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A Comparative Analysis of Classical Models for Crisis Management

Ionică Simbanu*, **Liliana Mihaela Moga****

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ABSTRACT

This article presents a comparative analysis of two significant theoretical models from decision-making literature. The models analyzed are the decision strategy selection model developed by Beach and Mitchell, and the strategic decision-making model in crisis conditions developed by Hofer and Schendel. The research examines how each model addresses essential factors such as reaction time, level of uncertainty, emotional involvement, decision structure, and the degree of formalization of the decision-making process. The research is based on a literature review in strategic management, organizational psychology, and crisis communication and uses item comparison as the research method. While Beach and Mitchell offer a rational and deliberative framework suitable for stable contexts, the Hofer and Schendel model is adapted for crisis situations, where decisions must be made quickly, often under stress and high pressure.

1. Introduction

Managers and organization's structure and implement decision-making processes, especially in situations marked by uncertainty, time pressure, and high complexity, depending on the context in which decisions must be made (Eisenhardt & Zbaracki, 1992; Shepherd et al., 2015). As Boin et al. (2016) note, this aspect becomes even more crucial in crisis situations, where an organization's ability to make effective and swift decisions can directly influence its short-term survival.

Crisis management literature acknowledges two theoretical models offering distinct perspectives on how context influences the choice of decision strategies. Hofer and Schendel (1978) propose a framework tailored to crisis situations, characterized by high uncertainty and limited response time, with stakes critical to the continuity of organizational functioning. Their model emphasizes an adaptive strategic approach, focusing on reaction speed and the ability of managers to adapt to unforeseen environmental changes. In contrast, Beach and Mitchell (1977) develop a decision model centered on individual and rational choices. Designed for relatively stable conditions, their model is based on the idea that decisions can be optimized through successive stages in a predictable environment with low external pressure.

Understanding the decision-making context is thus essential for choosing the appropriate model. While Beach and Mitchell adopt a classical rational approach suitable for controlled scenarios, Hofer and Schendel emphasize the importance of strategic response capacity in extremely volatile situations. Christensen et al. (2015) concluded that the choice between the two paradigms depends on the nature of the organizational environment, the level of risk and uncertainty, and the time available for decision-making.

2. About the Beach and Mitchell The Hofer and Schendel Model

The individual decision-making model proposed by Beach and Mitchell (1977) has been accepted as a classical framework for understanding the decision-making process. The model was developed and adapted to understand how organizational leaders adjust their decision strategies depending on the complexity and uncertainty of critical situations. Beach and Mitchell's model stands out for its clearly structured and logical approach, contributing to the efficient management of information and the formulation of optimal solutions to complex problems, although it limits flexibility in uncertain and rapidly changing environments.

*, ** Dunarea de Jos University of Galati, Romania. E-mail addresses: simbanunelu@gmail.com (I. Simbanu), liliana.moga@gmail.com (Corresponding author – L. M. Moga).

The model involves four stages: recognizing the problem, assessing the nature of the decision problem, evaluating the parameters of the problem, formulating the strategy, choosing among alternatives, and implementing the strategy. Smith (1990) states that the model provides a solid foundation for real-time decision adaptation. It has been established as a relevant theoretical tool, applied in various empirical studies aimed at improving decision-making in crisis conditions.

3. About the Hofer and Schendel Model

The conceptual model proposed by Hofer and Schendel (1978) represents an important starting point for understanding strategic decision-making processes, especially in situations marked by uncertainty such as organizational crises. They emphasize the need for alignment between the chosen strategy and the specific conditions of the organizational context—a perspective also reflected in recent theories on strategic resilience and organizational adaptability (Williams et al., 2017; Duchek, 2020).

Hofer and Schendel formalize the crisis decision-making process by identifying the stages required to solve problems in organizational management, treating them as parts of a sequential process. This process includes seven essential stages: setting objectives, identifying problems, generating alternatives, evaluating alternatives, selecting and implementing strategies. Their model is based on an integrative strategic framework that allows organizations to adapt responses depending on the crisis's dynamics and severity.

4. A Comparison between the Beach and Mitchell Model and the Hofer and Schendel Model

4.1. The Analysis of the Level of Applicability

The two models have a different approach to the decision-making process, and their applicability varies depending on the context in which they are used. A comparison between the analysis of the level of applicability for the Hofer & Schendel and Beach & Mitchell Models is presented in Table 1.

