Human Resource Development: Proactive preparation to manage crises

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ABSTRACT

Significant increases in the incidence of global terrorism, serious criminal activities, and the ever-present threat of natural catastrophes have emphasised the need for businesses to prepare for managing crises. A more systematic and robust conceptual approach has long been overdue to identify how businesses can effectively prepare to deal with crises. A shared understanding between business stakeholders is needed of what is meant by crisis management in a commercial context. This required a consolidation of the state of the literature, particularly a definition and description of what constitutes crises. Proactive crisis management policies and practices can contribute to businesses capacity to manage crises as well as to provide a safe working environment for employees. The preparation stage of crisis management was identified as the beginning of a strategic response to recover from crises. Human resource development is promoted as a key component of the preparation to respond to and subsequently management of crises.

KEYWORDS

Crisis management, crisis preparation, HRD, double loop learning

INTRODUCTION

Substantial increases in the incidence of global terrorism, political upheaval and major criminal activities, when combined with the ever present threat of natural catastrophes, are driving the need for effective preparation to manage crises. Preparation for impending crises is arguably a key businesses strategy which is an integral part of any commercial recovery from such events. To be most effective, such preparation should ideally take place before crises occurs, not only as a response to such occurrences. Professionally conceived and implemented human resource development (HRD) is arguably essential for private businesses, governments and community services initiatives to prepare to effectively respond to and manage crises (Ang & Hosie, 2006; Hosie & Smith, 2005). In addition, businesses and governments have a moral and legal responsibility to ensure that their employees have been provided with appropriate HRD to undertake their work safely, to avoid compensation and risk liabilities (Hosie, 1994). One way of reducing the vulnerability of organisations to crises is recognise the capacity to build human capital, through HRD, as a way of effectively dealing with the problem.

A proactive approach to preparing for and managing crises is arguably more effective than the passive approach often evident by business. Effective managerial response to crises in organisations is crucial for effective institutional functioning. Disruptions to the operation of employees and establishments can dramatically impinge on corporate productivity. Attacks on people, information, and property of organisations can be prevented or the impact can be minimised through a well-conceived and systematically tested crisis management plans. Crisis management needs to form an integral part of an organisation's contingency planning (Sapriel, 2003). Such planning should involve developing quality HRD initiatives to maximise the power of human capital available to organisations, as conceived of within a services management framework (Ang & Hosie, 2006).

Before considering the use of HRD in the preparation of businesses for recovery from crises it is necessary to describe and attempt to define the nature of the phenomenon. This permits the agreement of a shared understanding to explain what is meant by crisis management from a commercial perspective. A critical aspect of crisis management is the preparation for the recovery phase of crises. Consequently, a rationale is presented to alert businesses to the need to consider planning, designing and developing high quality HRD to proactively deal with and manage crises.

WHAT ARE CRISES?

A variety of approaches to crisis management have been identified in the literature (Cushnahan, 2004). As Ritchie, Dorell, Miller and Miller (2004: 202) observed, "all crises are different and crisis managers need to tailor responses to individual crisis, rather than try to plan for every individual situation." These responses need to tailored to different levels of the organisation. As such, crisis management strategies need to be situated in the context of the physical characteristics of their respective environment as well as the socio-cultural, economic, political and historic milieu. Santana (2004: 307) concluded from the literature that there is "no generally accepted definition of crisis and attempts to categorise types or forms of crises has been sparse." Attempts have been undertaken to define and describe the nature of crises in relation to business. A quest is in progress in the literature to reveal the essence of crises in a commercial context.

A variety of interchangeable synonyms and vague notions used to describe crises are scattered throughout the crises literature (e.g., Pender & Sharpley, 2004; Glaesser, 2003; Prideaux, Laws & Faulkner, 2003; Faulkner, 2001; Pizam, 1999). For example, Ritchie et al. (2004: 202), contributed a string of synonyms by describing crises as "indefinite, numerous, unexpected and unpredictable". Other descriptors which have emerged from this semantic quagmire include: disaster, negative event, jolt, catastrophe, problem or turning point, risk, chaos, vulnerability, safety and security. Not surprisingly, it is a daunting task to define a complex term like crises from a literature that is replete with synonyms and superlatives but short on shared understanding.

