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Item Type	Article (Accepted Version)
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Full Citation	Butsch, Thomas, Bell, Robin and Warren, Vessela (2025) Decision-Making in Organizational Crisis in Traditional and Self-Managed Organizations: Towards a hybrid approach. Strategic HR Review, AOP. pp. 1-7. ISSN 1475-4398
DOI/ISBN	https://doi.org/10.1108/SHR-04-2025-0041
Journal/Publisher	Strategic HR Review Emerald
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Abstract

Purpose

Effective crisis management is essential for all organizations and both traditional and self-managed organizational structures have their advantages and challenges, when dealing with a crisis. Decision-making in self-managed organizations can be faster, however, the lack of clear chains of command can hinder strategic direction and coordination of resources. Considering the opportunities and drawbacks of both traditional and self-managed organizational structures in terms of crisis, this paper explores the potential for a hybrid model of the self-managed organization.

Design/methodology/approach

This paper reviews the literature on crisis in traditional and self-managed organizations and considers the potential for a hybrid model of the self-managed organization.

Findings

Self-managed organizations offer speed and flexibility through decentralized decision-making, however they can struggle with coordination during large-scale crises, whereas traditional hierarchical structures provide clear command chains and centralized control but may be slower due to bottlenecks. To address this, the authors propose a hybrid model that combines the strengths of both systems, enabling organizations to operate with the agility of self-managed organizations during normal conditions and seamlessly shift to a traditional command structure during crises. Such an approach seeks to optimize responsiveness and coordination based on situational demands, although further research is needed to develop and test such a model.

Originality

This work proposed a hybrid self-managed organizational model that can dynamically switch between decentralized and centralized structures based on the demands of a situation, something existing models like Holacracy or Teal do not accommodate. Unlike prior

Butsch, T., Bell, R. & Warren, V. (2025) Decision-Making in Organizational Crisis in Traditional and Self-Managed Organizations: Towards a hybrid approach, *Strategic HR Review*. [doi: SHR-04-2025-0041](https://doi.org/10.1108/SHR-04-2025-0041)

approaches that advocate either fully autonomous or hierarchical systems, this paper introduces a flexible operational framework that integrates the strengths of both, aiming to optimize decision-making speed and coordination during crises. This concept challenges the rigidity of current models and opens new avenues for adaptive organizational design.

Keywords

Decision-making; Speed; Organizational crisis; Self-Managed Organizations; Hybrid model

Introduction

An organizational crisis can be characterized as an overwhelming situation that may exceed the available capacities and resources to manage it effectively. Unlike routine emergencies at a workplace, crises are often transboundary in nature, crossing natural, organizational, administrative, or geopolitical boundaries, which may seriously threaten the organization's survival (Ansell et al., 2010).

In these situations, the structure and levels within an organization may profoundly influence its capacity to make decisions quickly and effectively. On one end of the spectrum are traditionally managed organizations, which rely on centralized authority and transparent chains of command and hierarchical decision making, which can slow decision making. On the other end are self-managed organizations (SMO), known for their flat hierarchies with fast and distributed decision-making (Butsch and Bell, 2025). An organizational crisis threatening the organization's survival demands rapid action, and both traditional and SMOs offer distinct advantages and challenges when dealing with crisis. Each model offers distinct advantages and challenges, especially when a crisis demands rapid action.

Traditional hierarchies, with clear lines of authority, could rapidly marshal resources when leaders recognize the urgency. Self-managed teams may detect and respond to crises earlier because frontline employees are empowered to act without waiting for top-down directives (Duchek, 2020). However, with both traditional and self-managed structures having both advantages and limitations, there is a case for considering how both could be leveraged for an optimum organizational design. This paper explores the benefits and drawbacks of decision-making within SMOs, compared to traditional structures within times of crisis, and advocates for a hybrid model that allows organizations to dynamically shift between self-management and centralized command depending on the situation.

Decision-Making in Organizational Crisis

Traditional Management

Typically, traditional management organizations operate within a hierarchical framework where decision-making powers are concentrated at the top levels of leadership. This structure allows for a transparent chain of command that can mitigate role ambiguity, particularly during times of crisis when decisive leadership is important. The concentration of decision-making at higher management levels enables top leaders to maintain extensive visibility across the organization, facilitating efficient resource allocation among various units and teams (Mihalache et al., 2013). Further, the ability of top leaders to focus on strategic leadership can

create an environment where operational tasks can be effectively managed, allowing organizations to navigate challenges in crises more efficiently compared to less hierarchical systems. However, the same mechanisms that centralize power can also form bottlenecks when lower-level decisions can be impeded if teams must await managerial approval. Further, information about a specific situation and the status of possible countermeasures to crises mostly have the same way up the chain as the commands run down the chain, which can cause delays.

