GENERAL OVERVIEW OF EFFECTS OF CRISES ON INTERNATIONAL CORPORATIONS IN A LITERATURAL APPROACH

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ABSTRACT

Presence of external factors like intensive competition, changing of the market holders on country level and crises are forcing companies to have more accurate and deliberate decisions. Especially handling the crises and converting crises in to an opportunity is depending on the proactive approach shown by the companies. Defining the appropriate marketing policy, modifying these strategies when needed, working to grow by "growing strategies", being export oriented and giving importance to marketing-advertising activities is some of these proactive approaches. Main purpose of this study which had been erupted as a need to research whether crises are forcing international companies to change their marketing strategies is, to state how the marketing managers are viewing and understanding the crises, how economic crises environment is affecting the marketing strategies, what kind of changes conducted on marketing strategies and how these changes implemented. Study also contains huge information about the definitions for types of crises, marketing strategies and effects of the crisis on the companies.

Key words: Crises, Crises Management, International Companies

INTRDUCTION

One of the other purposes of the study which had been prepared for defining the marketing strategies for both normal and furniture companies in the times of crisis is, to generate proactive solutions in other words generating effective crisis management and solution oriented solutions. During times of economic crises, companies tend to overcome the crises with minimum loses. Companies with more vision develop applications to turn crisis in to an opportunity. On the other hand, some other companies as by approaching to the manner in a pessimistic way, tend to decrease the costs and even deducting the marketing expenses. However, companies thinking in the way that "every crisis is an opportunity" are overcoming the crisis without any loss or even with some profits. One way to achieve this is to choosing the appropriate strategies, implementing these strategies with a plan and modifying/changing the strategy if the need occurs. Also is aimed to emphasize the importance of the activities conducted by international companies in times of crisis and provide solution oriented suggestions for the companies in times of crises.

CRISES

Concept of crises, is oftenly used within science branches and daily language especially in connection with the present global crisis environment. Originated from the word "krisis" from Greek, it is a highly used word in medicine. Usually, it means a sudden occurred disease or a highly progressed disease. (Aktan 2015). While crisis defined as an unsuccessful attempt or an activity where workers, customers or shareholders personally effected negatively while it prevents an organization to reach its goals in accordance with its purpose or to live, the definition could be considered as focusing only negative and threatening sides of the crises. This, is an incomplete definition, because crises may lead to positive developments and it can be an opportunity, a turning point for the organization. (Sezgin 2003). As a result, crises should not be ignored and must be approached proactively. Crises must be considered seriously and preparations must be planned beginning from an early time. Most definite characteristics of the crises is uncertainty. This requires the skill of management and creative thinking. In the cases like this, companies with reduced bureaucracy, fast deciding and flexible are emerging as successful. (Ateş 2006).

RESONS OF CRISES

Crises occur immediately and evocatively. Despite everything, the main reason that companies face crises is their underdevelopment under the merciless competition environment. This main reason depends on different factors. Factors that cause crises are considered in two groups as internal factors and external factors. (Tüz, 2001). External factors that are causing crises are the macro activities outside the control of the company. They may influence the whole country or even the whole world and effect the presence of many companies. Fast changing nature of the environmental factors of the company, requires fast adaptation from companies. Lack of adaptation generates a foundation for crisis. Being under developed, in other words, every moment of delay increases the severity of the crises. Environmental factors within companies are the changes appear in natural factors, changes in society, economical, technologic and politic structure. Besides these factors, terrorist attacks towards company managers, personnel or towards their families such as bomb attacks, kidnapping, hostage, and assassination are also can cause crises. Organizations are a sub-organization of the economic system and naturally an inconsistency in the economic system and uncertainty effects them negatively. Lack of environmental adaptation is one of the main reasons for organizational failure (Şahin 2005). While all the changes appear in environmental factors forcing the companies to change, changes appear in socio cultural environment is also forcing companies to change as well. Changes appear in socio cultural structure such as ethic values of society, quantity and composition of the population, cultural level of the society and admirations are forcing some organizations to face-off with threats and opportunities. Changes appear in technology is an important factor that forces the changes in social life and changes in organizations in connection. Technological change is a pressure factor that makes organizations to accept it or a reason for crisis if they don't. Addition to all of these, especially with the advancements in communications technology, made the concept of confidentiality or secret obsolete and made it possible to for an incident or a problem occur in a certain part of the world to be known in all over the world simultaneously (Karlık 2007).

