

**Bond University**

## **DOCTORAL THESIS**

### **Empowering Readiness: Influencing Crisis Management Success Outcomes**

Cronin, Jennifer

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**Empowering Readiness:**  
**Influencing crisis management  
success outcomes**

**Presented by Jennifer K Cronin**

Submitted in total fulfilment of the requirements of the degree of

**Doctor of Philosophy**

**22 October, 2015**

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Bond University, Australia



## **ABSTRACT**

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This theoretical study adopted a qualitative research approach to explore how crisis leadership influenced crisis management readiness in an increasingly volatile global tourism environment in the context of the 2010 Thai Red Shirt crisis. The main objective of the study was to derive a substantive theory that explained the social influence processes associated with crisis readiness. A single, multi-unit hotel business operating in Thailand was used as the case organisation for the research context. Since the contextual issues of crisis management and crisis leadership heavily influenced the choice of research methodology, Grounded Theory design was chosen as the most relevant and robust methodology to achieve theory generation from this study. While the primary data source involved in-depth interviews, multiple secondary data sources were also incorporated to augment the research findings; including, company reports, correspondence, television interviews and an online survey.

Empowering Readiness was the basic social psychological process that emerged as the core category from this study and responded to the concerns of the staff community that a state of crisis readiness needed to exist in the organisation. The lower order categories identified the most important properties that the participants considered to be key to being crisis ready. These interrelated dimensions explained the higher order categories; Crisis Leadership Influencers and Experiential Learning, which contributed to the emergent core category. The interrelatedness of each of the basic social processes has been described in the proposed theoretical model of Empowering Readiness. The model depicts a set of scales to explain how Crisis Readiness is moderated or influenced by institutional memory loss or retention, and its effect on the scale's balance beam between Crisis Leadership Influencers and Experiential Learning.

In conclusion, this study posits a newly developed substantive theory that identified the core category of Empowering Readiness as key to improving an organisation's crisis readiness. The significance of this study lies in its contribution to the field of crisis leadership research and the social processes of Empowering Readiness. Drawing from the extant literature and the study's emergent theory, the research findings propose a Living Manual to prepare organisations for crisis readiness and ultimately contribute positively to crisis management efficacy.

## DECLARATION

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This thesis is submitted to Bond University in fulfilment of the requirements of the degree of Doctor of Philosophy. This thesis represents my own original work towards this research degree and contains no material which has been previously submitted for a degree or diploma at this University or any other institution, except where due acknowledgement is made.



Signed:

\_\_\_\_\_

Jennifer Kathleen Cronin

Dated: 22 October, 2015

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## **PUBLICATIONS**

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## **ABBREVIATIONS**

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BSSP	Basic social structural process
BSPP	Basic social psychological process
CCC	Crisis Command Centre
DH	Department Head
ERT	Emergency Response Team
Excom	Executive Committee
FAST	First Aid Support Team
FLS	Fire and Life Safety Systems
GM	General Manager
HR	Human Resources
HRO	High Reliability Organisation
IT	Information Technology
KPI	Key Performance Indicator
OMSCP	Onion Model of Strategic Crisis Planning
PATA	Pacific Asia Travel Association
RM	Risk Management
SOP	Standard Operating Procedures
VP	Vice President

# CHAPTER 1 INTRODUCTION

## INTRODUCTION

Chapter One outlines the purpose of this thesis by providing the background to the study in the context of the 2010 Red Shirt Crisis in Thailand, and the subsequent 2012 Phuket earthquake. This chapter will introduce the purpose, aims and objectives of the study. The research question addressed in this thesis is: *How does crisis leadership influence crisis management readiness in the Thai hotel industry?* The research methodology used to explore this question will be introduced with a more detailed explanation provided in Chapter Three. The study's contribution to the body of knowledge will also be covered in this chapter, together with a discussion of the study's scope and limitations. The chapter will conclude with a diagrammatic overview of the thesis.

### 1.1 BACKGROUND OF THE STUDY

This thesis explored the influence of Crisis Leadership on Crisis Management Readiness within the Thai hotel industry. The researcher's keen interest in this topic was brought about by a desire to learn why organisations affected by crisis are not better prepared, and how they can implement a crisis-ready culture. The Thai Red Shirt crisis in May 2010 and the ongoing political crises provided the substantive context for this study. During the data collection phase an even more recent catalytic event with the Phuket earthquake on April 11<sup>th</sup>, 2012, brought to light complacencies that existed in the case study organisation and illustrated how crisis leadership efficacy is accelerated when institutional memory is formalised.

Crisis and risk management practices within the hospitality industry were a relatively new phenomenon when the tragic circumstances of the World Trade Centre and Pentagon attacks on September 11<sup>th</sup>, 2001 sent shock waves around the world (Chong, 2004; Evans & Elphick, 2005; James, Wooten, Dushek, 2011; Ritchie, Bentley, Koruth & Wang, 2011; Rittichainuwat and Chakraborty, 2009; Rousaki & Alcott, 2006). As world economies have become more interconnected (Northouse, 2007) and the tourism industry becomes more dependent upon global networks (Blackman, Kennedy &

Ritchie, 2011) this shock proved to be a wake-up call for the hospitality sector. Other crises including SARS (2003), the Bali bombings (2002 and again in 2005), the Jakarta bombings (2003 and 2009), the Marriott Islamabad bombing (2008), the Taj Mumbai terrorist attack (2008), the tsunami of South and SE Asia (2004), as well as the H1N1 and Bird Flu pandemic threats have had a profound impact on tourism operators within the Asia Pacific region.

Given the author's thirty years of experience in tourism and hospitality management, with the last ten years based in South East Asia, she is intimately familiar with the international hotel industry and passionate about improving leadership competencies, as well as systems and processes with regard to crisis readiness. With today's global travel patterns, there is growing interest in crisis management; however, how hotels cope with crises has received little attention. Crandall, Parnell & Spillan (2010) identified the growing body of research about crisis management with evidence that there was a dramatic increase in the number of publications related to crisis management between 2002 and 2006. Notably, most articles have surfaced in mainstream publications rather than in academic journals (Crandall et al., 2010).

Whether it be in the path of more frequent extreme weather events, or a soft target for terrorists, from natural disasters to man-made crises, the hotel and tourism industry has faced a growing wave of crisis events. Wang & Ritchie (2010) state that "there is a distinct lack of research about strategic crisis planning in the hotel sector, as well as on the factors that may influence hotel crisis planning" (p.313). To date, there has been limited research that has focused on hotel managers' decision-making processes when handling crises (Israeli & Reichel, 2003, Israeli, Moshin & Kumar, 2011).

This study responded to the need for further research in crisis management leadership, specifically in the context of the hotel industry where relatively little research has been conducted. The literature on crisis management practices within the hospitality industry is relatively sparse (Israeli & Reichel, 2003). Henderson (2007) suggests "there is a lack of quantitative and qualitative data about the extent, composition and effectiveness of formal crisis management planning within the tourism industry" (p.12). The present study responded to the need for further academic research that identifies how hotel managers respond in a crisis situation and what factors influence their approach to crisis management readiness.



## **1.2 CRISIS IN CONTEXT**

The Thai Red Shirt crisis in 2010 provided the substantive context for this research. Therefore, it is important to establish the background of the political protests, which culminated in a violent government crackdown on May 19<sup>th</sup>, 2010. During the course of this research study, the 2012 Phuket earthquake incident also uncovered further crisis leadership issues within the case study organisation and provided a new research opportunity for a comparative study between the different business units. These two crisis incidents became the contextual foundation of this research and are explained in the following sections.

### **1.2.1 THE THAI RED SHIRT CRISIS**

Thailand's history has been beset with no less than 18 successful and attempted military coup d'états since Thailand abolished absolute monarchy in 1932 (Streckfuss, 2010). The context for this study focuses on the events that most recently led to the 2010 Red Shirt crisis. The military coup d'état of September 19<sup>th</sup>, 2006, which ousted the popularly elected Prime Minister, Thaksin Shinawatra, created a political landscape with cavernous divides between the Red Shirts representing the low-income rural and urban populations and the Yellow Shirts who represent the previously ruling elites, represented by the military, bureaucracy, royalists, middle class and wealthy populations (Chanlett-Avery, 2010). The military government administered the 2007 general elections when the popular pro-Thaksin party, officially known as the PPP (People's Power Party) and supported by the Red Shirts, were returned to govern.

The road to reinstate democracy was less than stable and the ensuing struggle between the Yellow Shirts' PAD (People's Alliance for Democracy) and Red Shirts' PPP only worsened, with the Yellow Shirts taking over Government House in August 2008. This was followed by the mass sit-in of the country's main two international airports between 25 November to 2 December 2008, in protest against the governing PPP with its continuing involvement by Thaksin in exile (Campiranon, 2010; Dalpino, 2011). The PPP PM was forced to resign and Abhisit Vejjajiva, as leader of the Democrat Party, became the replacement PM with the support of the military. The PPP was dissolved and replaced by the UDD (United Front for Democracy against Dictatorship) which continued the pro-Thaksin ideologies.

The Red Shirts protested against the ruling elites for refusing to recognise the democratically elected PPP Parliament by storming the ASEAN Summit in Pattaya during 11-12 April 2009, and fuelling the ensuing protests in Bangkok. This led to a State of Emergency being called by Abhisit (Su Yin & Walsh, 2011). The Red Shirt Crisis of May 2010 was the bloody culmination of months of political protest against the incumbent non-elected government, under the leadership of Abijist Vejjajiva (Bouckaert, Adams, Ross & Hass, 2011; Chanlett-Avery, 2010; Cohen & Neal, 2010; Dalpino, 2011, Forsyth, 2010; Taylor, 2012). The Red Shirt protest group made camp in the heart of Bangkok's prime shopping and entertainment district, fortified behind bamboo stakes and mountains of tyres from April 3. The protest camp brought the city's business precinct to a standstill and forced the closure of some of the city's leading hotels, such as the Four Seasons, Grand Hyatt and Intercontinental hotels, eventually encompassing the city's main central park, Lumpini Park.

The Red Shirts held their ground until the police and army besieged the camp from 14 May, the day after the Red Shirt leader was shot (and died on May 17th). The violence escalated and the streets around the Red Shirt enclosure became a 'live fire' warzone (Chanlett-Avery, 2010). The army invaded the Red Shirt camp on May 19<sup>th</sup>, leaving a final death toll of ninety people from the two month long protest camp. A number of the city's major buildings including; the Stock Exchange of Thailand, some Bangkok Bank branches and CentralWorld the city's largest shopping centre were attacked and burned. Curfews followed and a State of Emergency was in force throughout the country (Dalpino, 2011).

The case study organisation's head office building and flagship hotel were in close proximity to the Red Shirt encampment. The Red Shirt activity and the subsequent police and military actions negatively impacted the day to day operations of both the office building and hotel. At the height of the violent clashes the office and hotel were physically targeted and forced to temporarily close for eleven days, from May 14<sup>th</sup> to May 25<sup>th</sup> 2010.

The 2010 Thai Red Shirt crisis had a significant negative impact on Thailand's social and economic environment. It is still regarded as unresolved and further discontent may see a return to clashes of the political parties (Barnes, 2009; Bouckaert et al., 2011; Campiranon, 2010; Chanlett-Avery, 2010; Cohen & Neal, 2010; Dalpino, 2011). This

research study sought to explore the lessons learnt from the Red Shirt crisis and examine the state of crisis readiness that now exists within the case study organisation. Faulkner (2001) posited “By studying past events, the response of those affected and the recovery measures adopted, and retrospectively evaluating the effectiveness of these responses, we can develop strategies for coping with similar events in the future” (p.146).

### **1.2.2 THE 2012 PHUKET EARTHQUAKE**

On April 11<sup>th</sup> 2012, an earthquake registering an 8.6 magnitude occurred off the coast of the Indonesian island of Sumatra (USGS, 2012) and was reported by the Pacific Tsunami Warning Centre. The earthquake was felt in regions as far away as India and Singapore and tsunami alerts prompted fear and panic throughout the South Asian region. On Phuket Island, earthquake tremors were experienced and after some delay the tsunami sirens commenced and alerted residents to move to higher grounds. The devastating memories from the 2004 tsunami were still fresh in the minds of many locals and their response was one of immediate evacuation to safer locales (Muttarak & Pothisiri, 2013). The Phuket International airport was also closed for a short time on that day.

While the Red Shirt Crisis provided the substantive context for this research, the serendipitous discovery of the April 11<sup>th</sup>, 2012 Phuket earthquake incident provided another rich layer to this multi-dimensional case study. The researcher had enlisted interviewees from a variety of locations within the case study organisation, including from one of the group’s resort based hotels to explore their feelings and perceptions about how the organisation’s head office is perceived in terms of crisis readiness. In the course of the interviewing, one of the Phuket resort’s senior management detailed a recent earthquake incident that brought to light the inadequacies of their own crisis readiness and how they were forced to urgently re-evaluate their procedures and systems to meet the demands of a major client in house.

This incident provided a new level to the research and allowed for comparisons between different types of hotel properties, a city based hotel and a resort hotel, with the systems and procedures of the corporate head office. The Phuket hotel’s earthquake response also indicated the various levels of crisis readiness within the case study organisation

and the corresponding debriefings and learned lessons as a result of a crisis event in the separate business units of the company. The organisation under research provided multi-unit components that extended the comparative analysis of crisis leadership actions and added further depth to the single case study that was employed.

### **1.3 AIMS & OBJECTIVES OF THE STUDY**

It is widely recognised that the tourism industry is susceptible to crises, necessitating the need for strategic and proactive measures to counteract future crisis events. Crises are now seen as an inevitable part of the tourism business, and, as a consequence, the tourism sector has recognised the need for effective crisis and risk management strategies at both the property and organisational levels (Anderson, 2006; Avraham & Ketter, 2006; Beirman, 2003; Boniface & Cooper, 2009; Henderson, 2007; Henderson & Ng, 2004; Pforr & Hosie, 2008, 2010; Prideaux, 2009; Robertson, Kean & Moore, 2006). In order to mitigate negative impacts of potential crises, these strategies require leadership to have the foresight and drive to establish a culture of crisis readiness.

A key objective of the research was to determine how Crisis Leadership impacts the crisis management workflow and success outcomes. Given the natural and political crises that have beset the Thai tourism industry (Cohen & Neal, 2010; Rittichainuwat and Chakraborty, 2009; Su Yin & Walsh, 2011), the priority for hotel operators is to mitigate the negative impacts of such crises and identify successful crisis management strategies in order to ensure the long term financial sustainability of the Thai hotel industry and establish best practices for the future.

Based on the Literature Review in Chapter Two of this thesis, it is evident that gaps exist in our understanding of the effects of crisis leadership on a hotel company's crisis management readiness. The gaps identified in the extant literature include firstly, emergent tourism-related Crisis Management frameworks have not focused specifically on the Crisis Readiness stage. While Faulkner's (2001) highly cited *Tourism Disaster Management Framework* provided a systematic approach to assessing the different phases of a crisis incident and recommended the management responses and strategies to be adopted, it failed to detail the necessity of organisational learning from the disaster. The more strategically-holistic framework of Ritchie's (2004) *Crisis and Disaster Management Framework* has been referenced for this study in exploring crisis

management efficacy. One of the main contributions of Ritchie's (2004) framework is the 'Resolution, Evaluation and Feedback' phase which enhances the Crisis Prevention and Planning phase through organisational learning and feedback. This research study undertook to better understand how managers prepare their organisation for crisis readiness based on the lessons learnt from past crisis events.