A complex discourse on crises has emerged from the literature on the nature of crises. Commentators in the area give vague descriptions leading to even more generalised conceptualisations of what constitutes and cause crises. In contrast, Prideaux (2004: 282) provided a useful perspective on the impact of crises (and disasters) on business; "[h]istory tells us that disasters and crises are usually unforeseen, occur regularly, act as a shock on the industry and are always poorly handled." Prideaux's observation provided interesting rim to the concept but a more definite description and subsequent definition of the actual complexion of crises is crucial to the progress of this discourse. More discussion is needed to circumscribe the essential nature of crises in order to more clearly describe and define the term.

Crises invariably result from poorly managed disasters which are usually unexpected and require specific arrangements or actions to mitigate the impact of the effect of crises on organizations and people. Faulkner (2001: 136) differentiated between the terms 'crises' and 'disaster', and in the process identified a description of crises with relevance to businesses, "where the root cause of an event is, to some extent, self-inflicted through such problems as inept management structures and practices or a failure to adapt to change". In contrast, a disaster has been defined as a situation "where an enterprise … is confronted with sudden unpredictable catastrophic changes over which it has little control." Disastrous events can rapidly escalate to crisis proportions if managers are not fully equipped to take timely and decisive action to mitigate their effect on business (Evans & Elphick, 2005). Disasters refer to large events caused by either natural phenomena, such as tsunamis, floods, typhoons and earthquakes or human-induced calamities like war and terrorism (McKercher & Hui, 2004).

Natural or people-made crises need to be seen as an important concern for managers. Natural disasters come in many forms – storms, floods, tsunamis, fires, volcanic eruptions, pollution, avalanches, hurricanes, typhoons and epidemics. Crises precipitated by disasters, such as the Indonesian Tsunami in 2004 which affected large parts of coastal South East Asia, the severe bush fires in Australia's capital Canberra (2002), and Cyclone Katrina in New Orleans (2005), often occur without warning, with effects that were severe and sometimes even catastrophic on businesses and communities.

On the other hand, People-made disasters can emanate from accidents and hostile acts, such as fires, arson, explosions, political upheaval, riots, insurgency, disease, crime, terrorism or war. Contrite international actions can precipitate major economic problems. For example, the Asian economic crisis in 1997 had a profound negative effect on regional as well as international commerce. Terrorism threats are of particular concern. Acts of terrorism may be defined as "a systematic and persistent strategy practiced by a state or political group against another state or group through a campaign of acts of violence … to achieve political, social or religious ends" (Pizam & Smith, 2000, p. 123). These "shadowy, mobile, and unpredictable" (Lippman, 1999, p.123) forces have become an integral part of business in the international context.

A quantitative analysis of major international terrorism events during the period from 1985 to 1998 by Pizam and Smith (2000) documented the severity of damage, motive, effect on business demand and length of this effect. Wider lessons for the travel industry were found by Pizam and Smith (2000, p. 135) during this period to include the need to "integrate crisis management with strategic planning processes, prepare detailed contingency plans, define decisional roles and responsibilities, and to retain a degree of flexibility." A similar review for the period 1998 to 2006 would probably reveal a dramatic increase in the incidence of international terrorism events.

Over the past 20 years, terrorism, military coups and serious criminal activities have impacted heavily on businesses in Paris (1986), Tel Aviv (1990), Kenya and Tanzania (1998), Kenya (2001), New York and Washington (2001), Bali (2002 and 2005), Madrid (2004), Jakarta (2003), Morocco, Saudi Arabia (2003/2004). The terrorist bombings in London (2005) during the European peak holiday season, in

Mumbai (2005) and again on Bali in October 2005, also had a devastating effect on business in these regions. A military coup in Thailand in 2006 has the potential to cause considerable disruption to commerce, particularly the tourism sector. Tourism is particularly susceptible to negative incidents placing the industry under almost constant threat of a crisis (Pforr & Hosie, 2006). Evans and Elphick (2005) noted that during the Gulf War in 1991 the countries in the Middle East and the eastern Mediterranean suffered a severe decline in the number of tourist visits, a scenario repeated by the attacks in Dahab, Egypt in 2006. In 2006, the perennial hot spots of conflict, Israel and Lebanon, were again at war. Even when the hostilities subside there will still considerable economic disruption to the region.

