1), Molet, an Engineer and Professor of P/OM at the Ecole Nationale Supérieure des Mines in Paris, explains the increasing complexity of the art and science of Production Management. At every conference and every congress, we are bombarded with new methods which promise to solve all of our production ills: MRP,

CAD/CAM, KANBAN, JIT, you name it. Molet describes the characteristics of the new industrial environment which leads to its complexification. However, he echoes the complaints of industrialists who lament the growing gap between the promise of better performance resulting from these new methods and their expectations.

In the second part (Ch.2), the author provides a very complete review of the recent advances which promise to increase productivity. Advances are classified in three categories:

- a) the formulation of production problems as optimization models;
- b) various methods to systematize production variables such as quality (e.g., TQM) and maintenance (e.g., TPM); and
- c) technological advances such as robotics, flexible manufacturing systems, and production planning and information systems.

In another separate group, the author categorizes methods which integrate all of the above, such as expert systems, local networks, systems theory, simulation, computer integrated manufacturing and the like.

Molet acknowledges that the above classification of methods is fallacious because no situation exactly fits a sole method category. Situations are 'hybrid', i.e., they exhibit a combination of characteristics which cannot be matched against those declared to be ideal. Objectives are diverse and not unique. Thus, contradictions arise and compromises must be taken.

To the mind of this reviewer, Part 3, (Ch.3), is the most important as well as the most interesting. Molet proceeds to critically study the production methods he described earlier, in order to determine whether results have justified their cost and implementation. First, Molet asks whether the design of new production methods are adequately suited to the prevailing production environment – an environment which reveals complexity, uncertainty and ambiguity. Production methods assume linear and specific conditions which can never be met in the presently existing industrial environment.

Serious gaps exist between *designed* and *actual* plant conditions and between the *existing* and the

implied organization structure which is needed to implement the new methods. Firms do not modify their organization to take into account the hierarchical demands of the newly installed methods. In other words, organizations cannot adapt to changes as fast as problems are posed. It is a fact that certain firms have adopted the project management mode where individual managers' responsibilities cut across traditional organizational lines. However, there still is a serious separation between conceptualization and implementation, a separation which Molet attributes to the old Ford/Taylor model of supervision. New methods do not seem to take into account the newly created relationship between the various agents and actors. Often, operators are not included in the redesign decisions, thus they lack motivation to accept innovations. Molet calls for nimble organization changes and flexible manufacturing methods which can more quickly be adapt to each other.

Molet refers to the perverse effects of quantification which inevitably lead to unanticipated results. This an old problem to which the author and his colleagues at the Centre de Gestion Scientifique (Center for Scientific Research) at the Ecole Nationale Supérieure des Mines have drawn attention in previous publications. The author also draws attention to the differences in training that exist in Japan, USA and the West. He advises a collective form of training involving all those involved and affected by production and operations change. As a result, he visualizes an exhaustive review of all design and implementation problems prior to their emergence.

In the conclusion, Molet proposes that before the New Production Management and its methods can be successfully used we take the following steps:

- *In Search of Simplifications.* We must improve our assessment of the context in which new methods will be applied. For design purposes, it is useful to assume the simplification of constraints and of conditions under which a particular method is applicable. However, this simplification may be unrealistic given the complexity of the industrial world.
- *The Need for Coherence.* More coherence is needed among the technology, production

methods, organization structure and evaluation criteria.

- *The Dangers of Amnesia*. We should analyze successes and failures more thoroughly to gain from previous experiences. The author even suggests the appointment of a historian-trainer whose expertise about past innovations could be very useful.
- *The Expert and Experts*. The overall ‘master’ expert does no longer exist. Nowadays, knowledge and expertise are spread out and fractionated. Everyone, managers and operators alike hold a piece of the ‘truth’. As a consequence, all parties should all be asked to participate in design and decision-making.
- *Team Work*. The adoption of new methods and new technology requires team work, i.e., a coherent and intelligent effort to resolve conflicts and contradictions which may have crept between conception and implementation.
- *The Blind Information Utility*. There is no doubt that computer-aided systems are a god-send. We invented CAD/CAM, computer-aided manufacturing, computer-aided planning and control, computer-aided quality control and other methods where the computer and information systems play a dominant role to integrate methods and databases. However, the successful application of these technological advances require a complex road to follow. The enterprise must proceed to analyze how these new methods can be integrated in the current industrial setting.

In summary, Molet is emphatic when he refers very often to the lack of coherence between existing organizational structures and the requirements of proposed new methods. He makes the wish that the New Production Management of the year 2005 will bring us new surprises and new models of productivity. He cautions us that their success will be dependent upon our ability to match design with reality.

This a useful text which should be mandatory reading for all those involved in Production and Operations Management. It mixes a thorough knowledge of the new P/MO technological tools

with a practical sense that cannot be equaled by many of our plant managers.

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Robert L. Flood, *Beyond TQM*. (Wiley, New York and Chichester, 1993).

Quality Management has developed from a concentration on the application of statistical techniques to a management philosophy of sorts called Total Quality Management (TQM) complete with complementary and competing sects. The first task of any text on TQM is its definition and Professor Flood, from a critique of the major quality gurus, extracts ten principles to define core beliefs and requirements of current TQM philosophy. These principles, for example ‘there must be agreed requirements, for both internal and external customers’, are then tested for compatibility with other theories and models of organisation behaviour. In so doing Frederick Taylor’s scientific view is shown to be destructive of principles like ‘an emphasis should be placed on promoting creativity’ and ‘a culture of continuous improvement must be established’. On the other hand ‘Socio-cultural Systems thinking’ and Stafford Beer’s ‘Viable Systems Model’ are argued to support both TQM principles and each other. Central to this view of TQM, Flood asserts, is the requirement for human freedom for its successful practice and this is discussed from a Systems Theory perspective.

A general method for TQM introduction and an overview of problem solving techniques are then described. Unusually Strategic Assumption Surfacing and Testing (Mason & Mitroff), Critical Systems Heuristics (Ulrich) and Interactive Planning (Ackoff) are added to the more often quoted Quality Circles, Control Charts, Taguchi, etc. One omission here is Quality Function Deployment, however, the additions are important since they can help tackle the lack of agreement on what to do,

frequently met in introducing new philosophies – whether resulting from genuine uncertainty or from political resistance. They complement the more traditional quality techniques which tend to focus on how to do agreed tasks.

How may the intended audience benefit? Practitioners will find most reward in the later chapters on TQM implementation and the case studies, as the author suggests. Researchers and Masters students of management will find the treatment of the Organisation Behaviour literature lacking depth compared with the Systems Theory literature covered. Masters students and those new to the quali-

ty literature will find the summaries and critiques of the main gurus and ISO 9000 useful. This examination of TQM from the perspective of more established philosophies, especially Systems Theory, makes an unusual quality text which may widen quality practitioners' horizons – for that reason it is to be encouraged.

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