Second, Crisis Leadership attributes and their relationship with Crisis Management readiness was not considered within Ritchie's (2004) framework and its crisis prevention stage. In addition, James & Wooten's (2004 & 2008) Crisis Leadership Competency Model has no linkage either to a Crisis Management model or framework in order to identify the leadership competencies required at the different stages of a crisis event. Although Wooten & James' (2008) study endeavoured to identify the phases of leadership competencies, it was limited in its application to each phase and based the findings only on a content analysis of media reports. Therefore, based on the limitations of Wooten & James' (2008) study, this research study explores the leadership skills adopted specifically during the crisis readiness phase and the recovery and resolution period.

Third, minimal research has focused specifically on the substantive context of how the Thai hotel sector approaches crisis readiness. The majority of crisis management studies to date have been dedicated to a Western environment or reflect US centricity (James et al., 2011; Muttarak & Pothisiri, 2013). This study addresses crisis leadership within an Asian context and an Asian based organisation, specifically the Thai context.

Fourth, experience with crisis events enhances the Crisis Leader's Sense-making abilities of the situation, and their learned lessons contribute to a more confident and trusting leader-follower relationship. Therefore, understanding the impact of the manager's prior experience in a crisis situation, or how followers react to a leader's past experience, was explored to understand how hotels approach Crisis Readiness and how this impacts on crisis management efficacy.

Finally, the use of Grounded Theory has not been employed previously as a research methodology for Crisis Leadership studies in the context of hotel crisis management and is limited in its use in qualitative tourism research studies. Grounded Theory was deemed most appropriate and most sensitive to the contextual nature of crisis

management. Therefore as outlined in more detail in Chapter Three, Grounded Theory was adopted to explore the richness of the data and to generate substantive theory.

The primary research objective of this study is to: Explore how management's crisis leadership capabilities influence crisis management readiness for future crisis events in the Thai hotel industry. While the research was set in a hotel context, the findings of this study are beneficial to Crisis Leadership theory across a broad spectrum of industry sectors. Given the identified gaps, this research study aimed to investigate the following research questions.

#### **1.4 RESEARCH QUESTION**

Based on the aforementioned aims and objectives of this study, the primary research question guiding this study was:

How does crisis leadership influence  
crisis management readiness in the Thai hotel industry?

This question raised further questions that were considered, including; what level of importance do hotel managers place on crisis management planning, response and evaluation, how does organisational culture influence crisis management planning and response, and how applicable are Western based Crisis Management frameworks to the Thai Crisis Leadership context? Addressing these questions provided further insights into how crisis leaders influence the crisis management readiness phase.

#### **1.5 RESEARCH METHOD**

The study adopted Grounded Theory methodology based on a single case study to examine the phenomenon of Crisis Leadership and its influence on an organisation's state of Crisis Readiness. A single case study was employed to explore this crisis event using multi business units for comparison within the case study organisation and will be further discussed in more details in Section 3.1.5. Grounded theory methodology provides a means to explore rich data and tease out the underlying social processes of this leadership phenomenon in the case study organisation. The richness of the empirical data contributed to generating substantive crisis leadership readiness theory.

## **1.6 CONTRIBUTION TO THE BODY OF KNOWLEDGE**

This research contributes to the field of crisis leadership readiness by addressing the gaps in the research on crisis leadership, specifically in the phase that constitutes crisis readiness. While the body of research surrounding crisis readiness has evolved, it has yet to adequately identify relationships with past crisis experiences, crisis leadership typologies, organisational and cultural attributes, and more specifically, factors related to crisis readiness within the context of a non-Western hotel company.

Previous Crisis Management research has failed to place adequate emphasis on Crisis Leadership or the Crisis Readiness phase, having instead concentrated on frameworks for each Crisis Management phase rather than on the preparedness of managers, or the organisations involved. To date, there has been a failure to integrate Crisis Leadership capabilities in delivering the Crisis Management frameworks, specifically during the pre-crisis event phase. The Thai hotel industry has been beset by crisis fatigue over the past decade and their readiness for future events will determine their recovery outcomes and overall long term competitiveness. Because of their unfortunate crisis experiences in recent years, the Thai hotel industry has become an important context in which to research this phenomenon.

This study contributes to extant theory and practice, adding to the body of knowledge by providing a platform for further research related to the field of Crisis Leadership and Crisis Readiness. The research contributes a new theoretical model which outlines the factors required to prepare leaders for the crisis readiness phase and subsequently contributes to the positive efficacy of the crisis management recovery and post crisis phases.

## **1.7 SCOPE AND LIMITATIONS OF THE STUDY**

This thesis was based on a case study of an international hotel group, headquartered in Bangkok with hotels throughout Thailand, China, Philippines, Maldives, India, United Arab Emirates and Egypt, and representative offices in Hong Kong, Singapore, Dubai, London and Berlin. The data were collected via face to face and Skype interviews, email responses, an online survey, and document analysis between October 2010 and September 2013. In selecting a qualitative grounded theory approach, a single case

study with multiple business units for comparative purposes provided a rich in-depth examination of the substantive context for this thesis. The Thai Red Shirt crisis event of 2010 defined the scope and limitations of this study. However, during the data collection a catalytic event, the 2012 Phuket earthquake, provided further data and evidence to explore and answer the research questions. In effect, an unplanned, yet inevitable crisis occurred in this geo-physically challenged region.

The interview participants all agreed to participate, except for two managers; one particular manager declined due to her close working relationship with the case study organisation's CEO. This is regrettable due to the theoretical sampling technique employed and the expectation that she was considered to be a key informant. However, she was prepared to anonymously contribute to feedback in an online survey, which provided further collaboration to the interview data as the primary data source.

Since the researcher had been employed by the case study organisation for four years during the period 2007 – 2011, the issue of researcher bias was carefully considered and required an open, objective approach with the interviewees and secondary data collection. However, this past tenure can also be considered an advantage as the researcher was given permission by the organisation's CEO to contact the entire staff body and access records that would not have been provided to an outside researcher. In addition, the researcher's previous relationships with the interviewees allowed for efficient interview techniques, since long rapport building sequences were not required.

Researcher bias was constantly at the forefront of the researcher's mind and she strived to insulate her own biases, opinions and worldview throughout the study so that the true meaning of the data could reveal its common themes. However, it cannot be ignored that the researcher could not be totally objective since she had been employed with the case study organisation at the time of the crisis event. One way that this issue was addressed was through non-verbal behaviours, such as keeping the tone of the interviewing techniques without noticeable inflection variation that might influence the responses (Saunders, Lewis, Thornhill, 2009) and avoiding any unnecessary comments or remarks that may influence the responses.

The position of power and any negative influence that may be considered as a result of the researcher's previous tenure was minimised since the researcher clearly explained



her status as a research student and her quest to seek a positive outcome for the organisation through this study. The repeated assurances of anonymity at the time of inviting subjects to participate in writing, then in follow up emails and finally at the start of each interview, reinforced the confidentiality of their responses so that they could feel confident in their responses and not be concerned for any retribution from management. Although the researcher was familiar with the case study community she was not fully conversant with crisis management systems at all levels of the organisation, nor all the business units. Therefore, researcher bias was reduced by systematically selecting participants that would best elucidate *what* was happening at the time of the crisis event.

Since the research question sought to examine the organisation's crisis readiness, the multi-level and multi-property management participants provided far greater insight than was anticipated. Substantive theory was generated in the context of a major political crisis event for an international Thai hotel group. This theory is expected to be applicable to a range of other crisis management typologies and industry sectors. The Thesis Flow Summary in the next section provides a synopsis of this thesis as illustrated in Figure 1.1. The summary visually describes the seven chapters of this thesis and provides an introductory overview of each chapter.

## 1.8 THESIS FLOW SUMMARY

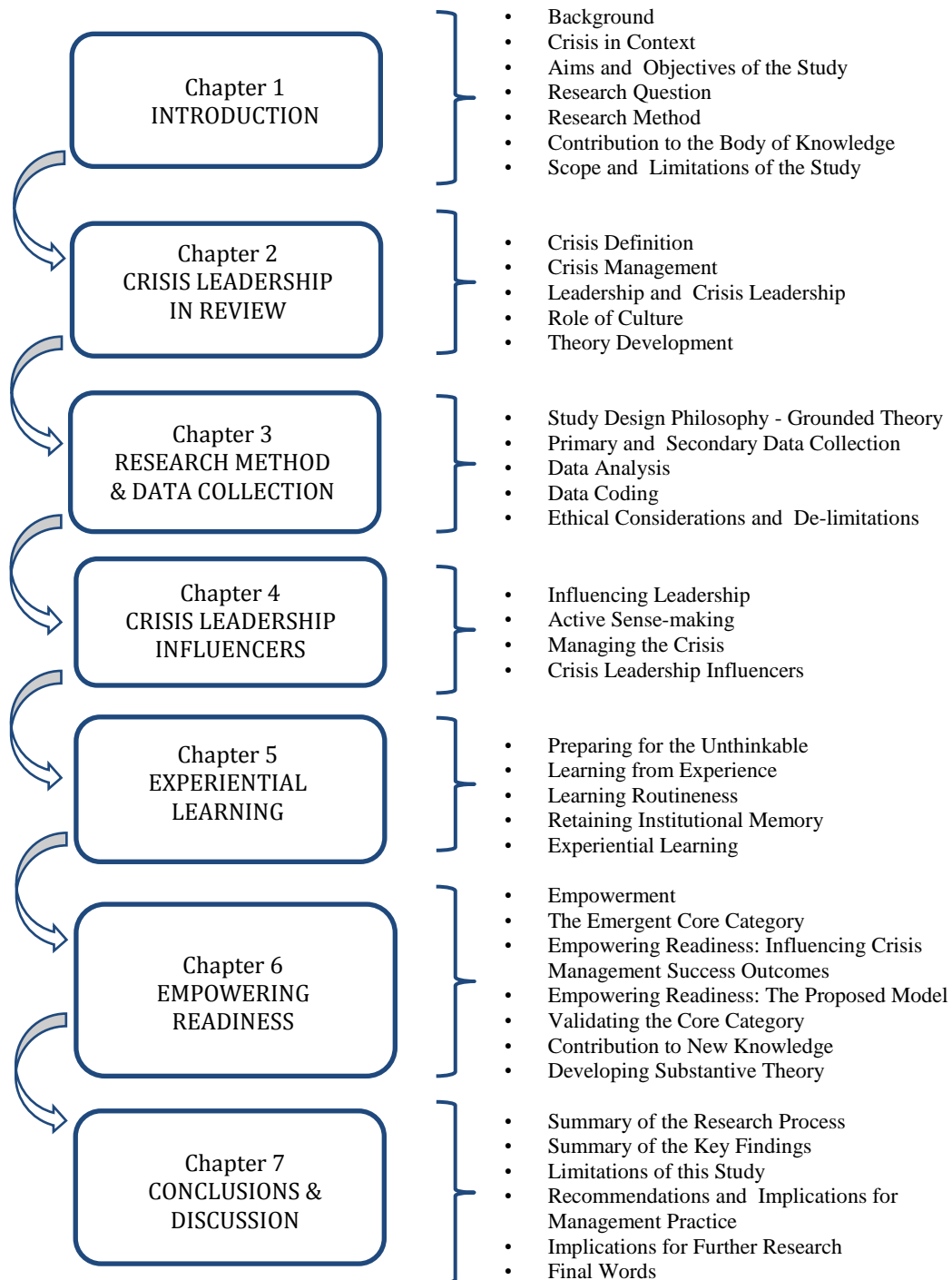


Figure 1.1 Thesis Flow Summary

## 1.9 CHAPTER SUMMARY

Chapter One has introduced the background of this study, noting the importance of crisis readiness for crisis leaders within the hotel sector. The 2010 Thai Red Shirt crisis provided the substantive context for the research. It was within this contextual frame that the researcher sought to understand the relationship between crisis leadership and crisis management readiness in the hotel industry. The context also guided the primary research question; *How does crisis leadership influence crisis management readiness in the Thai hotel industry?*

This chapter has provided the foundation for this study by explaining the aims and objectives and identifying the gaps that existed in the extant research literature. These literature gaps strengthened the purpose for this study and included previous crisis management frameworks that were designed with little attention to the Crisis Readiness or Preparation phases. Furthermore Crisis Leadership competencies have not been applied within these frameworks. In addition, Western and U.S. centric studies have previously ignored non-Western contexts. Also, learned lessons from crisis events and their influence on hotel management's crisis readiness have been largely ignored. Finally, the use of grounded theory to explore data and generate substantive theory in the tourism sector is uncommon; therefore, this study also contributes to this field of research from a methodological perspective.

The qualitative approach used was briefly introduced in the research methodology section and will be explained in more detail in Chapter Three. This chapter also highlighted the significance of this research to the body of knowledge and its contribution to improved business management practices, specifically in the context of the international hotel sector. The scope and limitations of the study were explained and framed the research project for this thesis. Nevertheless, this study was underpinned by the pursuit of a grounded theory in order to explain the social process involved in crisis leadership and an organisation's state of crisis readiness.

Chapter Two will now review the extant literature relevant to this research topic and discuss issues crucial to Crisis Leadership in the international hotel sector.

## CHAPTER 2 CRISIS LEADERSHIP IN REVIEW

### INTRODUCTION

The objective of this chapter is to identify relevant prior research related to tourism crisis management and Crisis Leadership, and evaluate the theoretical frameworks that have been posited to date. Fundamental issues related to Crisis Management Readiness and hotel management Crisis Leadership strategies for alleviating and minimising the negative impacts of a crisis are considered. While it is evident that Crisis Management has become increasingly more topical, research to date has generally been US-centric (James et al., 2011) or focused on a Western context rather than an Asian context (Elsubbaugh, Fildes & Rose, 2004; Kim, Cha & Kim, 2008). Cultural attributes are an important variable in Crisis Management success outcomes (Mitroff, Pauchant, Finney & Pearson, 1989; Pearson & Clair, 1998). This study sought to understand how these cultural differences affect crisis leadership readiness from an Asian perspective rather than a Western context and thereby contribute to the body of knowledge in regard to the nascent literature within an Asian context.

First, salient definitions of crisis and the term crisis management will be provided, followed by a discussion of the Crisis Management theoretical frameworks and models that have been developed for application within the tourism sector. This will be followed by evaluating the literature and positing a definition for Crisis Leadership, and considering the importance of effective leadership in Crisis Management decision-making. The literature review will also investigate Crisis Leadership theory, frameworks and models. Next, previous research which examines the role that national culture, along with the effect of organisational culture, has on managing crisis situations is also considered. A gap analysis identifies areas for further research and its application to the Thai experience with regard to the May 2010 Red Shirt crisis, as well as the ongoing political crises and the 2011 floods. Finally, the study's theory development will be discussed.