Changes is state policy is one of the most important reasons for crisis. Legal structure, political intervention, financial support, government's approach on external competition is also considered as legal factors. Law system is an important factor that effects companies externally which is established by government as a sovereign authority. Political and legal arrangements can effect organizations in both positive and negative ways. Especially, political risks present in the country of activity is an important source for crisis. Crisis can occur as a result of neglecting new decisions made by the government in the means of legal, economic, social and political areas by the companies. Obstacles and cost centres of the globalization of the world economy is local borders. According to this, organizations can not define their activities within national economies and national borders. They have to define this in the frame of world scale services and industries. Changes and uncertainties appear in international environment mostly concerns companies active in international market and big scale companies with international company structures. For these types of companies, combination of the goods, prices, distribution and promotion holds an important place. Companies which are not following the events such as Political crisis, war, special agreements and legal sanctions that might appear between nations are might be dragged to crisis. For example, a terror operation redirected towards a target company by a foreign country or organization can cause many crisis to occur (Şahin 2005).

PROCESS AND RESULTS OF CRISES WITHIN INTERNATIONAL COMPANIES

It is possible to describe the common way that the crises occur within an international company as this; four ways appear following the start phase of the crisis which appears after the stage called as strategical openness or period before crisis. First of these is; stage of blindness, secondly the period of detecting the crisis and not taking action and third one is the false action stage which described as detection of crisis but taking a wrong action. All these three ways are followed by the period of crisis and followed by overcoming the crisis with solution or the

downfall. However, on the fourth stage which is an alternation, crises can be prevented by intervention to crises (Tutar, 200:51).

Results of the crises should not be always considered as undesirable. Because as well as the crises has negative results, they also have positive results. However it is necessary to conduct healthy considerations and overcome the crisis successfully for benefiting from these positive results. International companies which are more prone to crises by their natures should not consider crises as a not to face obstacle but rather consider them as a part of global business world while choosing to benefit from the opportunities brought by crises. "İmmediate response necessity in times of crises generates pressure on individuals and generates individual stress on these people. Intense pressure and stress causes individuals to become panicked and results for them as a preventive for usage of their mental skills. As a natural result of this, decline in cognitive processes, disorder in the quality of decisions and fading in adaptation capabilities occur." (Arıkboğa 2001, 53). In relation to these, organizational activities increase, authorization of the top management and centralised decisions start. And this effects the relation between sub-ordinates and seniors. With the un trustful environment present, self-defence of the individuals increase, and eventually physiological and psychological downfalls even occur.

It is necessary to respond as the crises appear suddenly and unexpected. Management is of course requires to make correct decisions but it is also should not be forgotten that, decisions made by the managers in the times of crises are the ones which should be given quickly while they may result in survival or destruction of the company. In times of crises, especially the needs of security and self-achievement is not fulfilled. While the unrest and haste which had been brought upon employers by crises providing sufficient pressure, dissatisfaction and risk of unemployment increase the tension of the employers greatly. One of the most distinct characteristics is the authorization on top management and centralised decisions. Number of conflicts and severity of the conflicts increase in crisis times compared to normal times. Because, periods of crises bring a huge cost for companies and individuals. This looks like the appearance of the diseases which occurs when an individual's body is most fragile. A cold which does not affect an individual and only causes grip, can result an individual to go down when the immune system is weak. This situation works with the similar mechanism for companies which are considered as living organism (Koçel, 1993, 463).

