#### THE USA JOURNALS

THE AMERICAN JOURNAL OF MANAGEMENT AND ECONOMICS INNOVATIONS (ISSN- 2693-0811) **VOLUME 06 ISSUE12** 

#### PUBLISHED DATE: - 11-12-2024

DOI: - https://doi.org/10.37547/tajmei/Volume06Issue12-04

#### **RESEARCH ARTICLE**

PAGE NO.: - 39-47

**Open Access** 

# PRINCIPLES AND LEVELS OF MANAGEMENT OF PR ACTIVITIES IN CRISIS SITUATIONS

#### Ergasheva Fotimakhon Ibragimovna

Associate Professor of the Department of "Economics," PhD, Namangan Institute of Engineering and Technology, Uzbekistan

#### Abstract

This article describes the crisis and its content, PR (Public Relationship) activities. It also discusses the emergence of the need for PR (Public Relationship) management in a crisis, its principles and levels. General conclusions on the area are formed, and appropriate recommendations for the effective use of principles are given.

**Keywords** Functioning of the system, development of the system, crisis, crisis situation, anti-crisis management, PR (Public Relationship) in the context of globalization, principles of PR (Public Relationship) activities, levels of public relations management.

#### INTRODUCTION

For the effective functioning of any socio-economic system, two main conditions are necessary - its functioning (activity) and development. The functioning of the system is the continuity of functions that determine the properties that determine the integrity of the system. The development of the system is the acquisition of a new quality that helps to enhance its vital activity in a changing environment. Activity and development are interrelated and reflect the unity of the main trends of the socio-economic system. Functionality is, on the one hand, the force that holds the development of the system and, at the same time, its nutrient environment. Development itself creates conditions for a more stable existence of the system, disrupting many activity processes. Thus, the emergence of a cyclical (cyclical) development trend gives rise to a characteristic feature consisting in the periodic onset of crises.

In the new millennium of world globalization, the business sphere is becoming a global activity: it is complex and dynamic. Each enterprise, like any biological organism, grows, develops, ages and faces many risks during its existence.

The instability of the socio-political situation in the country often leads to failures in the work of large and small enterprises, increasing the likelihood of crises in one or another area of their activity.

The modern dictionary of concepts and terms defines a crisis as "a difficult, difficult situation, an acute shortage, a shortage of something; a period of transition; a sharp change."

Practice shows that every enterprise sooner or later faces risks. Crises are an integral part of our lives, in which much cannot be predicted, and most importantly, no one is immune from risks. Crisis situations are the most complex and dramatic area of PR-methods application.

In general, crisis situations can be managed, which is confirmed not only by the experience of some well-known companies, but also by the existence of a special direction and the rapidly developing field of PR practice.

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#### Literature review

The crisis is currently affecting the activities of many countries. At the same time, there are many different views on the concept of crisis, revealing some of its aspects. The relevance of studying this concept is associated with its description of all the relations and signs inherent in the crisis and the formation of a single idea about it. We believe that for a deeper understanding of the concept of crisis, it is necessary to consider its evolution. Translated from Greek, "crisis" means result, decision, turning point. Studies have shown that the concept of crisis itself is multifaceted, which indicates its widespread use in various fields of scientific knowledge. The main evolutionary stages of the term crisis are presented in the table below.

Period	Identification	Scope	Description
Until the 17th century	Turning point in the course of the disease	Medicine	A turning point marked by the disappearance of all symptoms of the disease.
17th–19th centuries	The urgency of the situation requires an immediate solution.	Social science	Reflects a negative character (military, political conflict situations, etc.).
End of the 19th century, First half of the 20th century	One of the phases of a continuous production cycle (crisis, depression, revival, recovery)	Macroeconomics	It has two meanings: - negative character (decline in the standard of living of the population); - constructive phase of the cycle.
Second half of the 20th century	Economic crisis	Macroeconomics	Continuous production is a phase of the cycle.
	Systemic crisis	Systems theory	Change and replacement of organizational forms of the system.
	Company crisis	Microeconomics	A conflict-like situation, an acute shortage of funds, a process leading to bankruptcy.

Table 1		
<b>Evolution of the concept of "crisis"</b>		

Based on the presented features of the evolution of the concept of "crisis," it can be concluded that until the 17th century it had an exclusively medical character, reflecting the peak of the disease in humans. In medicine, the peak of the disease is accompanied by the presence of severe symptoms, for example, with the flu, which are high fever, prolonged cough, general weakness, etc.