## 2.1 CRISIS DEFINITION

In order to present the definition of crisis management and crisis leadership, it is essential to commence with a definition of the term: crisis. According to Fink (1986) one of the earliest scholars of crisis management:

A crisis is an unstable time or state of affairs in which a decisive change is impending – either one with the distinct possibility of a highly undesirable outcome or one with the distinct possibility of a highly desirable and extremely positive outcome. It is usually a 50-50 proposition, but you can improve the odds (Fink 1986; p.15).

Faulkner (2001) in his study of the Katherine floods, distinguished between the terms crisis and disaster, specifically targeting tourism disaster management. He argued that the term crisis should be used to describe a situation 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. Disaster, on the other hand, should be used to refer to situations where an enterprise (or collection of enterprises in the case of a tourist destination) is confronted with sudden unpredictable catastrophic changes over which it has little control. As cited by Faulkner (2001), Booth's (1993) definition of crisis placed a similar emphasis on the necessity of 'exceptional measures' in the community's response by referring to the necessity of non-routine responses. He added that stress is created by the suddenness of the change and the pressure it places on adaptive capabilities. He described a crisis as, "a situation faced by an individual, group or organisation which they are unable to cope with by the use of normal routine procedures and in which stress is created by sudden change" (p. 86).

While the terms crisis and disaster can be considered distinctly different, they are often used synonymously and their use is interchangeable (Jaques, 2007). This is evident when a crisis event is often referred to as a disaster for an organisation, or vice versa. Ritchie et al., (2011) suggested that there is no universally accepted definition of a crisis, whereas Jaques (2007) suggests that there "appears to be a good level of agreement in the management literature about the definition of a crisis" (p.147). There is no doubt that a multitude of definitions exists but it is important to note that one of Asia's leading tourism industry bodies, the Pacific Asia Travel Association (PATA, 2011) described a crisis as: "an event or set of circumstances which can severely compromise or damage the marketability and reputation of a tourism business or an entire tourism destination region" (p.1). PATA have been instrumental in providing

travel industry-wide training, workshops, webinars and manuals for Crisis Management readiness.

On the other hand, Crandall et al.'s (2010) definition deals with crisis as a low probability. However, in the context of Thailand's state of crisis fatigue from its litany of crisis events the definition is redundant due to the expectation of further political turmoil; nevertheless it is restated here for comparison:

A crisis is an event that has a low probability of occurring, but should it occur, can have a vastly negative impact on the organisation. The causes of the crisis, as well as the means to resolve it, may not be readily clear, nonetheless, its resolution should be approached as quickly as possible. (p.4).

Prewitt, Weil & McClure (2011) provide a more succinct and proactive interpretation of a crisis and its consequences, should an organisation fail to act quickly, with their definition:

“Crisis is defined as an unexpected, dramatic, and unprecedented event that forces an organisation into chaos and may destroy the organisation without urgent and decisive action” (p.60).

Prewitt et al.'s (2011) definition was adopted for this study as the most appropriate due to its focus on approaching the resolution as quickly and as efficiently as possible, requiring urgent and decisive action to be taken by the organisation's management. This view is further expanded in the following section on how crisis management has been approached to date.

## **2.2 CRISIS MANAGEMENT**

The emergent body of Crisis Management research continues to develop as the 'global village' becomes even more connected and crises impact a wider group of communities, across regions, borders, and continents (Blackman et al., 2011; Carmeli & Schaubroeck, 2008; Rego & Garau, 2007). Crisis events now cover a broad spectrum of political, environmental, technological and health issues as a result of both man-made and natural events. These events can quickly gather an uncontrollable momentum on a global platform of communication interconnectivity (Hajkowicz, Cook & Boughen, 2013). There has never been a greater need to provide insights and create theory in the field of Crisis Management in order to prepare society, organisations and individuals with the tools to effectively deal with a crisis event.

### **2.2.1 DEFINITION OF CRISIS MANAGEMENT**

Following on from the challenges of defining crisis, many scholars concur that there is no widely accepted definition of the term crisis management. Fink (1986) described Crisis Management as: “planning for a crisis, a turning point – is the art of removing much of the risk and uncertainty to allow you to achieve more control over your own destiny” (p.15).

Racherla and Hu (2009) adopted Pearson and Clair’s (1998) definition of Crisis Management in their study related to knowledge-based crisis management in the hospitality and tourism industry: ‘Crisis Management is a systematic attempt by an organisation and its stakeholders to manage or prevent crises from occurring, such that key stakeholders believe the success outcomes outweigh the failure outcomes’ (p.563).

While the knowledge-based Crisis Management definition provides a systematic approach, it relies on stakeholders’ perceptions of the outcomes, whereas, Glaesser’s (2006) definition provides a more strategically focused definition: “Crisis Management is understood as the strategies, processes and measures which are planned and put into force to prevent and cope with crisis” (p.22). Glaesser’s (2006) definition will be adopted for this study as the most appropriate explanation since it deals with the act of planning, prevention and coping with a crisis event; actions that are central to this study and exploring the crisis-readiness phase. This definition aligns with the Crisis Management frameworks, due to their insight into strategic planning and prevention to address potential crises. Existing Crisis Management models and frameworks will now be evaluated.

### **2.2.2 CRISIS MANAGEMENT MODELS**

Crisis Management models and frameworks are now considered to determine the most appropriate theoretical model given the context of the hotel industry. These models and frameworks are used to identify the stages of a crisis event and the components specifically related to the crisis-readiness phase. The following section provides a brief overview of the key models and frameworks within the crisis management literature.

**(i) FINK (1986) THE ANATOMY OF A CRISIS**

One of the first models related to Crisis Management, the “Anatomy of a Crisis” was developed by Fink (1986), who believed that a crisis should be treated as a communicable disease requiring crisis resolution at each of the three anatomical stages: Prodromal, Acute and Chronic, followed by a Crisis Resolution stage. Based on the findings of a survey of Fortune 500 companies, Fink concluded that fifty percent of businesses did not have a Crisis Management plan and that the Chronic phase lasted two and a half times longer in companies without a Crisis Management plan. He also argued that the longer the Chronic phase lasts, the longer the damage lasts.

Effective decision-making is a technique, and high quality decision-making in the midst of crisis-induced stress is a process which requires specific mechanics applied to it (Fink, 1986). Fink’s view is also supported by other Crisis Management researchers who tested the hypothesis that implementing strategic crisis management planning will minimise negative social or economic outcomes (Anderson, 2006; Mitroff, Shrivastava & Udwadia, 1987; Pearson, Misra, Clair & Mitroff, 1997).

Fink (1986) also argued that organisations should plan and prepare for the inevitability of a crisis because he believed that with proper advance planning there can be a positive side to a crisis. He was of the opinion that “preparation is necessary for capitalising on crises and creating achievement out of adversity, inspiration out of humiliation and opportunity out of danger” (p.1). However he failed to recognise the importance of organisational learning from crisis experience but instead focused his theory on the state of preparedness and the crisis event. Organisational learning entails the modification of an organisation’s knowledge-base from a crisis experience as a result of lessons learnt (Madsen & Desai, 2010; Lampel, Shamsie & Shapira, 2009). The present study explored the state of Crisis Readiness based on the case study organisation’s learned lessons from the Red Shirt crisis and their ability to deal with future crises.

Organisations can manage crises more effectively by being better prepared in assessing the risk and the impact of a crisis occurring. Fink (1986) created a “Crisis Forecasting Scale” based on the following formula: *crisis impact scale + probability factor = crisis barometer scale*. He highlighted the importance of having a strategic Crisis Management plan in place and a Crisis Management Team comprised of individuals



who bring different strengths required for different types of crises. He argued that an effective Crisis Management plan presets certain decisions on the mechanical portions of the crisis allowing the Crisis Management Team to be free to manage the content portion of the crisis. Fink posited that crisis communication is about controlling the message and the need for the communicator to have the authority or access to authority. However, in today's digital media environment, controlling the message has become even more challenging and current research needs to take into account new technologies related to the new phenomena of social media's 'digital whispers' (Barnes, 2009; Hajkowicz et al., 2013; James, Crane & Wooten, 2013).

**(ii) MITROFF (1987)**

A Model of Crisis Management was developed by Mitroff et al. (1987) as shown in Appendix 1. It illustrated effective Crisis Management as a continual process which is dynamic rather than static. According to Mitroff et al. (1987) this model "can be entered at, and exited from, any point, and the action can proceed in any direction" (p.285); therefore, it is a non-linear model. Mitroff et al.'s (1987) model can be explained by commencing from the Detection phase, where an organisation scans the internal and external environment to identify impending crises. Prior to reaching the Crises phase, the organisation will systematically and comprehensively assume the prevention and preparation status. Constant testing and revision of crisis plans allow organisations to cope better and move into the Repair phase, leading to the recovery of the organisation and the final phase, Assessment. At this point, the organisation evaluated its performance and identified areas for improvement.

In order to ensure a state of crisis preparedness, Mitroff et al.'s (1987) suggestion that the Crisis Management process can be entered at any point does not engender confidence in an organisation's Crisis Readiness proactivity and ability to respond in an efficient and effective manner. Mitroff et al.'s (1987) and Fink's (1986) models provide a basic introduction to understanding Crisis Management through simplified processes, but are too simplistic for the complexity of crisis events today, as compared to the more strategically focused Crisis Management models to be discussed in Section 2.2.3 on Crisis Management in Tourism. The earlier models developed by Mitroff et al., (1987) and Fink (1986) describe the phases of a crisis but do not articulate the strategies that are required in each of the phases. Almost a decade after Fink (1986) and Mitroff et

al.'s (1987) frameworks were published, the field of crisis management research provided further operational processes and models for consideration as explained in the next sections.

**(iii) HEATH (1995) CASCADED STRATEGIC PRIORITY PROFILE**

In his analysis of the Kobe earthquake Crisis Management process, Heath (1995) suggested that the strategic preparedness of an organisation will ultimately determine the success of the Crisis Management process. Heath referred to his Cascaded Strategic Priority Profile (CSPP) which established mission and task priorities and involved ranking the tasks and activities that need to be undertaken. The CSPP included three areas of response management in the event of an earthquake. The first priority is to identify sources and sites of resource demand required where damage has been most serious. The second priority is to prioritise tasks that will enable response operations to render immediate assistance through emergency services. The third priority is to contain sub event threats to life and property, such as fire containment. A cascaded decision tree system was utilised for profiling priorities and provided managers with the ability to check each allocated priority throughout the process.

At the same time as the CSPP, the emergency services also undertake Operational Management Triage (OMT) which uses similar principles as an emergency medical triage (Heath 1995). Response times are further improved when CSPP and OMT are combined. However, Heath (1995) suggested that the Kobe earthquake's response management was less than optimal due to a lack of clear communication lines and the inability to efficiently deploy resources. The author posits that this was due to Japanese cultural norms and the lack of crisis leadership and ineffective decision making strategies. Heath's (1995) study recommended both CSPP and OMT as the strategies to improve strategic preparedness, however his recommendations ignored cultural issues and did not make allowance for addressing these challenges.

Moreover, Crisis Management models presented thus far have failed to incorporate double-loop organisational learning processes sufficiently to improve the organisation's knowledge-base and prioritise the Crisis Readiness of the organisation. Carmeli & Schaubroeck (2008) suggested that many organisations undertake single-loop learning by simply detecting and correcting errors to carry on with the business at the risk of

repeating the error. In contrast, double-loop learning detects and corrects the error by modifying the organisation's norms, policies and objectives. Carmeli & Schaubroeck (2008) recommended double-loop learning's second-order problem-solving behaviours to resolve problems and identify new opportunities. They posited that there is a positive relationship between second-order problem-solving and crisis preparedness.

#### (iv) JAQUES (2007) ISSUE AND CRISIS MANAGEMENT MODEL

Moving forward twenty years from Mitroff et al.'s (1987) model, the Issue and Crisis Management Relational model developed by Jaques (2007) provided a more integrated non-linear relational construct, which clearly identified the pre-crisis phase. Moreover, it included a post-crisis management phase that included 'Evaluation' and 'Modification' which adopted an organisational learning component as can be seen in Figure 2.1.

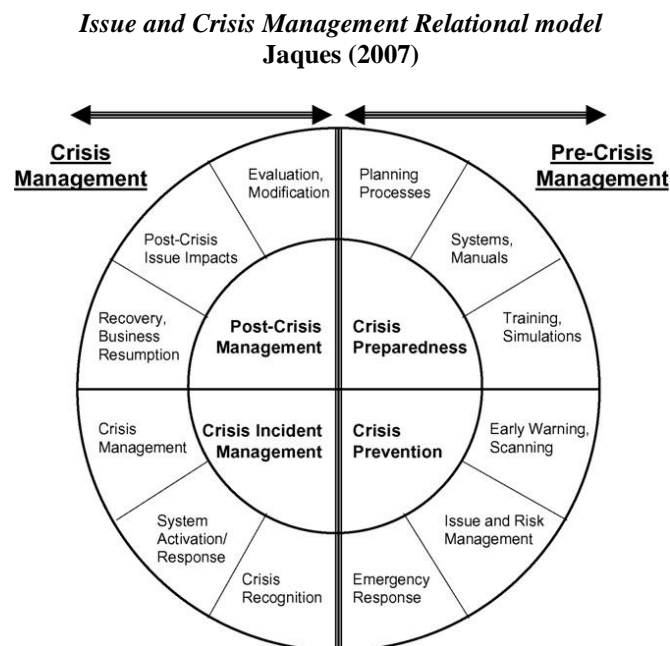


Figure 2.1: Issue and Crisis Management Relational Model

Source: Jaques (2007), Issue management and crisis management: An integrated, non-linear, relational construct, p.150.

This model assisted in setting the scene for the necessary Crisis Leadership core competencies required during the crisis preparedness phase. The interchangeability of the terms preparedness and readiness will be explained in further detail in Section 2.2.4. In comparison to the previous models, Jaques (2007) described the Crisis Preparedness phase in more detail. This model improved upon Mitroff et al., (1987) and Fink's

(1986) frameworks; however, the Crisis Prevention activities suggested as ‘early warning signals’ and ‘issue and risk management’ should be factors for the Crisis Preparedness phase.

While a number of Crisis Management models have been developed across a range of disciplines, there has been limited research which explored managers’ attitudes about Crisis Management or the factors that influence managers’ attitudes and responses towards Crisis Management. Jaques (2007) noted the strong academic focus on the typology of crisis response strategies. He also acknowledged that a discrepancy exists between practitioner driven tactical response approaches and the academic models, highlighting the need for these models to be more in sync with management practices. In his research of the evolution of Crisis Management, Jaques identified studies that argue that Crisis Management should be integrated into strategic management. Jaques’ (2007) Issue and Crisis Management Relational Model emphasised clusters of related and integrated disciplines aimed at delivering improved financial impacts in a crisis situation. It is with this argument in mind that the researcher undertook to establish the need for academic research to relate even more closely to the quest for answers on how crisis leadership can improve crisis management efficacies. It became apparent that Crisis Management is a unique capability for an organisation.