Moreover, health related threats, such as the Severe Acute Respiratory Syndrome (SARS) and Avarian (bird) flu epidemics in South East Asia (in 2003 / 2004), as well as the 'foot and mouth' outbreak in Britain in 2001 (Coles, 2004; Frisby, 2002), have severely impacted on tourist mobility. The negative consequences of crises are often felt in destinations far away from where they occurred. For instance, in the context of SARS, Hall, Timothy and Duval (2004, p. 2) noted that it "was not only spread internationally through modern aviation services but also resulted in a number of countries issuing travel warnings regarding travel to some destinations in East Asia and health security measures at their own boarders." Crisis management is also discussed in the literature within a geographic context. Regional South East Asia has received considerable attention with a focus on the financial and economic crises in South East Asia (King, 2000; Henderson, 1999a; 1999b) and health-related threats like SARS (Mason et al., 2005; Henderson & Ng, 2004; McKercher & Hui, 2004; Chien & Law, 2003; Henderson, 2003a). Hong Kong, Singapore, Malaysia and Thailand emerged as the foremost region to be affected by the financial crises in South East Asia.

In Australian, natural disasters such as the Katherine floods (Faulkner & Vikulov, 2001) and the Canberra bush fires (Armstrong & Ritchie, 2005) have dominated the recent debate in the literature on crisis management. However, terrorism and political instability are also an issue of concern with the Bali bombings (Henderson, 2002b; Hitchcock, 2001). Perennial political 'hot spots' such as Egypt (Aziz, 1995) and Israel (Israeli & Reichal, 2003; Mansfield, 1999) have received most of the attention. Following 'September 11' as a key crisis event, the USA is frequently discussed in relation to crisis management (Fall, 2004; Blake & Sinclair, 2003; Stafford, Yu, & Armoo, 2002; Taylor & Enz, 2002). Conversely, Aktas and Gunlu (2005, p. 445) took a different approach by classifying some of these events as politically motivated threats creating economic, socio-cultural, environmental or technological crises with varying degrees of impact, scope and duration. These naturally occurring and people-made events are by their nature unpredictable in relation to their geographical location, timing and scale, and hence result in unforeseen problems for business managers.

Santana (2004, p. 318) propelled this debate forward by arguing that a "crisis is not an event. It is a process that develops in its own logic." Using this frame of reference, some commentators take the position that these negative events are at the centre of crisis management. In a similar vein, Glaesser (2003, 2005) argued that the common ground may be found by agreeing on the underlying process, which is commonly divided into two or three stages; either as crises prevention and coping with crises or crises precaution, crisis avoidance and coping with crisis. This classification represents a broadly based interpretation of what constitutes crises. Continuing this line of reasoning leads to the conclusion that crises present a risk to establishments, putting the assets of people, information, and property of an organisation under threat (Caudron, 2002). Assets invariably have local, national and international significance to their function and accordingly are an important consideration for the protection of business systems.

The literature is yet to provide an erudite and agreed description with an accompanying concise definition of crises. In the context of business, crises may be defined as *sudden, unpredictable or catastrophic occurrences, outside the firm's ordinary repertoire of experience, which present a substantial threat to people, property, assets and information*. This description may be considered to be the beginning of the development of a consolidated definition from the literature on what is meant by 'crises'. Definitions of management are perhaps more settled in the literature and may be defined as "a strategic thoughtful influence through goal setting and motivation to ensure achievement of the organisation's objectives" (Carlopio, Andrewartha, Armstrong, 2005: xiv). A definition of crises and management is a precursor to an informed notion of 'crisis management'.

CRISIS MANAGEMENT

An encompassing interpretation of what is meant by 'crisis management' is made by Santana (2004, p. 308):

> Crisis management can be defined as an ongoing integrated and comprehensive effort that organizations effectively put into place in an attempt to first and foremost understand and prevent crisis, and to effectively manage those that occur, taking into account in each and every step of their planning and training activities, the interest of their stakeholders.

Reilly (1993, p. 45) noted that "effective crisis management requires organisational responses which are outside the firm's ordinary repertoire of management activities." Ultimately, crisis management planning is about preparing for *events that the organisation has not previously experienced*. Crises precipitated by disasters can also occur without warning, often with effects that are severe and can be catastrophic on government, business and communities. Terrorist threats, major criminal activities and natural catastrophes are high on the agenda for these *never experienced events*, and consequently, the application of a well considered management strategy for a response to such events is a vital aspect of crisis management planning. The capacity of a business to successfully deal with a crisis is an important management competency which determines the capacity to avoid or reduce the consequences of the ensuing response.