In the 17th and 19th centuries, the crisis took on the status of a social concept reflecting various conflict processes taking place in society (wars, interstate conflicts, political tensions in the country, etc.). During this period, states were constantly in conflict with each other. Internal tensions, accompanied by popular unrest (uprisings), interstate conflicts, as well as wars, led to the destruction of society. People could not live normally and could not pay special attention to their livelihoods. This led to a slowdown in the development of the national economy and society, since resources were constantly directed to

defense capabilities to protect against external threats, strengthen power, and maintain order from within .

These components determine the formation and course of the economic crisis at the macro and micro levels. The crisis affects each participant in economic relations to one degree or another: an individual, a company, and the state. Individuals, that is, citizens, create a need for certain goods and services, forming a market. Enterprises exploring markets produce products (services) to meet demand, thereby satisfying their needs for their activities, and the state collects taxes to solve socio-economic problems necessary for the activities of its management apparatus and the distribution of income. The effectiveness of these decisions depends on the course and degree of the economic crisis.

To date, there are many interpretations of the term "economic crisis."

Author	Description of the concept of crisis	
E. M.Korotkov	The threat to the viability of contradictions in the socio-economic system	
	(organization) in the external environment and its exacerbation.	
A.B.Borisov	A sharp deterioration in the situation, manifested in a decline in production and the	
	disruption of existing production relations, a decline in the standard of living and	
	well-being of the population.	
J.B.Sey, D.Ricardo	The imbalance between different sectors of production is restored in the process of	
	the development of a market economy.	
DJ. Keyns, E.Hansen	Overproduction of goods due to insufficient propensity to consume, which lags	
	behind income growth.	
A.P.Dobrovinskiy	A phenomenon that represents the existence of a gap between the consumption and	
	production of goods.	
D.M.Keyns	A sudden and sharp change from an uptrend to a downtrend.	
S.Fisher,	Disruption of equilibrium of various natures (the emergence of new methods of	
R.Dornbush,	production and products, changes in monetary and tax policy, consumer	
R.Shmalenzi	preferences, aggregate demand, etc.).	
G.P.Ivanov	The uneven development of the economy, changes in production and sales	
	volumes, and their decline are observed.	
P.Lagadek	Facing problems that go beyond the usual, along with instability.	
K.F.Hermann	An unexpected and unpredictable situation that threatens an organization's priority	
	goals due to time constraints in decision-making.	

# Table 2Definition of "Economic Crisis"

Authors such as A.B.Borisov, J.B.Say, and D.Ricardo interpret the concept of "crisis" as a deterioration in the well-being and standard of living of the population as a result of a decrease in consumption, a disruption of the economic relations of all participants in this process, as well as a violation of the balance between the production and consumption of goods. J.Keynes and E.Hansen, taking the same approach as the first three authors, consider the crisis to be an overproduction of goods resulting from a decrease in profitability, which reflects the standard of living of the population. A.P.Dobrovinsky, without indicating the sources of these processes, defines the crisis as a phenomenon resulting from the discrepancy between the production and consumption of goods.

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Reducing or eliminating the negative effects of this crisis and crisis situations in the economy creates the need for effective influence and management.

Crisis management is the art of mastering a complex situation, eliminating more risks and dangers, and and allowing you to subdue most of the undesirable processes and control the events that are taking place.

Crisis management is used both in extreme situations associated with natural disasters and accidents, and to regulate problems in the business world. Its main principles can be formulated as follows: empathy, openness, truthfulness, and timely prevention. One of the main ideas is to predict and prevent a crisis. To do this, a particular enterprise must carefully monitor and analyze many factors of its environment, identify factors that pose a potential threat to its profits, image and competitiveness.

The development of PR technologies is an important factor in the globalization of the world, which is of particular importance in reducing the impact of various economic crises, which leads to the strengthening of interstate relations and, along with the means of communication, allows the formation of a single interconnected financial system and an international trade system.

S.Black stated: "Public relations is the art and science of achieving mutual understanding based on the provision of a high level of information (data)."