The frameworks discussed to this point have provided an introduction to the development of Crisis Management frameworks. However, since the present study focused specifically on the tourism industry, crisis management frameworks which have been developed specifically for the tourism industry are now evaluated for this study.

### **2.2.3 CRISIS MANAGEMENT IN TOURISM**

#### **(i) FAULKNER (2001) TOURISM DISASTER MANAGEMENT FRAMEWORK**

Prior to 2000, there was little Crisis Management research related to the tourism sector. Faulkner’s (2001) Tourism Disaster Management Framework was one of the first Crisis Management models created to address crisis situations within the tourism industry (Racherla & Hu, 2009). Faulkner drew on existing disaster management research to produce a generic model for analysing and developing tourism disaster management strategies.

Communication, both internally and externally, plays a key factor in the success of a Crisis Management Plan. Faulkner (2001) cited Fink (1986) and Keown-McMullan (1997), by noting that “the role of the media in disaster management strategies can be crucial to the extent that it might make the difference between whether or not a difficult situation evolves into a disaster” (p.141). Riley and Meadows (1997) also advocated the necessity of developing a media communication strategy that involves the early establishment of a centralised communication source in order to ensure that misleading and contradictory information is not disseminated.

As shown in Appendix 2, the Tourism Disaster Management Framework (Faulkner, 2001) consisted of six phases commencing at the Pre-event phase when action can be initiated to prevent or mitigate the effects of potential disasters. Followed by the Prodromal phase, where it is obvious that a disaster is imminent; then the Emergency phase becomes the third phase that marked the effects of the disaster being felt and when action is required to protect people and property. The Intermediate phase is the stage where the short-term needs have been addressed and the main focus shifts to restoring the community and services to normal. The fifth phase is the Long-term Recovery, which continued on from the previous phase with a long-term outlook of reconstruction and reassessment. Finally, the sixth is the Resolution phase and marks the routine being established.

While a useful framework, Faulkner’s (2001) model failed to adequately incorporate Crisis Leadership activities into the framework or any organisational learning aspect. Faulkner & Vikulov (2001) refined Faulkner’s original framework when they applied it to the Katherine flood event by adding in ‘Activate the communication tree’ in the Prodromal phase, as well as a more detailed ‘Review’ in the Resolution Phase. Although this fine-tuned the organisational learning component of Crisis Management the Crisis Leadership activities were still ignored.

**(ii) RITCHIE (2004) CRISIS AND DISASTER MANAGEMENT: A STRATEGIC AND HOLISTIC MANAGEMENT FRAMEWORK**

Ritchie (2004) created the Crisis and Disaster Management: a Strategic and Holistic Management Framework for the purpose of planning and managing crises and disasters in public or private sector tourism organisations. In his study of the strategic and holistic approaches used to manage crises within the tourism industry, Ritchie (2004; p.671)

reviewed previous research by Parsons (1996) who established three types of crises: immediate, emerging and sustained. Parsons’ anatomy of a crisis advocated different strategies to deal with various situations and was dependent upon factors including: time pressure, extent of control and the magnitude of the incident.

Ritchie also critiqued Burnett’s (1998) crisis classification matrix (Figure 1, p.671) which is made up of a 16 cell matrix based on threat level (high/low), response options (many/few), time pressure (intense/minimal) and degree of control (high/low). This matrix does not, however, provide a clear road map on how to respond to the varying degrees of the matrix criteria. At the time of a crisis, classifying the various levels will not necessarily add value to the decision-making process. However, it is understanding the relationship between cause and effect, combined with the implications of decisions and actions that make Crisis Management a complicated process (Ritchie, 2004).

Ritchie described strategic planning and management as being concerned with four main elements: strategic analysis, strategic direction and choice, strategic implementation and control, and strategic evaluation and feedback. He devised a framework for the planning and management of crises and disasters with a more holistic strategic management and planning approach as shown in Figure 2.2 below. Ritchie’s model covers three primary stages involved with strategically managing crisis and disasters: prevention and planning, implementation, evaluation and feedback.

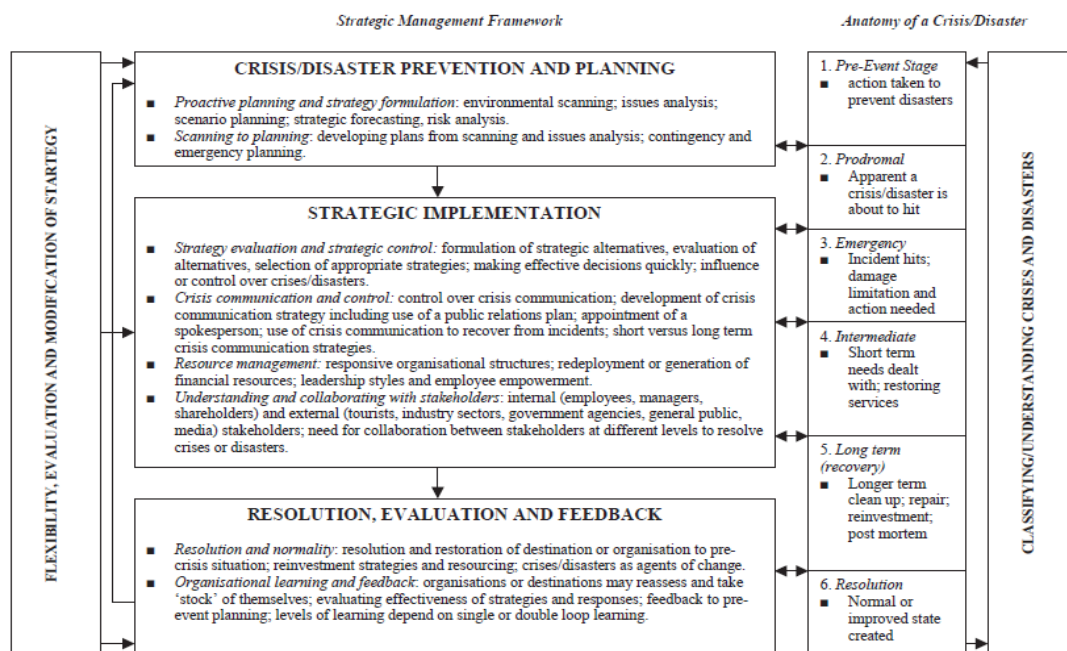


Figure 2.2: Ritchie (2004) Crisis and Disaster Management

Note : spelling error in original

The public and private sector's ability to control and manage complex crisis incidents were the focus of Ritchie's framework, rather than addressing for example, the management or planning functions to increase market share or profitability, or Crisis Leadership roles and responsibilities. While leadership styles and employee empowerment have been mentioned in Ritchie's (2004) framework as part of 'Resource Management', it has not been incorporated into the Crisis Prevention and Planning phase, which limits the state of crisis readiness of the organisation. Although Ritchie's (2004) framework has been widely cited in the Crisis Management research literature, it failed to provide any linkage to the leadership competencies required to deliver the framework's strategies.

Nevertheless, Ritchie's (2004) framework was more conducive to a strategic holistic approach for managing crises rather than Faulkner's Tourism Disaster Management Framework (Racherla & Hu, 2009), as it incorporated the Anatomy of a Crisis/Disaster within the strategic management framework. Ritchie's model provided for flexibility, evaluation and modification of the strategy throughout the entire crisis management process. It also incorporated crisis communication plans within the initial strategic implementation, and completed the process with a detailed Resolution, Evaluation and Feedback stage. Ritchie's framework presented organisational learning and feedback as one of the key aspects to reassess and evaluate the effectiveness of strategies and responses undertaken during a crisis, which distinguished it from Faulkner's model (Andari, 2007).

Scott, Laws & Prideaux (2010) also identified a research gap in market recovery as a result of a tourism-related crisis and provided a collection of marketing strategy studies to assist in stimulating demand for a destination. However, there is limited discussion on Crisis Management practices and strategies related specifically to the hotel sector or how leadership should address their organisation's Crisis Readiness.

In contrast, Wang & Ritchie's (2010) Onion Model for Strategic Crisis Planning (OMSCP) elevated the crisis planning intention phase to a new priority by synthesising Mitroff & Anagnos's (2001) Onion Model and posited the influencing factors. The OMSCP synthesized an integrated systems approach with three sections; firstly, the Onion Model of Crisis Management became the foundation from which to examine an organisation's crisis planning behavior (Mitroff & Anagnos, 2001). The OMSCP then

connected three influencing factors comprising; environmental contextual, organisational, and individual psychological factors, to influence the final section at the initial CP intention phase of the strategic crisis management process.

Even though ‘Learning and Feedback’ is suggested to go throughout the whole process the OMSCP model failed to display this necessary iterative process. The OMSCP model linked ‘Learning and Feedback’ to organisational systems, but failed to incorporate double-loop learning which could have recommended that ‘Learning and Feedback’ should occur at each phase of the Crisis Management framework.

In summary, interest for Crisis Management in tourism has gathered momentum and specific crisis management frameworks have become more strategically integrated in their approach. However, the Crisis Readiness phase and incorporating the lessons learned from past crises has been given insufficient attention in the literature. It is evident that Crisis Leadership efficacies can mitigate and minimise the negative impacts of a crisis event.

### **(iii) CRISIS MANAGEMENT IN AN ASIAN CONTEXT**

As noted earlier, little research has addressed Crisis Management models as applied within an Asian context. An important research gap has been identified in that previous Crisis Management studies have focused predominantly on Western management environments. Faulkner (2001) based his theoretical model initially on an Australian perspective, e.g. Katherine, NT, floods, while Ritchie (2004, 2008 and 2009) focused on a more global outlook, with the UK foot and mouth outbreak, Bali bombings, and Canberra bushfires. Cultural attributes have the potential to influence crisis management strategies in an Asian context and will be explained in more detail in Section 2.5.1 titled ‘National Culture’.

Previous studies to date have not taken into account crisis management experiences within the Asian hotel sector. Although Campiranon’s (2010) study into the Thai political crisis suggested a number of critical success factors for effective crisis management in the tourism sector. These success factors included; first, existence of a crisis management plan, with a crisis management leader and a team to manage the activities. Second, targeted marketing strategies to feeder markets prepared to travel to



Thailand. Third, human resource strategies to reduce staff turnover and redeployment of human capital. Fourth, communication strategies that reach all stakeholders in an honest, caring and regular communication flow; and finally, learned lessons become a key component in the organisation's continuous learning processes. However, this study did not provide a comparison of organisations that utilised these critical success factors or confirm their adoption.

Campiranon & Arcodia's (2010) study investigated how the Meeting, Incentive, Convention, and Events (MICE) sector within Thailand was affected as a market segment and the marketing strategies employed as a consequence of the various crises since 2001. They concluded that the MICE market is highly sensitive to crises and highlighted the importance of market segmentation to attract tourists back to the destination. They did not specifically assess the applicability of existing Crisis Management models in relation to Thai national or organisational culture. Barnes (2009) made recommendations to address negative media reports with regard to the Thai political crises; however, none of these studies dealt directly with the hotel sector's leadership actions during a crisis situation, or in the preparation of a crisis.

Notably, there has been limited empirical testing of the previously mentioned theoretical models. Faulkner (2001) argued that these models need to be tested further with the aim of either supporting or disproving the posited theories. Faulkner (2001) also suggested that a logical step would be to extend the research and use his framework as a basis for examining and analysing actual tourism disasters. Ritchie (2004) also argued that new approaches are needed to test models and concepts with regard to Crisis Management in the tourism industry, as well as utilising phenomenological approaches to explore attitudes and opinions of managers about Crisis Management. Therefore it was evident that further studies on crisis management in a non-western environment would be invaluable to extending the global reach of this topic.

#### **(iv) HOTEL MANAGEMENT**

The nature of the hotel business is extremely labour-intensive, typically entailing a complex organisational structure of divisions and consisting of departments within divisions as part of an extensive hierarchical and complex management structure (Blayney & Blotnicky, 2010; Tracey & Hinkin, 1994, 1996) However, as a result of

new business practices altered by technology and downsizing (Hinkin & Tracey, 2000), current hotel management formations have seen a flattening of organisational structures with an increase of empowering management philosophies (Blayney & Blotnick, 2010).

Taking into consideration the aforementioned descriptions of crisis management, the delivery of strategies, processes and measures are the responsibility of managers on different levels. Crisis management should be considered a component of strategic management in which goals and objectives are established by the manager for the individual department, for their divisions, and for the organisation's overall mission, vision and goals (Taneja, Pryor & Zhang, 2010).

Since the present study is focused on the effect of leadership actions in preparing an organisation for a potential crisis event, Crisis Readiness will be addressed in the next section.

#### **2.2.4 THE STATE OF CRISIS READINESS OR PREPAREDNESS**

##### **(i) A DEFINITION OF INTERCHANGEABILITY**

Crisis Readiness has been adopted as a key concept for this research study, however this section will address the interchangeability of Crisis Readiness and Crisis Preparedness terminologies. The Oxford Dictionary (Stevenson, 2001) defines preparedness as readiness or from the verb 'prepare' which is described as 'get ready to do, or deal with something'. Conversely, readiness is described as a noun from ready which is described as being 'prepared for an activity or situation'. Therefore, the shared interpretations of these definitions, together with the extant literature combined to present interchangeable descriptions that assist in explaining the study's research question in Crisis Readiness and supports the approach of using both terms together and with equal application in the Pre-crisis phase.

This interchangeability is also reflected in Ritchie's (2008) study with the heading 'Disaster Readiness' which recommended the development of preparedness strategies in the form of emergency plans, warning systems, contingency plans and simulations exercises. Ritchie's (2008) study also highlighted the fact that most research has

focused on the response and recovery phases rather than the reduction or readiness phases. This supported the need for further research into the crisis readiness phase and illuminated the paucity of research on this specific phase of a crisis.

In the field of crisis management research Reilly (1987) posited one of the first definitions of Crisis Readiness by defining it as ‘the readiness to cope with the uncertainty and change engendered by a crisis’ (p.80). Rousaki & Alcott (2006) argued that ‘readiness’ is evident in the state of mind of both people and the organisation, as well as a planned process of resource allocation and deployment. Sheaffer & Mano-Negrin (2003) described crisis preparedness as “a state of corporate readiness to foresee and effectively address internal or exogenous adversary circumstances with the potential to inflict a multidimensional crisis, by consciously recognising and proactively preparing for its inevitable occurrence” (p.575). It is this state of readiness that was the focus of this study and how leadership influences the organisation’s crisis readiness. The research objectives sought to understand how leadership of the organisation prepares for a crisis so that future events can be managed as efficiently as possible.