Crisis management has been divided into two approaches by Pauchant and Mitroff (1992). First is the proactive stage which takes place before a crisis as a result of careful monitoring. A way of approaching crises is recognised and attempts are made to avoid the problem altogether or at least to minimise its consequences. Second, the reactive approach is about crisis management after the actual crisis has occurred, where containing any damage and returning to stasis of an organisation is the priority in order to restore a state of stability in which all forces are equal and opposing, therefore neutralising each other.

CRISIS MANAGEMENT MODELS

Several crisis management models are discussed in the literature. Evans and Elphick (2005) identified several crisis management models, include those by Caplan (1970), Arnold (1980), Slatter (1984), Smith (1990), Booth (1993), Seymour and Moore (2000), and Clarke and Varma (2004). Three types of crises have been identified by Booth (1993): gradual, periodic threat and a sudden threat. Two crisis typologies were identified by Seymour and Moore (2000): the 'Cobra' and 'Python' metaphors. 'Cobra' crises are typified by a sudden disaster, such as 9/11, and a 'Python' crises gradually creeps up on an organisation, such as poor quality or high costs. A Cobra crisis essentially leads to a defensive response which relies on a known and trusted approach, whereas a Python crisis triggers a bureaucratic approach where a crisis is not initially identified, but when recognised the response is negotiated.

When considering crisis planning, executives and managers tend to believe crises are precipitated by sudden acts of people-made (e.g., terrorism) or natural disasters (e.g., fires). Yet 'smouldering' crisis are more likely to strike organisation. 'Smouldering' crises gradually develops over a period of several days or even weeks. Smouldering crisis are seen as problems that start out small but remain unrecognised as a lurking problem that could be fixed before it becomes public. In contrast, 'sudden' crises usually happen instantly or develops within a few hours and immediately impacts on an organisations upstream business (The Institute for Crisis Management, 2006). 'Smouldering' crises equate to a 'Python' crises and 'sudden' crises to 'Cobra' crises.

Despite a general perception to the contrary, there are likely to be more 'smouldering' than 'sudden' crises facing organisations. The percentage of sudden crises jumped to 40% in 2005 compared to the 10 year average of 31% but smouldering crises still reflect 60% of all crises receiving public attention (The Institute for Crisis Management, 2006). Thus, 60% of crises can be identified before they reach large scale proportions and became out of control. Organisations are more likely to be undone by smouldering crises resulting from inappropriate culture and management policies and practices than by sudden crises. Fortunately, organisations serious about business continuity management can prepare for both smouldering and sudden crises.

Lessons to be learned from previous crises experiences using these typologies include, according to Evans and Elphick (2005, p. 148), the preparation of detailed contingency plans, the definition of decisional and informational roles and responsibilities, and the retention of a degree of flexibility in order to react swiftly and decisively at an operational level but not to be tempted to rush into more strategic level decision making. According to Heath (1998), crisis management should broadly aim to plan and provide for possible crisis events which may occur (*pre-crisis stage*), to reduce or mitigate the impacts of a crisis by improving the response management (*crisis stage*) and to swiftly and effectively determine the damage caused by the crisis (*post-crisis stage*). Successful planning involves preparing to mobilise the collective efforts of large number of staff to be effectively deal with crises (Harrison, 2000).

The Institute for Crisis Management (2006) advise that understanding the type of crises an organisation is most likely to have to deal with will determine the purpose of crises planning. Successful planning involves preparing to mobilise the collective efforts of large number of staff to react to a crisis (Harrison, 2000). However, many companies are ill prepared for crises. Perhaps the reason firms do not plan for crises may be attributable to the myths about planning. Such plans are often seem as a waste of resources and can lead to inflexibility in relation to making necessary changes to meet an unexpected occurrence. Successful planning needs to fully engage the hearts and minds of as many staff as possible in preparing how to respond to an actual crisis. In the pre-crisis period, organisations need to envision the potential scenarios that may occur. Although crises are likely to be unexpected it is still possible to prepare for such events by developing a well conceived crisis management contingency plan. In particular, executives and management must drive policy development and subsequently regularly review the veracity of such plans. On the other hand, a general complacency can arise about the crisis management policies which organisations employ. Such plans may provide a level of comfort and complacency when the reality is that people do not fully understand how to implement them (Bland, 1998).