According to another approach - PR (public relations) is defined as an art and social science that allows analyzing trends, predicting their consequences, advising organizational management, and implementing pre-planned action programs that serve the interests of organizations and the public. It states that:

It is a science and art based on the management of social information in conditions of priceless

competition;

It is a combination of science and art, and its main driving motive is not money, but public interest.

PR as a science and technology has developed since the middle of the 20th century, and it is associated with the development of new technological tools and mass communications: television, the Internet, etc. In the management system, PR activities can be broadly divided into two areas:

 working with the external public, including customers, partners, competitors, government agencies, etc.;

working with the internal public (the enterprise's own employees).

The second direction determines the most important role of PR in the management system. What could be more important for an enterprise than its employees? Because in some cases they may not understand the actions of management, may not be able to distinguish their views, and may be dissatisfied.

Therefore, the programs developed and implemented by the PR service to involve employees in the activities of the company allow improving the psychological climate in the enterprise, minimizing conflict situations arising due to lack of information or misunderstanding, and solving many other problems.

# METHODOLOGY

In the process of research, the approaches of scientists to crises, crisis situations, and PR activities were studied. Based on the data studied, observation, logical approach, historicism, and generalization methods were used.

# RESULTS

We have considered the need to prevent crises and crisis situations above and the many definitions given to the concepts of PR activities and public relations.

Research conducted within the framework of the topic shows that various crises can occur in the economic and social system due to certain factors.

In these crisis conditions, PR activities use specific principles. We will express it through the following figure.

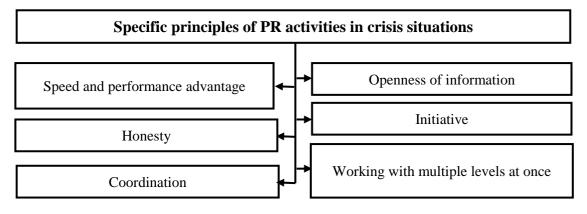


Figure 1. Principles of PR activities in crisis situations.

Every crisis is different, but there are a few general principles that can help companies not only survive the crisis, but also achieve efficiency in their production processes. They are:

1. Speed and operational advantage. If the situation gets out of control, the company will be in a position to take action. The first day of the crisis is a crucial time when the company's reaction should be monitored. Delaying this process creates an information vacuum. In such conditions, competitors, without hesitation, immediately fill it with rumors, assumptions and their own comments.

2. Openness of information. This means not only providing the media with all the necessary information, but also adequately answering the questions of any audience. Every unanswered question serves as a basis for rumors. Any lack of information is immediately filled with assumptions. If the crisis is caused by competitors or spoilers, they try to take advantage of such situations to the maximum.

For example, you are asked what material the caps

of your beverage bottles are made of. If you leave this question unanswered, rumors will soon spread that you make them from lead or waste products. Loyal customers may say this is nonsense. Better yet, you should provide information that the caps are made from a special plastic raw material that is non-toxic, hypoallergenic (does not cause allergies), and has passed all possible testing.

3. Honesty. Honesty is the best policy. There is a financial reason for this. It is naive to believe that journalists are not interested in controversial topics. Because the truth will come out sooner or later. Hiding the truth and destroying documents will not save the company.

If the company has made a mistake or an accident has occurred at the enterprise, it is better to admit it openly and be the first to announce your thoughts and plan of action.

4. Initiative. You should be the main source of news about what is happening around your company. Even if you have to publish negative information, it is better to do it yourself. In any case, someone will take the initiative, and it is better if it is you,

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because there you can give your own interpretation of events.

You have to play by your own rules. The mechanism is simple: journalists like to get information before anyone else. If you provide information first, journalists will steal it from you. In this case, you should provide complete and detailed information, including all the details, so that journalists do not have to look for it in other sources. If you actively provide information in advance, alternative sources will simply become uninteresting.

5. Coordination. It is very important to understand that any disagreements within the company will not be interpreted in your favor. If the leader says one thing and his deputy simultaneously gives an interview that interprets it differently, then an awkward situation can arise. In a crisis situation, the fact of disagreements within the company reduces trust, and in such cases, trust is the second most important resource after time.

6. Work with multiple levels simultaneously. In a crisis situation, the target audience is not limited to the media. For example, representatives of PepsiCo worked on multiple levels simultaneously:

- Media. Visits to enterprises, press conferences for journalists were organized, consultants worked, and information materials were prepared on everything, even the details of packaging technology;

- consumers. Informative videos are released for them, and the company distributes information directly to consumers. A "helpline" will be created, where any citizen can contact with a question of interest;

- employees and partners. All employees are explained the essence of the incident and the correct interpretation of events;

- government organizations. Enterprises should cooperate with government organizations, ensuring that they have full access to any information.