## **(ii) CRISIS READINESS SURVEYS**

The Crisis Readiness Construct posited by Reilly (1987) measured the perceptions of US bank managers about their organisation’s level of Crisis Readiness. Reilly (1987) proposed the construct to consist of six core competencies:

1. The organisation’s ability to respond quickly to a crisis
2. How informed the managers are about the organisation’s crisis management repertoire
3. Managers’ access to the organisation’s crisis management plans, resources and tools
4. How adequate the firm’s strategic crisis planning is
5. The organisation’s media management ability in a crisis
6. The perceived likelihood of crisis striking the organisation

In Reilly’s study these components were operationalised to assess managers’ perceptions of each dimension, utilising 26 items for scaling. Reilly posited that this instrument was useful in identifying an organisation’s crisis management readiness weaknesses. One of Reilly’s (1987) conclusions was that prior experience with a crisis and higher job levels are associated with higher crisis readiness scores.

In their study of UK hotel managers, Rousaki & Alcott (2006) condensed Reilly's (1987) six core competencies into the following three dimensions which provided a more concise framework for the present study's semi-structured in-depth interviews. The first dimension was the organisation's 'internal functionality', which consisted of speed of response, how informed managers felt, access to crisis management resources and adequate strategic crisis planning. This dimension combined the first four core components of Reilly's (1987) Crisis Readiness Construct. The second and third dimensions are derived directly from Reilly's construct, namely the organisation's 'media management ability in a crisis'; and the 'perceived likelihood of a crisis striking the organisation'.

Rousaki and Alcott's (2006) Crisis Readiness data found strong support that hotel managers' prior experience with a crisis event will influence their crisis readiness. Their study concluded that "being an organisation which has crisis experience will show higher perceived crisis readiness scores than an organisation that has not experienced a crisis" (p.31). Ritchie et al., (2011) also compared their study of Australian accommodation managers with Rousaki and Alcott's (2006) UK hotel sector study and found similar results with regard to their perceptions of crisis readiness in their organisation. Rousaki and Alcott's (2006) dimensions will be utilised in combination with James and Wooten's (2004) Crisis Leadership competencies in gathering data, specifically in regard to Decision-making, to be outlined in Section 2.4.4 on Crisis Leadership Models. As outlined in previous models, Crisis Readiness is a component of Crisis Management planning. It is important therefore that this construct receives greater attention in an organisation's strategic planning process.

Cloudman and Hallahan (2006) identified the following indicators as a means of assessing the level of crisis communications preparedness among U.S. organisations: with the presence of a written plan, tactical preparedness, training, maintenance of contact lists (for media) and media monitoring. However, their study focused only on the crisis communications activities of the company. It was limited in its scope as it did not take a holistic approach to the company's entire crisis management strategies. Nevertheless, Cloudman and Hallahan (2006) identified some additional key variables positively related to crisis preparedness activities including the size of the organisation, as well as the organisation's cultural aspects of autonomy, authority delegation, and process orientation (p.374). These indicators were also considered as potential variables

for this study but were finally discounted in order to focus on and better understand Crisis Leadership's decision making and preparedness actions.

Typically, management is more concerned with day-to-day business activities, with deadlines and pressures, and crisis planning is more often than not the least important pressing matter (Crandall et al., 2010; McConnell & Drennan, 2006; Schoenberg, 2004). Yet, pre-crisis planning can ensure the response and recovery phases have a greater probability of achieving their objectives (Malhotra & Venkatesh, 2009; Sheaffer & Mano-Negrin, 2003). Senior management needs to be committed and fully involved in pre-crisis planning, and staff need to be empowered to make decisions as part of the organisation's crisis planning. This needs to be embraced and understood on all levels of the organisation. According to Malhotra and Venkatesh (2009), "The knowledge, understanding and competence regarding this state of preparedness amongst employees and then guests will consequently increase goodwill in the market, employees will feel well-prepared and guests will feel confident about the level of professionalism they experience" (p.72). A commitment by management to Crisis Readiness will ensure the organisation is viewed confidently within its stakeholder community.

Ritchie et al.'s (2011) study on proactive crisis planning in the Australian accommodation industry found that an organisation's size influences the implementation of crisis planning and in turn, their crisis preparedness. His findings concur with similar studies by Reilly (1987), Rousaki and Alcott (2006) and Sheaffer and Mano-Negrin (2003). However, Ritchie et al.'s (2011) study also recommended the need for further research in areas such as individual psychological and environmental contextual factors, as well as highlighting the need for further research into factors including past crisis experience, knowledge and executives' attitudes and perceptions towards crisis planning. The present thesis also explored Ritchie et al.'s (2011) recommendations for further empirical investigation and included the influence of contextual factors in regard to the 2010 Red Shirt crisis, and the role past crisis experience has on an organisation's leaders.

Crisis management frameworks to date have largely ignored Crisis Leadership as a key influencing factor in Crisis Management Readiness. Management can minimise the negative impacts of a crisis event on their organisation by creating a sense of preparedness at all levels by increasing staff confidence and reducing reactive

timeframes. Management's actions and reactions cannot be underestimated in the build up to, during, and post a crisis event. Therefore the role of Leadership and specifically Crisis Leadership will be explored in the following section.

## **2.3 LEADERSHIP**

Leadership literature is extensive and varied and is not just limited to processes. It is complex, multi-level as well as multi-dimensional, especially when considering such areas as relationships, traits, power influence, internal and external environments, and situations (Jackson & Parry, 2011; Yukl, 2010). The leadership process exists on all levels of an organisation, and regardless of position within the organisation, is characterised by several key skills, including integrity, strategic thinking, communications, persuasion and decisiveness (Schoenberg, 2005).

A discussion of leadership warrants a brief history of the development of the key leadership theories and models. The business environment post-GFC (Global Financial Crisis 2008-2010) has recalibrated key performance indicators, and the corporate global office is even more intensely focused on the financial sustainability of its organisations. The speed of change has never been greater with dynamic organisational re-engineering at all levels, which when combined with the speed of new technology and today's social media communication tools, is establishing the "new norm" (Armstrong & Ritchie, 2008; Crandall et al., 2010; Heifetz, Grashow & Linsky, 2009; Kitchin, 2010).

At the same time, the emerging economic powerhouses of China and India are rewriting global business models. Where the once revered Western economies led the post WW2 economic growth, these positions are fast being eroded by the rapid economic growth in Asia described by Hajkowicz et al., (2013) as the 'Orient Express' megatrend. The changing forces in the world economy is best explained by Quah (2011) with the 'Centre of World Gravity' shifting from the mid-Atlantic ocean in 1980 to a point in between India and China by 2030. Business leaders today need to be even more conscious of both internal and external environments and adapt with greater levels of flexibility and agility to an ever-changing global business world where the digital smart economy is setting an exponentially faster pace for business processes and communication (Hajkowicz et al., 2013). It is with these dramatic changes that the stage has been set for further leadership research and the ongoing development of

leadership theory, albeit with a more vigorous and robust pace required to meet these demands of change.

### **2.3.1 DEFINING LEADERSHIP**

A working definition for the process of leadership needs to be established in order to build the foundation for a Crisis Leadership study. Leadership methodology has evolved from reliance on a distinctly quantitative theoretical approach in earlier research to a qualitative grounded theoretical approach in more recent studies (Kempster, 2009; Parry & Meindl, 2002). Since the present study sought to explore the relationship between Crisis Leadership and an organisation's Crisis Management Readiness, the researcher undertook to establish a definition of leadership most relevant to this approach.

#### **(i) THE DEFINITION DEBATE**

The extant leadership literature provides numerous definitions of leadership. Yukl (2010) identified the contention in defining leadership and how leadership scholars differ dependent upon such factors as who exerts the influence, the intended purpose of the influence, and the way in which the influence is applied. At the same time, there is considerable disagreement and debate about the leadership process (Jackson & Parry, 2011; Ladkin, 2010). Yukl (2010) stated: "How leadership is defined should not predetermine the answer to the research question of what makes a leader effective" (p.22), which only fuels the debate on the challenge of defining leadership.

Hackman and Johnson's (2009) definition was limited in its scope and emphasised the role of communication in the leadership process: "Leadership is human (symbolic) communication, which modifies the attitudes and behaviours of others in order to meet shared group goals and needs" (p.11). Kempster (2009) described leadership as a process of sense-giving, which seeks to shape the Sense-making process of others and therefore, embrace the leader, follower, and the situational perspective of the term leadership (p.30).

Whereas Erkutlu's (2008) study of the Turkish hotel industry adopted Yukl's (1994) research and described leadership to support his study on transformational leadership as:

“...a social influence process. It involves determining the group or organisation’s objectives, encouraging behaviour in pursuit of these objectives, and influencing group maintenance and culture” (p.709). While this definition provided the most comprehensive definition of leadership in relation to the context of crisis situations for the hotel sector, Yukl’s later revised definition was adopted for this research study. Sixteen years later, Yukl (2010) defined leadership as:

“the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives” (p.26).

The researcher has proposed this definition as it reflects the most common characteristics of leadership definition exemplars and draws together the notions of leadership influence and a shared influence process for the group. This definition also provides the foundation for discussion on the most relevant leadership theory in the context of crisis situations, which will be discussed in Section 2.3.2. The present study also explored if managing and leading are actions that are mutually exclusive in the leadership process and will be discussed in the next section.

## **(ii) DOES MANAGEMENT EXIST WITHOUT LEADERSHIP?**

The present study distinguished between a specialised leadership role and the notion of a shared influence process. This study included informants in different management positions for a variety of business units within hotels and a corporate head office and did not rely on the CEO position. While previous literature acknowledges that a leader performs the specialised leadership role for followers, these followers can also participate in a specialised leadership role within their business unit, making it a shared influence process (Yukl, 2010). Shared leadership is also attributable to the evolution of the new organisational structures of the past decade, as downsizing increased the flattening of hierarchical structures (Paraskevas, Altinay, McLean & Cooper, 2013; Yukl, 2010). Downsizing has occurred with increased empowerment, resulting in the shared influence process as a managerial norm. Another distinction is the difference between leadership and management. Presently, the symbiotic relationship between leaders and managers has become a central topic of discussion.

Jackson and Parry (2011) noted that past research identified leadership and management as two different functions, characterised by both different skill sets and different types



of people. They argued that leadership is one of the key tasks of management and therefore cannot be considered mutually exclusive; rather, it is a simultaneous process. Leadership can also be attributed to additional management tasks such as human resources, budgeting and finance, planning and operational functions. Hackman and Johnson (2009) posited that management is often equated with leadership, even though Yukl (2010) stated that this was never proposed previously. Moreover, the leadership versus management debate acknowledged a person can be a leader without being in management, and there are managers who do not lead (Yukl, 2010).

In contrast, Hubbard and Beamish (2011) concurred that considerable dispute exists between the concepts of leadership and management, which may lead to confusion and incorrect use of the terms. They compared the two terms by defining leadership as: “The ability to develop and articulate a vision of the future for the organisation or a unit of the organisation, to motivate others to buy into that vision and to get it implemented”; and management as: “the ability to efficiently and effectively implement existing policies and procedures through other people” (Hubbard & Beamish, 2011, p.358).

However the authors were focused on a strategic perspective of leadership and argued their case by dividing leadership and management roles by title. For example, leadership roles are described as CEO, director or manager, whereas management roles consist of titles such as manager, administrator or supervisor. Hubbard and Beamish (2011) noted that the titles do not have the term ‘leader’ included except for ‘team leader’. This suggests that leadership is a shared influence and can be initiated at different levels and by different positions. It is a simultaneous process of managing and leading. Yukl (2010) suggested that most scholars agree that in today’s business environment, the success of a manager will be dependent upon his or her leadership skills. Therefore for the purposes of this study, management is acknowledged to incorporate leadership activities.

### **2.3.2 RELEVANT LEADERSHIP THEORY**

A plethora of leadership theories and models have emerged since the 1980s from an already existing wealth of leadership literature, delivering an extensive and complex taxonomy of leadership theory typologies (Northouse, 2012). To date there has been limited research specifically on leadership in relation to crisis management readiness (Devitt & Borodzicz, 2008). Despite the limited research, leadership theories most appropriate to crisis situations, as well as reflecting the contextual perspectives relevant in today's environment, are addressed in the following section.

The leadership theories referenced herein were chosen based on their relevance and appropriateness to crisis events for this study, their recognition of being widely-cited and their sustainability even with new leadership theories appearing on the leadership literature landscape. Leadership theories developed in the 1980s are relevant and still widely cited today and provide the foundation for this section of the literature review.

Even though new leadership theories have emerged in recent times and are evolving, the seminal leadership thinker, Yukl (2010) suggested there is not yet conclusive research on the new leadership theories. A review of the leadership literature details the many new emergent leadership theories (Jackson & Parry, 2011; Ladkin, 2010) including; servant leadership, collaborative leadership, distributed leadership, spiritual leadership and authentic leadership theories. The challenge was to identify leadership theories applicable to Crisis Leadership research. In order to develop the leadership theory foci for this study in the context of crisis events, the following section evaluated leadership theory in terms of Crisis Leadership with first; Charismatic Leadership, followed by Transformational Leadership and finally, Leadership in Context was also considered.

#### **(i) CHARISMATIC LEADERSHIP**

In a volatile environment or crisis situation, leaders often emerge and contribute positively to the unfolding crisis. For example, Rudolph Giuliani, the Mayor of New York, in the aftermath of the World Trade Centre attacks of 9/11 and Premier Bligh during the Queensland floods and cyclones of 2011. Charisma theory was first mooted by the sociologist, Max Weber soon after World War II. Charismatic leadership according to Weber (1947) occurs during a social crisis when a leader puts forward a

radical vision to solve the crisis and attracts followers who believe in that vision. The leader is applauded on the success as perceived by the followers. Since Weber's introduction of this theory, charismatic leadership has been developed further. Neo-charismatic leadership is described by Yukl (2010) where the leader's motives and behaviours determine the psychological processes that illustrate how they influence followers.

House (1976) contributed to the study of Charismatic Leadership theory by identifying the relationship between the process of influence and the effect on followers' motivations and their relationship with the leader. House (1976) brought together a comprehensive theory based on traits, behaviour, influence and situational conditions, thereby highlighting the significance of the situation and the link to crisis events (Kempster, 2009). Jackson & Parry (2011) argued that Charismatic Leadership comprised the entire situation, brought together by the leader's identity and behaviour, follower identity, the socio-cultural context and the organisational setting. They recommended that the whole situation needs to be researched to understand *what* is going on in the case of charismatic leadership.

Although charismatic leadership has been attributed mainly to political leaders and heads of state, it can also be applied to the business environment on all levels and not just senior management roles (Hackman & Johnson, 2009; Jackson & Parry, 2011). There is also a negative aspect to charismatic leadership. This occurs when charismatic leaders use unethical pursuits to achieve personal objectives (Howell & Avolio, 1992). This thesis will only consider ethical charismatic leadership traits in relation to crisis events. Hackman and Johnson (2009) suggested that charismatic leadership requires instability or a crisis to exist. They evaluated the differences in the behaviouralist approach and the attribution research approach to charismatic leadership with their insight into the communication approach, with which they attribute "charisma is the product of communication" (p. 127). In saying this, they identified three core functions of communication for charismatic leaders: relationship builders, visionaries and influence agents.