Crisis management needs to be viewed as a key strategic response that management holds as central to an organisation's survival (Clarke & Varma, 1999). According to Heath (1998), crisis management should broadly aim to:

- plan and provide for possible crisis events which may occur – the pre-crisis stage;
- reduce or mitigate the impacts of a crisis by improving the response management – the crisis;
- swiftly and effectively determine the damage caused by the crisis – the post-crisis stage.

Lessons to be learned for previous crises in the tourism industry include the need to (Evans & Elphick, 2005, p. 148):

- prepare detailed contingency plans;
- define decisional and informational roles and responsibilities;
- retain a degree of flexibility in order to react swiftly and decisively at an operational level but not to rush into more strategic level decision-making.

Of the crisis management models discussed in the literature Faulkner's (2001, p. 44) 'Tourism Disaster Management Framework' can be regarded as one of the most appropriate for systematically analysing crisis management processes in the tourism industry. Crisis management is segregated by Faulkner into *a pre-event phase*, when disaster contingency plans are developed and scenarios and probability assessment studies are undertaken. During this phase it may still be possible to avert or minimise a disaster before reaching the so called *prodromal phase*, where avoidance is no longer possible and the previously developed contingency plans need to be initiated. During the emergency phase the disaster's effects are felt precipitating actions to protect people and property in tourism destinations. Short-term and immediate needs of people have to be addressed by emergency and rescue teams in the *intermediate phase*, during which a clear media communication strategy is also crucial. In the *recovery phase* a more long-term perspective taken where affected areas and damaged infrastructure will need to be rebuilt.

Finally, during Faulkner's *resolution phase* the crisis management process is evaluated and improved if necessary. This connects resolution and review to an ongoing strategy of risk assessment and includes contingency planning as a basis for managing future crises. Unfortunately, events do not always unfold in such a logical sequence and this leads to inadequate time to prepare for avoiding crisis and a neglect of contingency planning. Overall, Faulkner presents an appropriate schema for analysing complex crisis management steps for dealing with natural and people-made disasters in the tourism industry. Aspects of

Faulkner's model may well be generaliseable to other businesses. Nevertheless, unanticipated crises can and do occur, and those involved are often forced to confront the situations often without the help of any formal guidelines, prior experience or preparation. In short, situations *not previously experienced* and/or *unanticipated.*

Henderson (2003) has applied Faulkner's model to the terrorist attack on Bali in 2002. No evidence was detected by Henderson of any formal attempts to identify threats or devise plans preceding the attacks. The Bali bombings do not seem to have increased awareness of the need to prepare for future attacks. The Bali crisis was found to have commenced at the emergency phase and progressed quickly to the intermediate phase. When international daily arrivals stabilised and exceeded departures this signalled the beginning of the long-term (recovery) phase (Henderson, 2003). However, the resolution of the crisis still remained a distant reality. Predictably, the initial response to the crisis was action to recover the situation, followed by the pursuit of recovery. Imperatives which followed included the rebuilding of the physical environment and destination image, accompanied by a re-evaluation of target markets, which is still in progress. As Henderson highlighted, advance planning is critical for dealing with terrorist attacks due to the limited duration of the prodromal phase when terrorists have struck.

Another model of crisis management developed by Smith (1990) has been further extended by Smith and Sipika (1993). There are three distinct aspects to their crisis management process - crisis of management, operational crisis and crisis of legitimation. This model enables the stages of crises to be tracked and adds to Faulkner's model by including the critical role of learning in crisis management. A feedback loop represents the resolution of the crisis and for lessons to be learned (double loop learning) before organisations are able to return to the pre-crisis stage. The first pre-crisis period (equivalent to Faulkners' pre-event phase) of Evans and Elphic's model (2006) concentrates on raising the awareness of employees and management of the potential scenarios that may occur.