However, formal crisis planning can influence speed in traditional organizations. Established organizations frequently develop detailed contingency plans that outline escalation procedures and chain-of-command protocols. If such plans are updated and rehearsed regularly, employees know whom to alert and what to do. Such predictability and clarity can neutralize hierarchical drag and enable faster mobilization of resources. Nevertheless, crises often entail unexpected factors that can deviate from scripted routines. In such situations, a top-down plan might not offer leeway for rapid improvisation. In brief, while centralized coordination can excel in mass mobilizations, it can slow down frontline action and jeopardize leader overload if not enough autonomy is delegated.

Self-Managed Organization

Effective crisis management is essential for organizational resilience. SMOs may effectively deal with this by offering a decentralized approach that enhances agility and responsiveness (Makhanya and Vezi-Magigaba, 2025). SMOs distribute authority across self-organizing teams, empowering employees with clearly defined roles and decision-making capabilities. This structure can reduce bottlenecks and enables swift responses during crises, as individuals can act within their domains without awaiting top-down directives and approvals. By eliminating reliance on singular leaders, SMOs can make informed, timely decisions in uncertain situations (Makhanya and Vezi-Magigaba, 2025).

A significant advantage of self-management during crises is the emphasis on flexibility and role adaptability. In self-managed systems, exemplified by organizations like Zappos, formal roles are intentionally designed to evolve through structured governance meetings, allowing teams to adjust responsibilities as new issues emerge (Lee and Edmondson, 2017). This process supports the continuous refinement of organizational structure based on operational realities. While Lee and Edmondson (2017) do not explicitly address crisis response, such mechanisms of dynamic role revision can be interpreted as enhancing an organization's capacity to respond

quickly to unforeseen challenges by ensuring that decision-making authority and responsibilities remain fluid and responsive.

A key feature of SMOs is decentralized decision-making, which has, in contrast to top-down hierarchies, considerable discretion over daily operations and crisis responses, which can, at the same time, create problems when a crisis cuts across several functions or teams and the overlapping decision domains making alignment difficult. Depending on how decisions are made in an SMO, majority bases, consent-driven, or another decision-finding method, it can slow down a reaction, especially where a quick response is needed, such as after a cyber-attack or an accident. A consensual-oriented decision-making process can significantly lengthen the process of finding a response to a situation where speed is of the highest priority (Gentry, 1982).

Another determinant of speed in autonomous environments might be psychological. Autonomous teams tend to be high in ownership, which drives them to move energetically. On the one hand, this shared responsibility tends to lead to threats being spotted early and intervention happening early (Duchek, 2020); on the other hand, the autonomy that accelerates decisions may lead frontline employees to feel anxious when they are suddenly faced with life-or-death decisions or enormous organizational risks. Overall, SMOs can be very quick, depending on the nature of the crises and depending on lines of communication, understanding of the escalation path, culture, and decision-making process.

A Hybrid Approach

Self-managed frameworks like Teal, Holacracy, Loop Approach, and others are ‘all-in’ when it comes to autonomous work environments and do not promote a scenario of a fallback into a traditional chain of command situations even though that might be a better solution for a certain situation. Further, most scholars either support a fully autonomous and self-managed framework or not, with others promoting an incremental approach to the SMO, which might be seen as a hybrid approach but is not as flexible as it needs to be.

A flexible organization cannot rely on the weakness of its operating system. A flexible business operation system has to offer the possibility to change from a weak position to the optimal alignment for the current situation, which may be a crisis or an opportunity that needs to be synchronized with many resources or tackling the situation decentralized. The latter is the optimal environment for an SMO. When it comes to a major crisis or opportunity, the system needs to be able to switch from an SMO to a chain of command system, and back, when the situation is appropriate.

We suggest, therefore, if utilizing a self-managed framework as a hybrid operating system with the flexibility of utilizing both the decentralized decision-making of an SMO that can deliver speed via frontline empowerment, in combination with the advantages of a traditional management framework that delivers decision-making power concentrated at the top levels with appropriate contingency plans and chain-of-command protocols, establishing a flexible cross-unit collaboration. The design of this framework needs to be flexible so that the transition from SMO status to classic management and back or from a traditional or the other way is a natural process backed by all employees.

Conclusion and Future Research

Whilst we have discussed the opportunities and drawbacks of both traditional and self-managed organizational structures in terms of crisis and advocated for a hybrid approach, it is not yet clear what a hybrid approach to crisis management may look like. One possibility might be to extend, for example, the constitution of a Holacracy framework and include a part of a traditional framework. It could also be designed from scratch and completely renamed. However, future research could explore the hybrid model, and empirical research could explore its potential and efficiency.

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