In a crisis event, Charismatic Leadership can set the stage for the actors of a hotel company by encompassing the components of the entire situation. The communication competencies of charismatic leadership can be employed by managers on all levels and

provide the basis for influencing the group in a positive direction. Charismatic leaders can inspire employees to achieve the group's goals. Therefore, it is important to consider charismatic leadership and its positive influence on dealing with the uncertainty of an unfolding crisis within a highly stressful and emotive context. A review of leadership theory relevant to crisis events also needs to include Transformational Leadership, which will be discussed in the next section.

## **(ii) TRANSFORMATIONAL LEADERSHIP**

The hospitality sector is a service based industry which relies on the performance capabilities of its actors interacting with their guests or clients twenty-four hours a day in order to exceed the KPI's (key performance indicators) of the business (Blayney & Blotnicky, 2010; Clark, Hartline & Jones, 2009; Tracey & Hinkin, 1994, 1996). In an industry that is constantly seeking to maximise guest satisfaction levels and empower their actors to deliver service excellence, management practice has continually evolved to identify the most appropriate form of leadership practice to achieve business objectives.

Bass and Avolio (1994) provided a description of the eight factors that described their leadership theory, which combines Transactional, Transformational Leadership and Laissez-faire factors based on their revised Multifactor Leadership Questionnaire (MLQ). Transformational leaders are described by Bass and Avolio (1990) as encouraging individuals with increased awareness of the key issues for the group and organisation “while increasing the confidence of followers and gradually moving them from concerns for existence to concerns for achievement, growth and development” (p.22).

Tracey and Hinkin (1994, 1996) posited that transformational leadership has proven to be more effective than transactional leadership. Tracey and Hinkin (1994, 1996) recognised the competitive business environment in which the hotel sector operates and dismissed traditional hotel management practices in favour of transformational leadership. They described the hotel industry as having a hierarchical management structure requiring strict adherence to rules and regulations, lacking in creativity and innovation, and a ‘painfully’ slow decision-making environment. Whereas transformational leaders holistically examine their organisation, use vision to identify

necessary changes, and implement those changes based on the organisation's objectives. When the leader's vision and action are congruent with his or her followers' beliefs and values then the organisation's change process can be achieved.

Transformational leadership is most appropriate at the time of a crisis event in dealing with the environmental and psychological changes that management faces (Hadley, Pittinsky, Sommer & Zhu, 2011). DuBrin (2013a) posited that transformational leadership is the 'intervention of choice' at the time of a crisis in the immediate crisis stage and post crisis. Leadership research data has identified transformational leadership as the most comprehensive approach to helping an organisation chart its way through a crisis (DuBrin, 2013b). Pillai (2013) advocated that there is still much to learn about the effectiveness of transformational leadership across cultures. Pillai (2013) posited that leaders in a collectivist culture can channel the followers' sense of loyalty and obedience to guide the organisation out of a crisis.

The key components of managing a crisis through transformational leadership are described by DuBrin (2013b) and include; effectively managing emotions, having a communication strategy plan that reflects the culture of the organisation, and having highly developed self-awareness skills and the ability to learn from the crisis. DuBrin (2013b) argued that the value of transformational leadership in a crisis is that followers develop confidence and trust in management and develop psychological resilience and commitment to the organisation's goals.

Shahin and Wright (2004) identified 'Factors of Transactional and Transformational Leadership' was adapted by from Bass and Avolio's (1994) monograph on "Improving Organisational Effectiveness" to explain the key features of Transactional and Transformational leadership:

The attributes of Transformational Leadership including; Idealised Influence, Inspirational Motivation, Intellectual Stimulation and Individualised Consideration as depicted in Table 2.1 below, assisted the researcher in understanding how Transformational Leadership would strengthen Crisis Leadership efficacy in the hotel sector.

Table 2.1: Factors of Transactional and Transformational Leadership

Transactional leadership	Transformational leadership
<p><i>Contingent reward</i> Leaders assign or get agreement on what needs to be done and promise rewards or actually reward others in exchange for satisfactorily carrying out the assignment</p>	<p><i>Idealised influence</i> Leaders become role models for their followers. They are admired, respected and trusted. They consider the needs of others over their own personal needs, share risks with followers, are consistent rather than arbitrary, demonstrate high standards of ethical and moral conduct and avoid using power for personal gain</p>
<p><i>Active management-by-exception</i> Leaders actively monitor deviances from standards, mistakes and errors in followers' assignments and take corrective action as necessary</p>	<p><i>Inspirational motivation</i> Leaders behave in ways that motivate and inspire those around them by providing meaning and challenge to their followers' work</p>
<p><i>Passive management-by-exception</i> Leaders wait passively for deviances, mistakes and errors to occur and then take corrective action</p>	<p><i>Intellectual stimulation</i> Leaders stimulate followers' efforts to be innovative and creative by questioning assumptions, reframing problems, and approaching old situations in new ways</p>
<p><i>Non-leadership</i> <i>Laissez-faire</i> The laissez-faire style is the avoidance or absence of leadership. As opposed to transactional leadership, the laissez-faire style represents a nontransaction</p>	<p><i>Individualised consideration</i> Leaders treat each subordinate differently according to his or her particular needs and capabilities</p>

Source : Shahin & Wright (2004) Leadership in the context of culture sourced from Bass & Avolio's (1994) "Improving Organisational Effectiveness"

It is difficult to introduce Transformational Leadership in isolation as the extant literature abounds with arguments that Transformational and Charismatic Leadership can be considered either: similar and compatible, equivalent or distinct, or overlapping (Yukl, 2010). Evidence exists that it is possible to be both transformational and charismatic (Yukl, 2010), a combination that should be considered in relation to Crisis Leadership.

Popper and Zakkai (1994) posited that different situations that are conducive to the leadership patterns of Transactional, Transformational and Charismatic Leadership as outlined in Table 2.2 below. Transactional leadership is described as the leadership pattern least applicable in a crisis situation. Popper and Zakkai (1994) suggest Charismatic Leadership as the most effective style to adopt in a crisis event. Transformational Leadership is best suited to the organisational learning process of a crisis event. However, since this theory was posited, leadership theory has focused more frequently on transformational leadership as the most effective leadership style during a crisis.

Table 2.2: Transactional, Charismatic and Transformational Leadership: Conditions conducive to their predominance

Leadership pattern	Conditions conducive to the predominance of the leadership pattern
Transactional	Routine situations where the basic level of anxiety is not high, there is no acute sense of impending crisis or major changes
Charismatic	Situations where there is a high anxiety level, conditions of crisis and change that intensify processes of projection, transference and attribution
Transformational	Situations where the basic level of anxiety is not high and attention is given to the developmental needs of the led. In general, this leadership pattern depends more on the leader's view of him/herself as transformational and less on the organizational context than do transactional and charismatic leadership

Source: Popper & Zakkai (1994) Transactional, Charismatic and Transformational Leadership: Conditions conducive to their predominance (p.7)

These leadership traits can be used simultaneously during progressive stages of a crisis event. For example, Charismatic Leadership could be adopted at the height of a crisis and Transformational Leadership should be considered throughout, especially in the post crisis and crisis readiness stages.

The synergies between Transformational and Charismatic Leadership have not gone unnoticed. Transformational Leadership cannot often be described without reference to some form of Charismatic Leadership. Erkutlu's (2008) study of Turkish hotel leadership described transformational leadership as:

“It elevates the follower's level of maturity and ideals as well as concerns for achievement, self-actualisation, and the well-being of others, the organisation, and society. Idealised influence and inspirational leadership are displayed when the leader envisions a desirable future, articulates how it can be reached, sets an example to be followed, sets high standards of performance, and shows determination and confidence. Followers want to identify with such leadership” (p.709-710).

There is clearly a gap in the extant Crisis Management literature about the most appropriate leadership strategy at the time of a crisis event. Nevertheless, the emerging literature suggests transformational and charismatic leadership as an important positive

influence and a basis for further Crisis Leadership research. Charismatic Leadership theory also provides an alternative insight into situational leadership and influence, which can be either positive or negative during a crisis. Yukl (2010) recognised the similarities between these two leadership styles and highlighted how Transformational Leadership results in a greater level of empowerment of followers and creates a culture of autonomy, communication, and building the base to support empowerment strategies. Charismatic Leadership requires extraordinary competence and personal risk taking, which is not uncommon at a time of crisis.

While the combination of Transformational and Charismatic Leadership presents a synthesising foundation for Crisis Leadership, it is evident that leadership theory lacks clarity for relevance to all situations. Conger (1999) identified a lack of research about the leader's thought processes with regard to the situational context of these models and theories. He argued that contextual aspects such as: cultural influences, organisational life cycles, and facilitating environments such as times of stress and turbulence are all factors that can create a conducive environment for Charismatic Leadership and therefore needs to be addressed. The following section describes the important role of the crisis context in which the leadership role exists.

### **(iii) LEADERSHIP IN CONTEXT**

The present study sought to understand how context affects leadership functions in a crisis situation. The factors that need to be considered by management in the context of a crisis situation include: the follower's abilities, confidence and motivations; the organisation's structure and culture; the severity of the crisis; and the resources available to manage the impact. Hannah and Parry (2012) advocated that in an extreme context such as a crisis, contextualising the leadership process is even more pronounced. They highlighted the need for a deeper understanding of the relationships between leadership and the contextual factors. The implications of this research could provide leaders with the tools to prepare and operate in extreme contexts.

Klenke (2008) described the scholarship of leadership as context-dependent, which reinforced the need for Crisis Leadership research to be grounded in the context of the Crisis Management process. Hannah, Uhl-Bien, Avolio, Cavarretta (2009) identified the need for leadership research foci into contextual factors and undertook to examine



leadership in extreme contexts. They argued that extreme contexts should be differentiated from crisis situations due to the intolerable magnitude of an extreme event and its ability to be assessed by High Reliability Organisations (HRO). For example, emergency fire services are able to deal with a fire episode since they can assess its size, potential to spread and resolution optimisation. A crisis situation will also present unique contingencies, constraints and causations similar to an extreme event; therefore, Hannah et al.'s (2009) 'extreme context' definition is also considered appropriate to the Red Shirt crisis as follows:

“an environment where one or more extreme events are occurring or are likely to occur that may exceed the organisation's capacity to prevent and result in an extensive and intolerable magnitude of physical, psychological, or material consequences to—or in close physical or psycho-social proximity to—organisation members” (p.898).

In addition to the context of a crisis situation, cultural context is also an important variable to consider. The vast array of leadership theories have predominantly been devised in relation to Western cultures and were initially developed with little regard for context or the situation (Kempster, 2009). National culture will be further discussed in Section 2.5.1. The context is crucial to establishing the relevance and effectiveness of the leadership process that is demonstrated during a crisis event.

Due to the limited research on Crisis Management leadership, the literature review focused on the main theories most relevant to Crisis Leadership and their role in managing crises. The two key theories were identified for this thesis as Charismatic and Transformational Leadership. While earlier research suggested that Charismatic Leadership can be effective in times of crisis, the more recent nascent research identifies Transformational Leadership as the most appropriate leadership style should an organisation befall a crisis event. There is clearly a need for further Crisis Leadership research based on the minimal amount of literature available. The following section will now explain the notion of Crisis Leadership utilising the relevant leadership studies that have been examined.

## **2.4 CRISIS LEADERSHIP**

Effective leadership is necessary during a crisis, not only from the leader of the Crisis Management Team, but also from the organisation's top management (Wooten & James, 2008). Since the Crisis Management Team is responsible for dealing with the

crisis at hand, Crandall et al. (2010) suggested that there are three components that make Crisis Leadership successful: the right leadership, a structure and resources in place to address the crisis, and broad public support for the organisation. Fink (1986) stressed that all crisis managers should practice vigilant decision-making, whereby the manager will seek and analyse all of the relevant information in an objective manner, assimilate the information, and then after analysing all the options available, make a decision. However, Fink's theory may be unrealistic as there may be a wide spectrum of influencing factors that will affect the decision-making process.

#### **2.4.1 DIFFERENCE BETWEEN CRISIS LEADERSHIP AND CRISIS MANAGEMENT**

Leadership actions at the time of a crisis event can contribute to eliminating or mitigating a crisis (Fall & Massey, 2005; Klann, 2003). In one of the few published books specifically dedicated to Crisis Leadership, Mitroff (2004a) described the difference between Crisis Leadership and Crisis Management as: "Crisis Management is primarily reactive. It addressed crises only *after* they have happened. On the other hand, Crisis Leadership is *proactive*. It attempted to identify crises and prepare an organisation systemically, i.e., as a whole system, *before* a major crisis has happened" (p.10).

Despite the existing literature, Mitroff (2004) ignored the fact that most Crisis Management frameworks incorporate a pre-event phase for planning; therefore, it is evident that Crisis Management cannot be considered as only a reactive strategy. Mitroff (2004) advocated that organisations need to proactively plan for crises, think the unthinkable, and think critically, which he described as a key component of crisis leadership. He argued that crises can be avoided if leaders have the ability to think the unthinkable. Although managers have the ability to think critically, the challenge is whether leaders have the conviction, ability and foresight to engage in crisis planning when faced with the demands of their daily business operations. The notion of planning for the unthinkable was explored as a priority for this study.

The phenomenon of crisis encourages even more attention on leadership activities. It is only natural that in times of distress an organisation or the community looks to its leaders to fix the problem (Boin & Hart, 2003). At times of crisis people are anxious and concerned about how it will affect them and they expect their leaders to take

decisive action before the situation worsens (Yukl, 2010). Today's digital environment also exacerbates the pressures facing an organisation and adds another dimension to crisis leadership (James et al., 2013; Pang, 2013). Not only is management faced with the internal functions of the organisation such as human resource, financial, and operational issues, but it must also satisfy the needs of all stakeholders, including employees, owners or shareholders, partners, suppliers and the media in a twenty-four-seven global environment.

During a crisis event, time efficient decisions are critical and often involve decisions outside the scope of an organisation's normal operations. Reilly (1993) found that "numerous scholars have argued that decision-making in crisis differs from routine decision-making" (p.119), and there is a significant body of research related to organisational crisis response. Bonn & Rundle-Thiele (2007) posited that decision-making in a stable environment differs from decision-making during a crisis event, where the challenge is to make decisions quickly and accurately. Their findings suggested that a more intuitive, less analytical and less consultative approach is more likely to characterise strategic decision-making following a crisis event, compared to a more co-operative, formal and analytical approach during a stable environment. Pforr and Hosie (2010) also argued that unexpected events result in crises requiring specific arrangements or actions by the organisation. They cite Reilly (1993) who noted that: "effective Crisis Management requires organisational responses which are outside a firm's ordinary repertoire of management activities" (p.255).

#### **2.4.2 CRISIS LEADERSHIP COMPETENCIES**

In contrast to Bonn & Rundle-Thiele's (2007) less-consultative approach, Klann (2003) utilised the example of the US military's post-Vietnam war leadership renaissance as the solution to effective crisis leadership. The US military identified three key themes: communication, clarity of vision and values, and caring relationships. The ability to assess a situation based on past experiences and learned outcomes will enable a manager to make more informed decisions. Chatterjee & Pearson (2008) believed that past experience in crisis situations can only benefit crisis managers, as they are able to address the crisis in a systematic approach and consider options and their strategic viabilities. In order to assess a crisis situation, it is imperative that information is shared and an existing knowledge base is available. They advocated that information for

knowledge building in Crisis Management required a leadership culture that encouraged knowledge based Crisis Management preparedness.