Circumstances necessary for healthy decisions are very limited or non-existent in periods of crisis. Companies mostly circulate within themselves in crisis periods. On the times of crises, usage of time holds a great importance which is already a non-stackable and regenerating resource. For this reason, it is necessary to prioritize to spend more time on critical issues and avoiding spending time on non-vital issues and leaving them to be dealt later. As periods of crisis are not like the usual times, none of the activities conducted in this period will also not be like the ones conducted in normal times. Management will be forced to develop and implement new strategies as a result of unexpected developments appear in crisis periods. While the uncertainties increase, number and types of threats also increase. There can be positive sides to results caused by crisis. Results of the crises are considered as adverse and crises are considered as disasters. However, it is forgotten that the crises for being good teachers, opportunity doors and just a matter of management for the prepared companies (Arıkboğa 2001; 54). Factors that are effecting the competition power of the company, costs and efficiency of the company which are not apparent in the routine times can be observed and removed by restructuring or analysis during the time of crisis(Baltaş,2002).

While each crisis has a different structure, solution and prescription, there are some experiences obtained by organizational level, employees and managers as a result of previously experienced crisis. These obtained experiences will generate important advantages for the organization and management if they are considered well for the future crisis situations. One of the positive results of the crisis is, making it possible to develop efficient strategies (Yuva, 2002; 4). The inevitable result for many companies in the crisis period had been bankruptcy and closing down. Companies disappear as this creating sociological and economic problems while

generating gaps for the companies which overcome the crises successfully. As being a team and an equip is an important and focused factor, it is not possible to obtain successful results all the time. While being a threat factor for the companies in the times of crises, they are also opportunities in many ways. But the benefit obtained from these opportunities relies on how the management managed the crisis. These opportunities can be divided in to two as opportunities related to itself and opportunities related with the market. As a result, a lot of gaps will appear deriving from the chaos and complexity caused by crisis. Companies which can identify whether these gaps are permanent or temporary will benefit from these gaps and will be able to create new life areas and relive itself.

CONCLUSION

International companies are showing many differences compared to other companies in terms of management, organization and operations. They can even have an insomuch dispersed structure in terms of physical, geographical, management and operational, one extension of the company can be on the other side of the world while another extension can be on the opposite side. International Companies developed a structure like this in order to obtain advantages on certain topics are also not aware of the risks and disadvantages of the situation. However these non-considered topics can be insomuch complex and deep that they become threatening the company itself. Companies bond to the laws and economic and political policies enforced by the governments of their operating countries. Novelties and changes implemented by the governments in these fields are also a huge possibility of a crises for the companies operate in that country and even for the companies doing business with that company or for competing companies from another country. Because, as these changes may occur slowly, they can occur from night to morning. For an example, "Downing of a Plane Polemic" which occurred and still ongoing between Turkey and Russia in 2015 is still possessing a crises for many countries. As it can be understood from this example each country has its own and different legal and politic structures. It is necessary for an international company which operates in different countries to understand the laws and codes of the operating country and analyse and follow the political structures.

Nowadays, crisis management has become a wide thinking structure which contains the ideas of different techniques, philosophy and management styles for obtaining benefits from crisis, ordering the relations between internal and external environment of the company and preventing crisis while it changed from concept which meant as management of the current crisis. In order to remove the problems of the crisis management method, first the concept of "What is crisis management" should be understood, and what it does not mean should be understood, then the concept of crisis management as a new specialty are must be understood while increasing the training activities for this concept. Instead of considering the crisis management as a short term programme, it should be considered as a long term strategical goal for increasing the life quality and extending the life of a company while leaving it to a professional equip connected to top management rather than leaving it completely to top management. As there is not a standard crisis management that can be applied on each company, companies must develop the appropriate crises management plans deriving from the basic elements.

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