

PRINCIPLED VS. PRAGMATIC IN APPROACHING CRISIS SITUATIONS

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ABSTRACT: *Despite the fact that many hypotheses have been formulated regarding decision-making in crisis situations, we do not really know how leaders approach such a challenge in current practical work. In this context and considering the imminent emergence of crisis situations, we proposed to analyze two established approaches in the specialized literature regarding the adoption of decisions under conditions of uncertainty: the principled perspective, respectively the pragmatic one. The principled approach focuses mainly on "minimizing damage" and "reducing as much as possible socio-economic restrictions", desiderata applied to each decision that is imposed at any given moment. In contrast, the pragmatic approach rejects the idea of principles that shape decision-making in the context of uncertainty and proposes an experimental, trial-and-error strategy based on the combination of reasoning and feedback. In other words, try something that seems to work, study the consequences and adjust where necessary¹⁴. Without claiming completeness, the purpose of this paper is to study whether the theoretical distinction presented has practical applicability for organizational leaders, when they design response trajectories under conditions of uncertainty.*

Keywords: *crisis management, management system, crisis situation, main approach, pragmatic approach*

JEL Classification: *H12, D23*

1. INTRODUCTION

Established researchers include as a common element in defining a crisis, regardless of its nature and the field in which it occurs, the concept of "abnormality". It is about "a period in the dynamics of a system, characterized by a sharp accumulation of difficulties, conflictual outbreak of tensions, which makes normal functioning difficult, triggering strong pressures to change"¹⁵. In other words, we are dealing with a sudden and unpredictable imbalance of a

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¹⁴ Ansell C. K., Boin A. (2019), Taming deep uncertainty: The potential of pragmatist principles for understanding and improving strategic crisis management, *Administration & Society*, 51(7), p. 1079–1112, <https://doi.org/10.1177/0095399717747655>

¹⁵ Chiciudean I., Ţoneş V. (2002), *Gestionarea crizelor de imagine*, Comunicare.ro, p.39

system, thus lacking immediate means of recovery, which exceptionally affects the integrity, functioning, structure, norms, reputation or even existence of individuals or organisations.

Uncertainty about causes, dynamics and potential consequences is, by definition, a key issue in a crisis¹⁶. Decision makers do not have information or the time to collect it. Moreover, they are not sure whether the information they need will become available, nor whether it is true and correct. In such a context, they are forced to make quick decisions without being able to assess their effectiveness or the extent of potential damage. As such, making decisions under conditions of uncertainty can be described as a "*fuzzy game of chance*" without understanding the odds of winning. The situation is all the more thankless for decision-makers in crisis situations, as it is aggravated by the knowledge that their decisions can have irreparable consequences, and they can subsequently be held accountable for their lack of inspiration.

In this "fuzzy gambling" can intervene the two ideal approaches: *the principled and the pragmatic*. From a theoretical perspective, both have both political and administrative advantages, but both also have disadvantages that can be exploited by competitors, as we will present below.

2. UNCERTAINTY AND CRISIS MANAGEMENT

A crisis involves situations of a different nature, but with a strong emotional charge characterized by uncertainty and complexity. Once they become public, crisis manifestations attract negative reactions from stakeholders, generating the potential to threaten the very survival of a company.

Crises are characterized by complex situations, uncertain conditions and multiple interpretations, a context in which the cognitive schemes of the actors involved play a fundamental role in shaping the perceptions of their manifestations. As a result, knowledge is an element of fundamental importance to crisis perception, as it affects how involved and affected individuals identify optimal solutions for solving challenges. Strategic knowledge and cognitive schemas are essential because they help to make decisions and correctly interpret uncertain situations. However, such cognitive schemes are based on prior beliefs and knowledge, because only in this way is it possible to interpret current data.

Leaders and/or decision makers play a central role in shaping the effectiveness of groups and organizations. They are the ones who build relationships, motivate people and communicate feedback. Moreover, leaders develop plans for organizing people and tasks, anticipate the consequences of plans and policies, and generate new solutions to organizational problems.