A company's Crisis Management preparedness requires a specific skill set and training to address crisis situations. Hosie (2008) suggested that international businesses are more prone to external shocks and therefore require a Crisis Management plan to be fully integrated within the company's operations. The author stressed the need for Crisis Leadership competency levels to be developed through the human resource management discipline of the company. Gruman, Chhinzer and Smith (2011) also noted the lack of literature related to disaster preparedness in their study of the Canadian hospitality industry and recommended further research into the impact of organisational characteristics on disaster preparedness.

Yusko and Goldstein (1997) suggested that organisations can avert potentially devastating outcomes of a crisis in fostering leadership by selecting and training crisis leaders through crisis simulations developed from a Behavioural Crisis Analysis (BCA), which identifies:

1. A crisis leader's critical tasks and activities in a crisis situation
2. The competency level and skill set required to successfully address these activities
3. The context in which these activities will be activated

However, crisis simulations cannot fully replicate the full context of some crisis events and may provide a misjudged sense of comfort and not address the full extent of the crisis or future crisis events. Yusko and Goldstein (1997) posited that the single most critical factor in the successful resolution of a crisis is an effective leader who can manage the crisis leadership process. This process includes preparing the organisation for potential crises, identifying the crisis, making decisions, managing the crisis, and implementing organisational learning processes to ensure preparation for the next possible crisis. The use of crisis simulations should not be limited to selecting and training leaders but should be an integral component of the organisation's strategic plan, training and development.

In response to the paucity of crisis leadership efficacy research, Hadley et al., (2011) developed the 'Crisis Leader Efficacy in Assessing and Deciding' scale or C-LEAD

scale. The authors advocated that the C-LEAD scale can predict decision-making levels of difficulty and leader confidence better than general leadership and crisis preparedness scales. Their research focused on characteristics that influence crisis leadership performance and included two main areas of focus: prior leadership success and vicarious crisis experience. In addition, the study examined outcomes of crisis leadership efficacy that included the leader's motivation to lead in a crisis and their performance as measured by their role-taking and decision-making. C-LEAD is an instrument that can assist in evaluating the abilities of the crisis leaders; however its self-reporting nature may contribute to self-reporting bias and could weaken the effectiveness of this newly posited research tool. Hadley et al., (2011) have suggested that the self-analysis results could be further strengthened by measuring the self-reporting data with business results and peer or supervisor ratings.

In summary, this section introduced the phenomenon of Crisis Leadership which clearly requires a different skill set from the normal day-to-day operations of a business environment. These specific skills required to manage a crisis include such competencies as vigilant and time-efficient decision-making, constant two-way communication, and advanced Sense-making. The literature review has highlighted the paucity of previous research on Crisis Leadership and the need to investigate this phenomenon further. The researcher investigated the leadership implications of preparing (or not preparing) for crises that were inevitable yet predictable. For the purpose of advancing the study's exploration of the research question, the following section will review limited extant definitions of Crisis Leadership.

### **2.4.3 DEFINITION OF CRISIS LEADERSHIP**

The successful outcome of a crisis event cannot be attributed to the Crisis Management plan alone; it is also determined by an organisation's Crisis Leadership capabilities, a factor that has received little attention in Crisis Management research to date. Numerous Crisis Management studies in the extant literature have established the phases of a crisis but there is limited research on the Crisis Leadership capabilities required (Schoenberg, 2005; Wooten & James, 2008).

Crisis Leadership is not just a Public Relations activity. Crisis Leaders are the face of an organisation and should not rely solely on the corporate communications perspective.

Crisis Leadership has to be able to positively influence both internal and external stakeholders (James & Wooten, 2005). James and Wooten (2005) described Crisis Leadership as a “process” which requires six core competencies:

1. Building a foundation of trust
2. Creating a new corporate mindset
3. Identifying the (not so) obvious firm vulnerabilities
4. Making wise and rapid decisions
5. Taking courageous action
6. Learning from crisis to effect change

James and Wooten’s (2005) model will be further discussed in Section 2.4.4 in Crisis Leadership models; however, it is important to note at this stage that these six core competencies had not been linked to the five crisis phases that the same authors utilise from Pearson and Mitroff’s (1993) study. In their 2008 study Wooten and James detail Crisis Leadership through a comprehensive approach to dealing with a crisis by defining it as:

*“Crisis leadership demands an integration of skills, abilities, and traits that allow a leader to plan for, respond to, and learn from crisis events while under public scrutiny. In its most ambitious form, Crisis Leadership is also about handling a crisis in such a way that the firm is better off after a crisis than it was before”* (p.353).

Based on their earlier research, Wooten and James (2008) used this definition in developing the Phases of Leadership Competencies in Times of Crisis model by linking leadership competencies to the crisis event phases. This leadership flow chart and other relevant Crisis Leadership models are analysed in further detail in the next section.

#### **2.4.4 CRISIS LEADERSHIP MODELS AND FRAMEWORKS**

As Crisis Leadership research has only recently gained the attention of researchers, the extant literature provided limited theoretical models. Nevertheless, the following models and frameworks have been reviewed in order to determine an appropriate model for the study of Crisis Leadership in the context of the Thai hotel industry.

Schoenberg’s (2005) Crisis Leadership model identifies four external factors: information gathering, external conscience, preparation and experience, and the leader’s personal and leadership attributes and values. These factors are built on a foundation of

communications, supported by authenticity and influence. While this framework provides a useful description of a leader’s personal attributes and values, it has been developed externally to a Crisis Management framework and bears no relationship to the phases of a crisis. As such it is not a relevant model for the present study. Please refer to Appendix 3 for Schoenberg’s (2005) Crisis Leadership model.

It is the leader’s ability to adapt from one environment to another that determines the successful outcome of a crisis. The Crisis Leadership Continuum developed by Muffet-Willett and Kruse (2009) illustrated the difference required in decision-making between normal day-to-day operations and in a crisis situation. Although the Crisis Leadership Continuum in Figure 2.3 depicted the decision-making required in normal and crisis situations, it is limited in its adaptability as it fails to relate to specific crisis event stages. Therefore, its application to a study of Crisis Leadership competencies and their relationship to a specific stage of a crisis such as Crisis Readiness is limited in its ability to integrate into a framework that reflects the crisis stages.

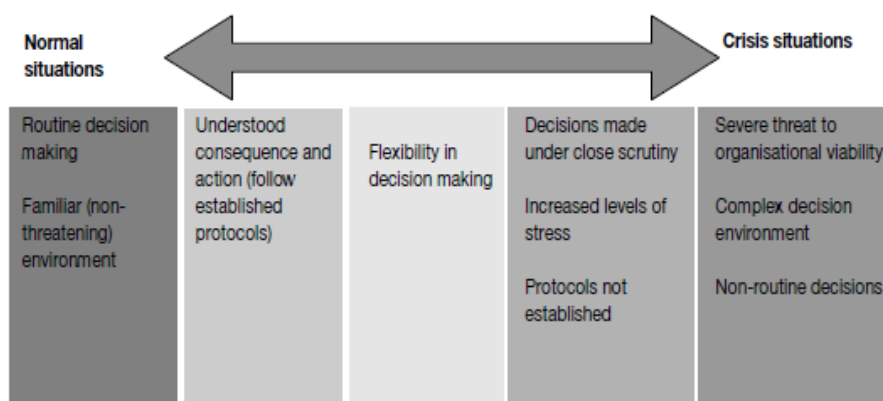


Figure 2.3: Muffet-Willett & Kruse, (2009), Crisis Leadership Continuum

Source : Muffet-Willett & Kruse, (2009), “Crisis leadership : past research and future directions”

The leader’s crisis experience will create a personal knowledge base so that the leader may initiate both reactive and proactive responses with confidence. Wooten & James (2008) highlighted the fact that while “prior crisis management research has described how crises unfold across various phases, there is virtually no research that identifies the knowledge, skills, or abilities necessary to lead an organisation through these phases” (p.372). This reinforced to the researcher that a gap existed in the Crisis Management research field in regard to the Crisis Readiness phase and subsequent leadership actions.

James and Wooten (2004) first proposed the Crisis Leadership Competency Model, which identified six core competencies for effective Crisis Leadership. Their study also incorporated a checklist, “Asking the Right Questions for Each Crisis Phase, Questions leaders ask” (see Appendix 4), and provided key questions associated with each crisis phase to assist Crisis Leadership in focusing on the actions required to address crisis events. However, these competencies were not linked to specific crisis phases as illustrated in Figure 2.4, but they were addressed in their later study. They have therefore failed to use this opportunity to integrate their model with the required competencies for the crisis phases.

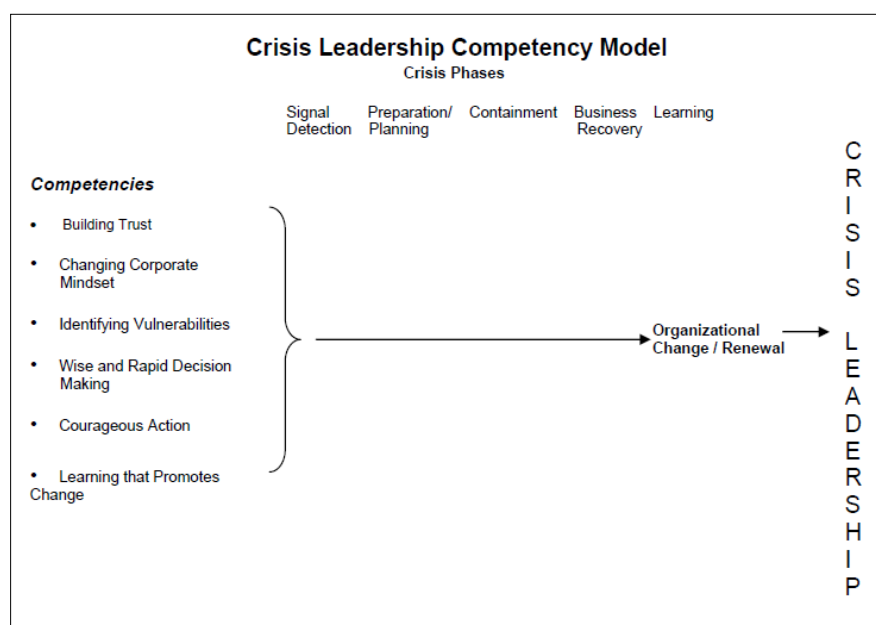


Figure 2.4: Crisis Leadership Competency Model

Source : James and Wooten, (2004), “Leadership in turbulent times; Competencies for thriving amidst crisis”

Wooten and James (2008) developed linkages between leadership competencies and Crisis Management phases as depicted by the following diagram in Figure 2.5. However, their Crisis Leadership competencies from the original model in 2004 were not adequately identified in this later model. Therefore, the present study will adopt the combined Crisis Leadership competencies and apply to the Crisis Readiness phases noted by Jaques (2007) and Ritchie (2004) as described in Sections 2.2.2 (iv) and 2.2.3 (ii) respectively.



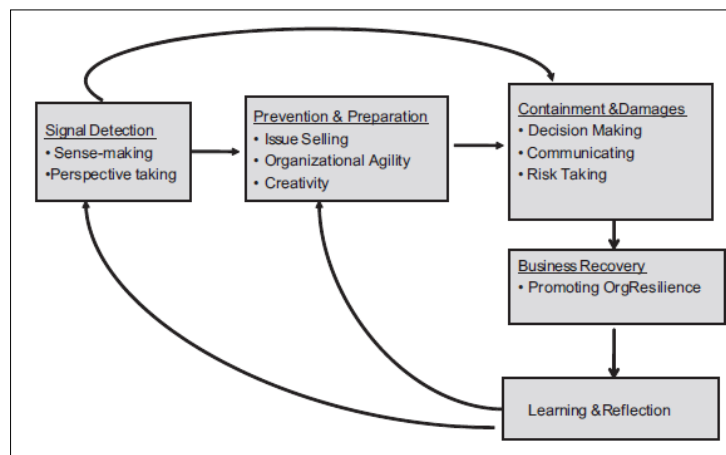


Figure 2.5: Phases of Leadership Competencies in Times of Crisis

Source: Wooten and James, (2008), “Linking Crisis Management and Leadership Competencies: The Role of HR Development”

The present study will provide a linkage between the leadership competencies theory of James and Wooten (2004) and Wooten and James’ (2008) studies to the Crisis Management models of Jaques (2007) and Ritchie (2004). The aim is to provide a new theoretical model appropriate to the crisis readiness phase. In addition, the present study is grounded in the substantive context of the 2010 Red Shirt crisis in the hotel sector. An examination of the nascent literature with regard to Crisis Leadership in tourism will be addressed in the next section.

#### 2.4.5 CRISIS LEADERSHIP IN TOURISM

While the current level of research in business and management studies in the field of Crisis Leadership is limited, it is even more so in the tourism sector as evidenced by a review of the literature. The tourism industry is one of the fastest growing industries globally and a key growth industry for many developing countries (Robertson et al., 2006; United Nations, 2013). It was one of the more resilient industries during the Global Financial Crisis with a recorded growth in global tourist arrivals of 4.8% from 2010 to 2011 (Hajkowicz et al., 2013). The growth in travel is also expected to increase the impacts of the growing crisis events. Due to the limited body of research and theory in the extant literature on Crisis Leadership in tourism, the current study has been designed to develop and posit a new theoretical model for managing crises. The substantive theory generation is directed by the need to better understand the influence of Crisis Leadership on preparing hotel organisations for potential crisis events.

It is evident from the literature review that Crisis Management has been the focus of considerable research since the events of September 11<sup>th</sup>, 2001; however, little attention has been given to Crisis Leadership (Klann, 2003), or a linkage with Crisis Management models and frameworks. The present study addresses these gaps in the literature and will make a positive contribution to the body of knowledge.

The next section considers the role of culture on Crisis Management, specifically national and organisational culture and its impact on management processes.

## **2.5 THE ROLE OF CULTURE IN CRISIS MANAGEMENT**

Factors that influence managers' responses to Crisis Management also include national culture and organisational culture. Although national and organisational culture are not the focus of this study, they cannot be ignored. The role of national and organisational culture and its influence on management behaviours will be addressed in the following section.

Although Crisis Management may be regarded as a reactive process by some (Mitroff, 2004a), there is clearly evidence that when integrated into an organisation's strategic planning cycle it becomes more of a proactive measure aimed at instilling confidence in the managers to be able to deal positively with a crisis event. However, there is evidence that Crisis Management is also influenced by the culture of both national characteristics (Campiranon & Scott, 2007; Carmeli & Schaubroeck, 2008; Elsubbaugh et al., 2004; Heath, 1995; Schmidt & Berrell, 2007) and the organisation's values and beliefs (Crandall et al., 2010; Evans & Elphick, 2005; Pearson & Mitroff, 1993; Preble, 1997; Pollard & Hotho, 2006). The role of national and organisational culture and their dimensions will be examined further in the next section.