Table 1. Comparison between the analysis of the level of applicability for the Hofer & Schendel and Beach & Mitchell Models

Criteria	Hofer & Schendel Model	Beach & Mitchell Model
Application Level	Organization	Individuals
Usage Context	Strategic management, organizational crises	Behavioral decisions
Participants Involved	Top management	Individuals

Source: Author's own contribution based on scientific literature review

4.2. The Analysis of the Stages of the Decision-Making Process

The comparison of the stages of the decision-making process, as formulated for each model, it is observed that the Hofer & Schendel Model adds two essential stages: Setting Objectives, which is necessary during a crisis for clear action orientation, and Post-Crisis Evaluation, for lessons learned and adjustment of future processes, which are absent in the Beach & Mitchell model as presented in Table 2.

Table 2. Comparison between the analysis of the stages of the decision-making process for the Hofer & Schendel and Beach & Mitchell Models

Stage	Hofer & Schendel Model	Beach & Mitchell Model
1	Identifying the problem	Identifying the crisis
2	Diagnosing the problem	Setting objectives
3	Identifying decision criteria	Generating alternatives
4	Generating alternatives	Evaluating alternatives
5	Evaluating alternatives	Selecting the decision
6	Choosing the optimal alternative	Implementing the decision
7	-	Post-crisis evaluation

Source: Author's own contribution based on scientific literature review

4.3. The Reaction Time

The comparison of the reaction time approach, as formulated for each model, shows that for the Beach & Mitchell model, the decision-making process is not time-pressured, allowing for a more moderate pace in decision-making, while for the Hofer & Schendel model, the decision must be made rapidly to minimize the crisis impact, with time pressure being a determining factor, as presented in Table 3.

Table 3. Comparison between the reaction time characteristics for the Hofer & Schendel and Beach & Mitchell Models

Item	Hofer & Schendel Model	Beach & Mitchell Model
Time	Without pressure	High pressure
Decision pace	Slow, rational	Fast, focused on immediate intervention
Context	Stable, without urgency	Unstable, crisis-driven

Source: Author's own contribution based on scientific literature review

4.4 Emotional Involvement and Stress

An essential aspect in the analysis of the decision-making process, especially within complex organizational contexts, is the role of emotions and stress. Although both models analyzed were developed during a period when emotions did not occupy a central place in decision-making theories, the relevance of this dimension is now recognized as crucial—particularly in high-pressure decision-making situations. Emotions or the decision-maker's stress are not explicitly mentioned in the Beach & Mitchell model, reflecting the dominant view of the time that decision-making is an objective and calculated process. On the other hand, while Hofer & Schendel do not explore emotions in depth, they do acknowledge that a crisis context involves high stress, rapid reactions, and interpersonal tensions; however, these factors are only superficially addressed in their model. A comparison of how emotions and stress are approached in the two models is presented in Table 4.

Table 4. Comparison between the emotional involvement and stress for the Hofer & Schendel and Beach & Mitchell Models

Item	Hofer & Schendel Model	Beach & Mitchell Model
Role of emotions	Rational, cognitive model	Not systematically theorized
Decision-making stress	Minimal or absent	Intrinsic to the crisis context, but not formally addressed
Decision-making context	Stable, predictable	Unstable, with high pressure
Applicability	Individual, strategic decisions under normal conditions	Collective, urgent decisions under critical conditions

Source: Author's own contribution based on scientific literature review

5. Conclusions

The model proposed by Beach and Mitchell (1977) offers a valuable analytical framework for understanding decision-making in stable conditions characterized by predictability, sufficient time for analysis, and access to information. It is thus suitable for managers facing routine strategic decisions or situations that allow for a deliberative approach based on rationality and systematic comparison of alternatives.

In contrast, the model developed by Hofer and Schendel (1978) targets organizational crisis situations where decision-making must be fast, collaborative, and focused on organizational survival and adaptation. In such contexts, elements like efficient coordination, intense communication, and decision-making flexibility become critical for successful intervention. Therefore, the two models should not be seen as competing but rather as complementary. Each provides a distinct set of theoretical and practical tools suited to different decision-making contexts. In managerial reality, managers must be capable of switching between the rational-analytical approach proposed by Beach and Mitchell and the rapid strategic response of Hofer and Schendel, depending on the nature and severity of the decision-making situation they face.

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