Therefore, success or failure in interpreting the signs of a crisis is based on the cognitive limits that decision makers experience. It becomes extremely important to understand what these cognitive limits or constraints are because, during a crisis, individuals experience totally different behaviors than they do in non-crisis circumstances. A selective interpretation of the context of a crisis is generated precisely by the cognitive constraints that intervene, those that intervene between the real environmental conditions and subjective perceptions and generate a distorted view of the information, reducing the chance of adopting optimal decisions that mitigate the effects of the crisis. Passivity and lack of pro-activity can lead to the degeneration of the effects of a crisis.

¹⁶ Boin A., Ekengren M., Rhinard M. (2021), Understanding and Acting Upon a Creeping Crisis, in: Boin A., Ekengren M., Rhinard M. (eds) Understanding the Creeping Crisis, Palgrave Macmillan, Cham, https://doi.org/10.1007/978-3-030-70692-0_1

Given the complexity and, at the same time, the ambiguity of contemporary business environments, cognitive activities prove to be critical to the performance of individuals and leaders, being likely to be remarkably complex. Despite the fact that the importance of thinking for performance is a recognized matter, and cognitive abilities (intelligence and creative problem solving) are what influence performance, no general framework can be drawn regarding the specific way in which individuals think about and approach organizational problems in a crisis context.

As mentioned, the context in which individuals must engage in cognitive activities makes the problem of knowledge not only particularly critical, but also exceptionally complex because knowledge manifests itself in tumultuous environments marked by ambiguity and uncertainty, disruptions, demands competing, constant changes and high-risk consequences for all stakeholders. Not infrequently, these conditions or contexts become extreme and even reach a crisis point, making knowledge especially important for diagnosing the situation, solving problems and establishing a plan of action.

Individuals apply a mental framework that provides a basis for defining a situation and identifying critical causes, goals, and relevant experiential knowledge. They then formulate an initial plan of action that can be evaluated in terms of likely outcomes, necessary changes, and back-up plans and implemented in an adaptive manner. Given the complexity and ambiguity of a crisis situation to be understood and the multiple courses of action that could be devised, individuals may interpret a problem in multiple ways. Therefore, drawing unique frames of reference (principled or pragmatic) are essential to the outcomes of their attempts to understand the situation and to solve the problems that a given situation entails. Focusing on the positive encourages seeing opportunities. An opportunity orientation can promote divergent thinking and risk-taking to pursue achievement, thereby providing individuals with ideas that are not encouraged by a negative focus. Instead, focusing on the negative emphasizes the threat and the need to protect oneself to prevent catastrophic consequences.

Therefore, positivity should facilitate thinking about abstract, less predictable elements of problems, and on the other hand, negativity should facilitate thinking about more tangible, predictable elements such as resources and capabilities. Given that individuals must examine a wide range and type of items, balancing opportunism with practicality, it is likely that a balanced strategy is required.

3. PRINCIPLED IN CRISIS MANAGEMENT

One of the easiest ways to deal with crisis-induced uncertainty is to make decisions based on a basic principle. This is actually the essence of the principled approach, as defined in the literature¹⁷.

The adoption of a guiding principle to guide all interventions in a crisis situation is envisaged. For example, in the context of the Covid-19 pandemic crisis, the main priority was represented by public health, namely the protection by all means of the physical integrity of the population against the virus. Of course, this was the primary value of the response to the health crisis, concrete actions being subsumed by other adjacent principles.

However, we appreciate that in this context the principled approach corresponds rather to a theoretical perspective on crisis management, requiring rather a contextualized vision, in terms of critical decisions and ownership. Focusing on a certain dominant principled value

¹⁷ Ansell C. K., Boin A. (2019), Taming deep uncertainty: The potential of pragmatist principles for understanding and improving strategic crisis management, *Administration & Society*, 51(7), p.1079–1112, <https://doi.org/10.1177/0095399717747655>

leads to almost total ignorance of the complexity of a crisis situation, which generally arises with unknown and previously undefined values and aspects. As a result, decision-makers need concrete and practical actions, not more or less comprehensive rhetoric.