Meyers and Holusha suggested in 1986 (p. 22) that the "essential point of crisis management is to break the sequence of the unmanaged crisis and to redirect events. Proper preparation can prevent some crises and minimise the impact of those which cannot be avoided." Regrettably, 18 years later De Sausmarez (2004, p. 158) observed that "few countries appear to make any advance preparations or provision for the anticipation of a crisis. Instead, they tend to wait until after the event before starting to consider what action to take." Nankervis (2000) has postulated an integrated framework for the assessment of tourism vulnerability of possible crises at sectoral, organisational and individual levels and the extent and duration of such impacts. This model includes threats and opportunities in the political, economic, social, physical and commercial arena. Nankervis' model goes some way towards systematically capturing and interpreting the macro and micro complexity of crisis situations in tourism.

CRISIS MANAGEMENT AND HRD

As noted earlier, HRD can be considered an important aspect of any well conceived and executed preparation for crisis management. HRD is the "combined use of learning and interpersonal strategies and practices within an organisation to accomplish high levels of individual and organisational effectiveness" (Sofo, 2000, p. xxvi). More specifically, HRD involves the "integrated use of training and development, organizational development, and career development to improve individual, group, and organizational effectiveness" (Noe, 2002, p.29). An important aspect of HRD is therefore training, a "planned process focused on changing knowledge, skills or attitudes to achieve identified and measurable outcomes" (Tovey & Lawlor, 2004, p. 25). From a business perspective, these activities and processes are intended to have impact on organisational and individual learning (Steward & McGoldrick, 1996). HRD needs to be conceived and operationalised as a differentiated preparation to deal with crises at the sectoral, organisational and individual levels.

Firms use HRD to assist in the accumulation of stocks of knowledge, skill and abilities that individuals possess over time which translate into identifiable expertise. Stocks of human capital can be amassed to benefit both the individual and business (Kamoche, 1996). Such preparation in the form of deep and double loop learning has become increasingly important to industry and governments of all persuasions. The role of iterative and deep learning is crucial to crisis management because it provides the means through which organisational processes and outcomes can be achieved (Smith, 2001). Richardson (1994) distinguished between single and double loop learning taking into consideration learning approaches in relation to crisis management.

Single loop learning refers to learning from the managerial responses themselves in line with the accepted framework of an organisation's objectives and roles. In contrast, double loop learning actually questions the implicit systems, roles and objectives within an organisation in relation to response to the crisis to envisage new scenarios. Double loop learning provides a more rigorous and wide ranging basis for future strategic changes that may sometimes be contrary to an organisation's cultural norms. Double loop learning needs to be embedded into every cycle of an organisation's crisis management process to ensure that deep learning and subsequent change in management policies and practices occurs. Organisational learning resulting from double loop learning is therefore a complex undertaking which takes time and commitment to be achieved by all concerned.

Contemporary conceptualisations of crisis management need to be able to deal with broader issues of prevention and mitigation, as well as with issues related to response and recovery (Heck 1991; Rosental & Pijnenberg, 1991). Terrorist acts during the early years of the 21st century have focused attention on the need to manage crises. Corporate initiatives to learn from these events has stemmed from the realisation that senior management needs to prepare for acts of terrorism, major criminal activities and natural disasters. An important part of these systems and activities involves the HRD of key personnel. Implicit in preparing for extraordinary events is the realisation that organisations need to be prepared for crises that are *yet to be experienced*. HRM professionals have a critical role to play in assessing the corporate culture, and in particular ascertaining how much denial there is about the preparedness to meet crises at all levels businesses.

HRM professionals are well placed to take a more active role in crisis management, provided that they understand the phenomena and are motivated and empowered to take on this role (Mitroff, 2004). The need for crisis leadership competencies should be promoted by HRM professionals as a key aspect of crisis management (Mitroff, 2004). Managing crises requires a thorough knowledge of the goals and functions of the business in order to maintain effective activities within the domain of the establishment. To become proactive in crisis management it is necessary to change an entire organisation's corporate culture (Mitroff, 2004). Proactive firms have a tendency to follow the principle of not harming any individual to guide their conduct. In contrast, reactive corporations, only do what is right, but only if it is cost-effective. Ironically, Mitroff (2004) has observed that reactive companies, whose foremost concern is making money, regardless of employee and client wellbeing, invariably end up being less profitable. Thus, resources invested in HRD initiatives to change corporate culture related to crisis management are likely to be effective in terms in both an ethical practices and business outcomes.