There are also groups involved in this process, such as shareholders of the company. For each such group, it will be necessary to present evidence and convey information through communication channels appropriate to the group.

Depending on the scope of PR activities and their direction, different levels of public relations management can be distinguished.

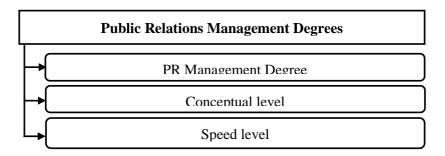


Figure 2. Levels of public relations management.

So, the levels of public relations management include:

1. PR-management level. A comprehensive set of works to create and strengthen the positive reputation of the basic PR subjects as a unit of

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employees, including responsibility for the result and long-term cooperation:

- management of communications within the company, organization;

- development and implementation of a strategy for the development of the basic PR subject:

- organization of a permanent PR-structure.

2. Conceptual level. Analytical and consultingproject activities aimed at forming the image of the basic PR subject:

- development of the image of the basic PR subject;

- provision of information and preparation of analytical materials for the activities of the basic PR subject:

- consulting and conducting special research on creating corporate individuality, corporate style.

3. Level of efficiency. Implementation of one or a number of events (promotions) that will help increase the level of popularity of the organization:

- holding local events in the media;

- organizing and holding events for the press (briefing, press conference, press tour, etc.):

- providing information to the activities of the basic PR entity:

- organizing and holding a presentation, corporate holiday.

Research shows that a crisis is also perceived as a set of specific circumstances that lead to a negative perception of a company by the media or customers. It has the following characteristics: lack of necessary information; unexpected competitive situation; escalation of the situation; lack of control tools; the emergence of a risk environment, etc.

Undoubtedly, the emergence of crisis situations is inevitable, but readiness and a quick response to them can completely change the outcome of events. Companies that have developed an anticrisis PR strategy or an action plan for negative situations will be able to soften the blow to their reputation and quickly restore their lost position in the market.

We believe that in crisis situations, a PR specialist should understand the socio-economic essence of the problem as deeply as possible, analyze the origins of the process, and make full use of modern scientific and practical approaches and methods.

#### CONCLUSIONS

Based on the research within the scope of the topic and our above analysis, we can conclude the following:

- the economic mechanism of the emergence of crises consists in the sequential occurrence of interrelated events;

- the crisis of an organization is caused by a mismatch between its financial and economic and external environmental parameters, that is, an incorrect strategy or improper organization of business, which is associated with poor adaptation to market requirements;

- Crises can arise for objective reasons that are associated with external factors and macroeconomic development trends and are not related to the activities of the organization (saturation of the product market, bankruptcy of contractors and customers, actions of competitors, devaluation, changes in state credit policy, and other market phenomena);

- Crises can occur due to subjective reasons, such as internal reasons of the organization (risky marketing strategy, internal conflicts, shortcomings in the organization and management of production, etc.);

- the crisis of an organization, as a rule, is based on a combination of the above factors, but studies have shown that approximately 75% of crisis situations in most organizations are associated

with management factors - a low level of management, the inability of managers to make sound management decisions and adapt to changes in the external market environment;

PR is not only used to strengthen relationships between businesses and potential customers, but it also helps an enterprise maintain relationships with partners, suppliers, and customers, establish relationships with government agencies, attract investors, and even build relationships between an organization's management and employees.

To effectively use the principles of PR activities in crisis situations, we recommend the following: the success of PR activities in crisis situations should be to gain public trust; use reliable and substantiated information about the activities of enterprises in a crisis situation; take a clear position, the organization should be flexible enough to respond to the level of change and at the same time adhere to its principled position; involve top management in active actions, it should demonstrate to others its participation in overcoming the crisis, it should go to important places, be present in public; use the help of famous leading information analysts. channels, authoritative independent scientists or experts; centralize communications, one person should be responsible for disseminating information and making statements on behalf of the organization, supported by a team of experts; carry out constant monitoring and assessment of the course of the crisis, public opinion surveys should be universal, check whether information messages are working and make appropriate adjustments.

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