Moreover, adopting a single principle is tantamount to implementing a command and control model that starts from the top of the bureaucratic implementation structure, without taking into account the values and interests of lower structures¹⁸. Therefore, the principled approach creates only an idyllic picture of what constitutes a total and complete response to a crisis.

As stated above, we can conclude that the main disadvantage of the principled approach is its binary character, in the sense that the choice of a single course of action (e.g. health safety) excludes or ignores at least temporarily other significant aspects (e.g. social welfare, economy, freedom). In this context, we give the principled approach a high degree of inflexibility, especially since political decision-makers will support the maximum importance of the adopted approach and will not admit any sudden change of direction, nor the invalidation of the strategies they have formulated.

4. PRAGMATISM IN CRISIS SITUATIONS

Introducing the concept of pragmatism in addressing crisis-induced uncertainty is a viable alternative to the principled approach outlined above. The pragmatic approach to crisis management essentially involves seeking answers to the challenges of prolonged uncertainty by identifying certainty factors, based on which political decision-makers can adopt the most appropriate decisions adapted to the practical context generated by a particular situation¹⁹.

In other words, there is the question of solving a research puzzle. A situation of uncertainty must be addressed in close relation to the environment in which it has arisen and its practical characteristics. The formulation of an initial working hypothesis is the initial stage of the approach, which allows to outline a mental picture of the identified situation. Inevitably, a reaction will be triggered, which will provide essential information about that environment and its characteristics, and the hypothesis formulated will be validated, disproved or will have to be adjusted. Such action and reaction provides the framework for continuous experimentation, learning and adaptation. Feedback plays an essential role in the context of the pragmatic approach because understanding the reaction of the environment to actions is the only one that can mitigate uncertainty.

From a theoretical perspective, this approach seems more realistic than principled. On the one hand, it recognises uncertainty as the main characteristic of a crisis situation and, on the other hand, it does not block or postpone the adoption of decisions, as it is not based on a complete picture of the facts, but offers decision-making flexibility, i.e. rapid changes of direction, depending on the evolving context of the crisis.

Of course, there is no social preference for uncertainty, which is why decision-makers shy away from experimenting to identify the nature and characteristics of a crisis, the principled approach being somewhat easier and without involving social resistance. In other words, the

¹⁸ Parker C. F., Persson T., Widmalm S. (2019), The effectiveness of national and EU level civil protection systems: Evidence from 17 member states, *Journal of European Public Policy*, 26(9), p.1312–1334, <https://doi.org/10.1080/13501763.2018.1523219>

¹⁹ Ansell C. K., Boin A. (2019), Taming deep uncertainty: The potential of pragmatist principles for understanding and improving strategic crisis management, *Administration & Society*, 51(7), p.1079–1112, <https://doi.org/10.1177/0095399717747655>

pragmatic approach is promoted only by a bold and strong leader, while the principled approach is the one that gives a leader the impression of boldness and strength.