Western organisations concerned with crisis management have consistently adopted a four stage model, such as the MPRR - Mitigation, Preparation, Response, Recovery), or the PPRR (Prevention, Preparation, Response, Recovery) proposed by Heath (1993) as shown in Figure 1. Both the MPRR and PPRR are iterative models intended to provide ongoing opportunities for learning. HRD about crisis management relates closely to the 'preparation' aspect of both the MPRR but also subsequently the PPRR models. The PPRR aspects of the latter depict a flow of events, which can be applied to many areas, such as organisations and infrastructure. The sequence logically begins with the 'preparation' phase, equivalent to Faulkner's (2001) pre-event phase, which is emphasised as the component of management that can actively be promoted in organisations through HRD.

PPRR CRISIS MANAGEMENT MODEL

Preparedness is integral to crisis management, as it forms the foundation upon which recovery of the organisation's operation can occur. However, as stochastic events like 9/11 have shown, crisis management may actually begin with a 'response', because the 'preparation phase' was deficient. As such, the 'preparation', 'response' and 'recovery' elements of Hosie and Smith's (2004) *PPRR Crisis Management Model* are inter-related and, therefore, have a crucial relationship to the 'deep learning' purpose of the model. A cyclical and iterative approach to learning is therefore axiomatic and critical to the recurrent feature of this conceptualisation of crisis management.

Figure 1: PPRR Crisis Management Model (Hosie & Smith, 2004)

Deep organisational learning is more likely to result when there is constant iterative design of learning opportunities about how to prepare a business to respond and manage crises. For this to occur it is often necessary to challenge the status quo of an organisation's ingrained *modus operadi*. Deep learning experiences can be achieved by integrating crisis management concepts and practices to support the *PPRR Crisis Management Model*. Such an approach to learning is logically situated within the context of the crisis management literature. This serves to lay the foundation for conceiving of crisis management as a part of the service industry for protecting people and organisations. Creating and maintaining a suitable organisational configuration will assist to embed the necessary culture into an organisation's repertoire.

As such, crisis management needs to be treated as part of businesses' mainstream functions not as an ancillary activity. Part of this process is the infusion of learning about how to respond to and manage crises into the business culture. A suitable reward and incentives scheme needs to be embedded into the HRM practices to change and reinforce desirable behaviours. Preparedness for crises must become an integral part of the strategic consciousness of organisations. A state of 'active anticipation' needs to become accepted and embedded in an organizations culture from the 'shop floor to the top floor'. A 'corporate custodian' is needed make sure corporate plans, processes, and individual competencies are established and maintained (Sapriel 2003). Consequently, executives and line managers must formally allocate crisis management functions which have to be appropriately recognised and rewarded. HRM departments have hereby a critical role to play as organisations now require high quality crisis and risk HRD programs in order to exercise crisis management strategies as a service function for the effective management of crises. This involves creating and supporting the career paths of those designated to undertake the necessary culture changes to prepare the organisation for crises.

One powerful way of testing the pre-event or pre-crisis period readiness of businesses is through simulation scenario learning. Pre-event disaster contingency plans can be tested by proposing a realistic risk scenario and challenging staff to implement the response phase before returning to the pre-crisis stage (i.e., the pre-event phase). Real time scenario simulations permit staff to test the veracity of contingency plans against key performance indicators. A capacity to manage a crisis scenario simulation may be evaluated by general performance indicators devised from the extant literature. An important but vital aspect of simulation learning is the debriefing. Reactive and passive responses to threats to the organisations and individuals within them need to be excised and replaced by proactive approaches. One critical indicator of the preparation for crises is the quality and responsiveness of internal and external communications. Another broader indicator of the capacity of a corporate culture to accept feedback to ensure double loop learning occurs to adapt to future challenges.

Developing the capacity of human capital goes beyond the provision of reactive and periodic training experiences to the necessity of keeping key personnel constantly learning. Responses to threats must be rapid, effective and well informed to avoid tragedy (Caudron, 2002). Priorities for meeting crisis change by the minute, rather than by the day, so institutions that are more efficient users of technology are likely to become 'learning organisations' (Senge 1990, Price 2001) with greater potential for survive and thrive. Effective preparation to monitor, manage and respond to crises can be orchestrated by the emerging trend to utilise appropriate learning technology. As Caudron (2002: 30) accurately observed "technology in all its various forms has taken up a permanent and vastly more influential residence within the training

function". Well conceived and implemented uses of technology permit learning need to be more flexible and supportive of the principles of adult learning (Bennett & Reilly 1993).