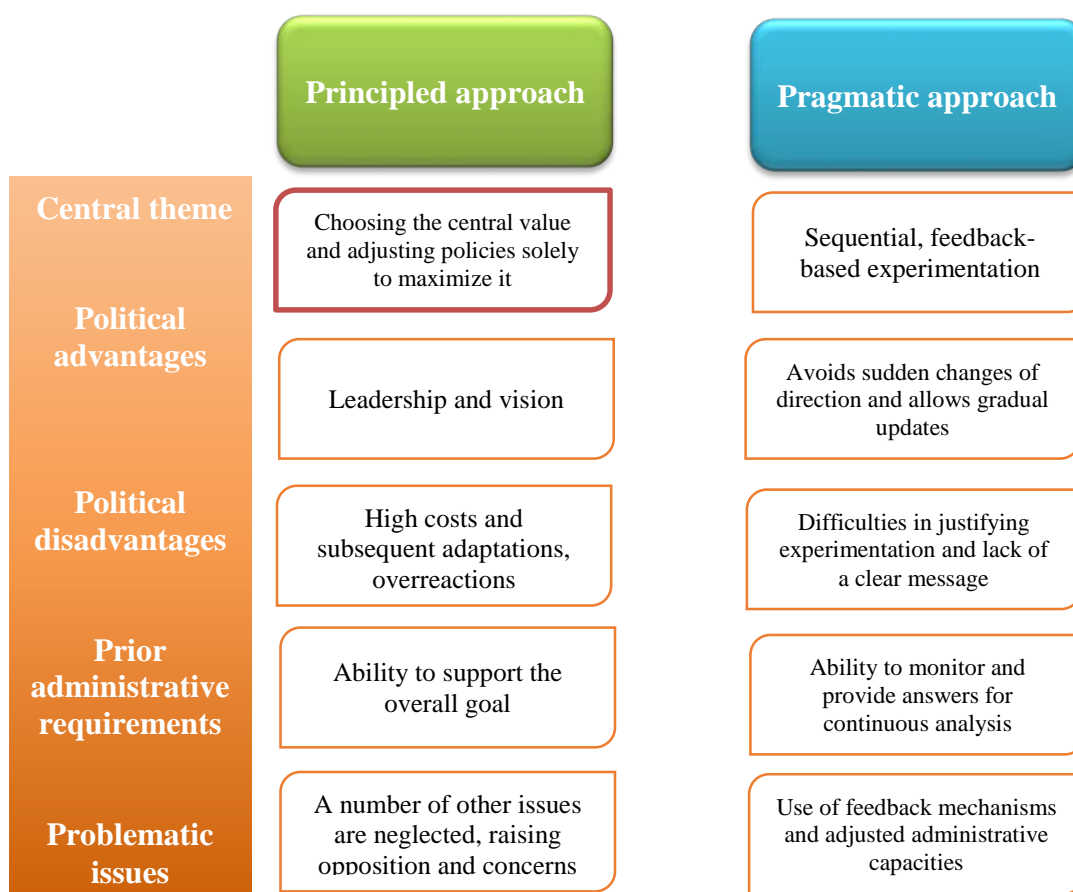
The pragmatic approach is based on a decidedly technocratic worldview, in which fine-tuning of administrative and political level is feasible even in conditions of deep uncertainty. Reliance on immediate feedback processes, however, requires reliable data flows, processing capacity, and a very fast adaptive response²⁰.

5. PRINCIPLED VS. PRACTICAL

Given the premises of the pragmatic approach, the principled approach seems easier, in the context in which the costs of extensive information collection are eliminated by reducing the decision-making process to a single direction/indicator/value. In other words, the principled approach is more rational. It can also provide time to allow learning and adaptation without constantly having to adjust.

In the light of the aspects analyzed in the previous paragraphs, we consider that the main differentiating elements between the two types of approaches refer to: the central theme, political advantages and disadvantages, administrative prerequisites and problematic issues.

Figure 1. Elements of differentiation: principled vs. pragmatic approach



Source: adapted from Boin A, Lodge M. (2021), p. 1136

²⁰ Boin A, Lodge M. (2021), Responding to the COVID-19 crisis: a principled or pragmatist approach? *Journal of European Public Policy*, 28:8, p. 1131-1152, <https://doi.org/10.1080/13501763.2021.1942155>

6. CONCLUSIONS

The purpose of this article was to distinguish between principled and pragmatic approaches, which intervene in crisis management. We also tried to identify some of the factors that can determine the choice of one or the other of the two types of approaches.

We believe that the comparative theoretical study we proposed represents a first step in terms of description, classification and comparison of responses that decision-makers can formulate to crisis situations characterized by more or less prolonged uncertainty. Sure, in addition to the differences presented, there are also a number of overlaps.

A principled approach will not avoid or completely ignore informational feedback processes and will not rule out adjusting response policies. Similarly, a pragmatic approach cannot work without some form of establishing basic (principled) policies on how to choose between different objectives. And, indeed, a pragmatic approach can culminate in a strategy that may seem rather principled.

A pragmatic approach can serve decision-makers in times of uncertainty, but it can only work if certain preconditions are met. Moreover, it must allow for the possibility of more principled approaches, at least for a period of time.

There is no crisis response formula that can be considered a winner, so at some point, when the context calls for it, either of the two approaches can be implemented.

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