Using technology to delivery training is an important way of ensuring quality up-to-date learning material is delivered at low cost. Technology can also be employed to save training costs and can be delivered far more flexibly than tradition methods. Important transactional considerations, such as the reduction training time and the lowering of travel costs and time away from the workplace, have also become a strong driver for adopting technological solutions for training (Hosie & Smith, 2004). A trend to utilise learning technologies includes videoconferencing, web conferencing, learning content management systems and the use of digital storage technologies (e.g., CD ROMs, DVDs). Delivering learning using technology is an efficacious way to reach employees who are geographically disbursed. There is likely to be an increasingly rapid uptake of the use of online learning for organisations preparing for crisis management. Distributed online technologies are appropriate for delivering learning in large and small enterprises.

Proponents of online learning extol the virtues of its capacity for accessibility, timeliness, consistent quality, convenience and interactivity, but invariably miss a critical point. Quality online experiences will only be achieved if established learning principles are embedded in the development of these learning materials (Reigeluth, 1999; Smith & Ragan 1999). Learning materials need to satisfy the criteria for delivering high quality learning that is 'defensible' in terms of ensuring an effective universal standard of quality learning experiences are being delivered. Courseware using technology as a delivery mechanism needs to be professionally designed and evaluated, to ensure effective learning strategies are adopted, and self-directed learning is encouraged (Mazzarol & Hosie, 1997). Issues relating to online learning design development need to be fully considered, including the philosophy and pedagogy informing the design, the main learning outcomes expected, attributes expected of learners, and a well conceived framework for designing and evaluating such courses.

Before embarking on developing online education, it is essential to undertake a needs analysis which should drive quality of the design of materials to ensure that effective learning occurs. Online learning using graphics simulations is an ideal way of ensuring that deep learning, especially from physical threats, is achieved to a consistent standard (Ang & Hosie, 2006). Ultimately, commitment to designing, developing and evaluating quality online materials is essential to realise the desired learning gains possible with new and established learning technologies. Online delivery of learning is initially expensive to design and develop. However, economies of scale can be achieved by developing generic courseware suitable for use by a wide range of enterprises which could be could be born government and industry bodies. This would permit large and small scale enterprises to have ready access to critical information to avert crises in the form of consistent, high quality training on crisis management.

CONCLUSION

There is a strong case for implementing vigorous proactive planning and effective implementation of strategies for crisis management where the outcomes are monitored and evaluated (Ritchie, 2004). Unfortunately, Faulkner (2001) is one of only a few commentators to take proactive and strategic crisis management approach with the Tourism Disaster Management Framework, which was discussed in the context of the Katherine floods in the Northern Territory of Australia (Faulkner & Vikulov, 2001). Other crisis management models also show promise, such as those by Smith (1990) and Smith and Sipika (1993). There is merit in verifying or refuting their veracity of these models with field data.

International businesses are especially are highly prone to external shocks which are inherently unpredictable making crisis management an essential integral part of the industry's operations. The current high incidence of global terrorism, major criminal activities, and the ever present threat of natural catastrophes has determined the need for high quality professional HRD in crisis response and management (Caudron, 2002; Hosie & Smith, 2004). These multiple exposes require differential responses at sectoral, organizational, and the individual level which cannot be achieved with simplistic quick fixes. Deep organisational reflection and learning is required to meet the complexity of such threats, Preparation should be seen as an integral part of any crisis recovery. Quality HRD initiatives are therefore a vital aspect of any well conceived and executed crisis management strategy. Consequently, the demand for HRD for the protection of people and assets is high in a national and international context.

An organisation's capacity to respond to a crisis can have a significant impact on its short and long term survival. Developing the capacity of human capital to respond to and manage crises has become a major risk mitigation issue for organisations and nation states. Thus, resources invested in HRM initiatives to change corporate culture to deal effectively with crisis situations benefit organisations in both ethical and business perspectives (Mitroff, 2004). There is a strong case for emphasising and initiating proactive HRD development strategies and subsequent applications to businesses in preparation for crises.

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