### **2.5.1 NATIONAL CULTURE**

The management of cultural diversity is now a key issue for organisations as a result of economic and industrial globalisation, the homogenisation of companies and the internationalisation of their organisational cultures (Campiranon & Scott, 2007; Elsubbaugh et. al., 2004; Northouse, 2007; Schneider & Meyer, 1991; Wang & Ritchie, 2010).

Based on a review of previous research, the need for an in-depth analysis of the influence of national culture on Crisis Management models in developing countries is evident (Huang, Lin & Su, 2005). Due to a predominantly western-centric approach to Crisis Management, the research to date does not include Crisis Management models and strategies developed in the context of Asian countries (Huang et al., 2005). Kim et al. (2008) suggested that Crisis Management models “should be tested in order to accommodate cultural variations and to revise those components to suit the applicable cultures” (p.334). In their study on executive orientation indicators in Crisis Management policies and practices, Sheaffer and Mano-Negrin (2003) also recommended that extending the scope of future studies to include multicultural contexts could contribute significantly to our understanding of how cultural differences affect crisis preparedness.

In the event of a crisis, the preparedness and response can differ from one country to another. Mitroff, Pauchant, Finney and Pearson (1989) and Pearson and Clair (1998) found that culture is perhaps the most important variable in making organisations better prepared to manage a crisis. In Middle Eastern cultures, shame and failure are very often attached to the notion of crisis, making change to business culture crucial for progress in Crisis Management. Elsubbaugh et al. (2004) investigated Crisis Management strategies used in the Egyptian cotton textile industry and found that the cultural context needs to be considered in order to fully understand an organisation’s response to the threat of crisis. Based on empirical evidence, Elsubbaugh et al. (2004) proposed a Crisis Management model that integrated elements of Pearson and Mitroff’s (1993) and Reilly’s (1993) Crisis Management models. It also identified new dimensions to explain and accommodate behaviour related to Crisis Management in non-western countries. The Crisis Preparedness Model (Elsubbaugh et al., 2004) identified the General Preparedness Phase, representing the infrastructure of any Crisis Management process, where without a supportive culture and strategic preparedness, the detection of signals and the Crisis Management phases will not work effectively.

Effective leadership is a key component in managing crises. Ritchie (2009) acknowledged that leadership in Crisis Management may be influenced by an individual’s cultural background and cites Hofstede’s (1980, 2001) research regarding how motivation affects one’s ability to lead. It is widely recognised that cultural differences may be responsible for differences in how effective leaders make decisions

(Campiranon & Scott, 2007; Elsubbaugh et al., 2004; Wang & Ritchie, 2010). However, crisis management and leadership research is derived mainly from Western studies and it is evident that national culture has a role to play in crisis leadership studies. As the present study is contextually based in a Thai organisation and concentrates on the 2010 Red Shirt crisis, national culture is a dimension that needs to be addressed.

**(i) HOFSTEDE'S CULTURAL DIMENSIONS**

To understand how a Thai based company reacts to a crisis, it is essential to review the literature with regard to cultural influences. As the seminal study in this field, Geert Hofstede's™ Cultural Dimensions (1980) is the natural starting point in this analysis. Hofstede (1980) is renowned for his pioneering research on national and organisational cultures which began during his employ as an organisational psychologist with IBM. He analysed a database of employee's national values scores between 1967 and 1973, collecting 116,000 questionnaires. His research established a framework to understand cultural differences and for defining work related values and their influence in the workplace, based on the four dimensions: power distance, individualism/ collectivism, masculinity/ femininity, and uncertainty avoidance. Hofstede devised the Values Survey Model (VSM) to measure if national cultural differences exist.

The first VSM dimension (Hofstede, 1994) is Power Distance which is described as the degree to which people accept inequality within a population. Second, Uncertainty Avoidance is described as the degree to which a population prefers structure versus the lack of structured situations or ambiguity. The third dimension, Individualism referred to the degree that people prefer to acts as individuals versus as group members. Fourth, Masculinity described the degree to which a population prefers male related values such as assertiveness, performance, success and competition versus female related values such as quality of life, warm close relationships and concern for the vulnerable. A fifth dimension, Long Term Orientation versus Short Term Orientation, was added after conducting further research utilising a questionnaire, designed by Chinese scholars.

Hofstede (1980) defined culture as being collective but often intangible. It is what distinguishes one group, organisation, or nation from another. Hofstede argued that culture consists of two elements: the internal values of culture, which are invisible and

external elements of culture, which are more visible and are known as practices. The latter included rituals (such as greetings), heroes (such as people or television shows) and symbols (such as words and gestures). The cultures of different organisations can be distinguished from one another by their practices, while national cultures can be differentiated by their values. (Hofstede, 2002). This is an important factor to consider for the purpose of this study, as the Thai national culture will exert an additional influence over the activities of the group.

## (ii) THAILAND'S CULTURAL CHARACTERISTICS

Hofstede (1980) found that Thailand is culturally unique as its two highest rankings are equal at 64 (out of 100) on the dimensions of Power Distance (PDI) and Uncertainty Avoidance (UAI). High PDI reflects a high level of inequality of power and wealth within a society (See Figure 2.6).

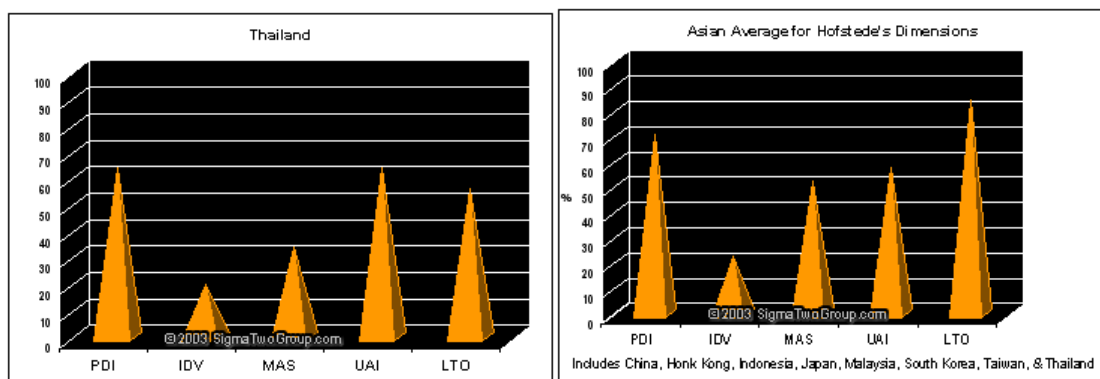


Figure 2.6 : Geert Hofstede's™ *Cultural Dimensions* for Thailand

Thais' willingness to adhere to norms surrounding seniority and hierarchy is part of Thailand's cultural heritage. At the same time, the equally high UAI dimension suggests that Thai society has a low level of tolerance for uncertainty; consequently, they value the implementation of strict rules, laws, policies and regulations to minimise risk and uncertainty. Based on Hofstede's theory, Thai society does not accept change easily and is very risk adverse (Hofstede, 2009). The lowest finding of the indexes is that of Individualism (IDV) at only 20, indicating that Thai society is collectivist as compared to individualist. Although Hofstede continued to explain that this manifests in a close long term commitment and therefore loyalty to the group, he did not discuss how this affects effective and strong leadership.

The difficulties of a collectivist culture, as suggested by Heath (1995), are seen in crisis and disaster response management where time is too limited for consensus driven decision-making processes. He pointed to the response to the Kobe earthquake on 17 January 1995, which can be understood by analysing the cultural dimensions inherent in Japanese community and organisational cultures. Hofstede's (1980) posited that Japanese culture is likely to be collectivist in nature with a large power distance and a high need to avoid uncertainty. As such, fewer individualist actions are likely to be made at the time of a crisis event and many leaders/ managers would wait for group based responses.

Heath (1995) also deduced that based on Hofstede's indicators, a Japanese response may be slower due to the need for more certainty in the situation. In his analysis of the Kobe earthquake Crisis Management process, Heath (1995) referred to the slow and less than optimal Japanese management response to the crisis. Heath believed that this response could be better understood by reviewing Japanese cultural dimensions using Hofstede's theory. According to Heath (1995), Hofstede's findings identified a high level of collectivism, combined with a high power distance and the need to avoid uncertainty in the workforce. These indicators suggest that Japanese bureaucrats typically wait until consensus is achieved to make a decision. Face saving is crucial and, as a consequence, response time to a crisis may be slow and time lags may be the norm.

Geert Hofstede's Cultural Dimensions also highlighted the fact that Thailand has the lowest Masculinity ranking among the Asian countries at 34, compared to the Asian average of 53 and the world average of 50 (Hofstede, 2009). This low ranking indicates a society that is less assertive and less competitive, in comparison to those countries where these values are more important and significant and is illustrated in Figure 2.6.

Hofstede's Cultural Dimension theory has not gone without critique. One consideration about using Geert Hofstede's™ Cultural Dimensions, as applied to the Thai context, is the assurance that Hofstede's theory is relevant for this case study organisation and participants. Kirkman, Lowe and Gibson (2006) reviewed 180 studies related to Hofstede's cultural values framework used in empirical research in management and applied psychology fields. While they suggested that Hofstede's research is fragmented, redundant and overly reliant on certain levels of analyses, they ultimately urge future

researchers to improve their usage of Hofstede's framework by looking beyond this paradigm and breaking new ground in cross-cultural investigations. Kirkman, et al. (2006) posited that large scale studies published since Hofstede's (1980) work have supported, rather than contradicted, Hofstede's findings.

Campiranon and Scott (2007) examined the socio-cultural and organisational concepts that influenced Crisis Management in tourism destinations. Their research indicated that researchers who have used Hofstede's survey instrument have verified it as being valid and reliable and that most of the national differences identified by Hofstede were supported. Research by Campiranon and Scott (2007) confirmed the reliability of Hofstede's dimensions of national cultural differences because of its cited reliability and validity. They also suggested that further research is needed to investigate the relationship between national culture and Crisis Management, and recommended the use of case studies based on Hofstede-like analytical frameworks to investigate if national culture affects decision-making.

**(iii) GLOBAL LEADERSHIP AND ORGANISATIONAL BEHAVIOUR EFFECTIVENESS (GLOBE)**

In addition to Hofstede's (1980) study, one of the most extensive studies focusing on culture and leadership was the Project GLOBE (Global Leadership and Organisational Behaviour Effectiveness) model, compiled based on a dataset of 17,000 managers from 61 countries (House, Javidan, Hanges & Dorfman, 2002, Yukl, 2010) utilising 170 Country Co-investigators.

GLOBE researchers defined organisational leadership as "the ability of an individual to influence, motivate, and enable others to contribute towards the effectiveness and success of the organisations of which they are members" (House et al., 2002, p.5). GLOBE was initiated by House, Hanges, Ruiz-Quintanilla, Dorfman, Javidan, Dickson and Gupta (1999) and morphed into 9 cultural dimensions from Hofstede's (1980) cultural dimensions, which provided the foundation for the first six GLOBE cultural dimensions. It is one of the most ambitious leadership studies ever undertaken and is still considered a work in progress (Jackson & Parry, 2011).

The GLOBE dimensions comprised of nine cultural dimensions and six leadership dimensions (Javidan & Dastmalchian, 2009): Uncertainty Avoidance, Power Distance, Collectivism I: Societal Collectivism, Collectivism II: In-Group Collectivism, Gender Egalitarianism, Assertiveness, Future Orientation, Performance Orientation and Humane Orientation. While the aim of GLOBE was to develop empirically based theory which described relationships between societal and organisational culture and leadership using an extensive dataset, the findings have not been replicated to the same degree as Hofstede's (1980) original study.

GLOBE combined Implicit Leadership Theory with Hofstede's work and identified effective leader attributes that rated similarly across cultures: Visionary, Decisive, Dynamic, Dependable, Encouraging and Positive, Excellence-oriented, Honest and Trustworthy, Skilled Administrator and Team Integrator. It also identified leadership attributes that varied across cultures: Ambitious, Cautious, Compassionate, Domineering, Formal, Humble (self-effacing), Independent, Risk taker and Self-sacrificing (Yukl, 2010).

In an increasingly global business environment socio-cultural phenomena can be predicted by using GLOBE's cultural dimensions. Javidan & Dastmalchia (2009) identified managerial implications based on the GLOBE leadership dimensions: cultural sensitivity, HR practices and managing under uncertain conditions with the aim to develop global leader-managers.

Yukl (2010) argued that one of the most important findings of the GLOBE project was the effective leader attributes and the extent to their uniformity and variance across cultures. The cultural beliefs about leadership attributes were categorised by their uniformity and variance across cultures and are shown in Table 2.3.



Table 2.3: Cultural Beliefs about Ideal Leader Attributes

<b>Cultural Beliefs about Ideal Leader Attributes</b>	
<b>Rated effective in most cultures</b>	<b>Ratings varied across cultures</b>
Visionary	Ambitious
Decisive	Cautious
Dynamic	Compassionate
Dependable	Domineering
Encouraging and positive	Formal
Excellence-oriented	Humble (self-effacing)
Honest and trustworthy	Independent
Skilled administrator	Risk Taker
Team integrator	Self-sacrificing

Source: Yukl (2010) *Leadership in Organisations* (p.459) adapted from Dorfman et al., (2004)

Jackson and Parry (2011) outlined the ongoing debate between the GLOBE researchers, their critics and Hofstede. They argued that there are issues with the survey instrument and the findings including sampling representativeness and cross-cultural translation challenges. A discussion on cross-cultural leadership research cannot ignore the GLOBE project; however, it is criticised due to its US centricity with regard to the survey format and content. This reduces its relevance within the Asian context (Jackson & Parry, 2011).

An important element in crisis planning is the recognition that national culture provides the foundation from which responses to crises can be studied (Prideaux, 2009). Schmidt and Berrell's research (2007) confirmed Hofstede's theory that Western societies tend to place greater value on universal principles and short term relationships. Alternatively, decision-making in an Asian context is hierarchical and based on seniority, leading to barriers for junior staff to make rapid independent decisions when faced with a crisis. In contrast, in Western cultures and low context countries such as the U.S.A. or Australia, independent decision-making is more acceptable and there is less need for approval from senior management (Heath, 1995; Schmidt & Berrell, 2007). Yukl (2010) also highlighted the increasing cultural diversity in the workforce today.

National culture and Crisis Management have only recently become a focus of tourism based Crisis Management research. Campiranon and Scott (2007) suggested that even though organisational culture is often believed to be homogeneous; in fact, regional and national cultural factors influence how individuals react to crises. Schmidt and Berrell (2007) posited that utilising Western Crisis Management practices in an Eastern context can be problematic. They put forward an argument to support the discussion that crisis

responses are influenced by one's national culture. For example, Schmidt and Berrell (2007) referred to the status-bound decision-making processes in many Asian countries where seniority typically determines responsibility for making decisions in times of crises. This hierarchical model may be valued, but it can impede efficient responses to an emergency (Campiranon & Scott, 2007; Heath, 1995; Schmidt & Berrell, 2007). It is important to highlight a research gap with regard to a lack of Crisis Management studies in an Asian context. This lack of research is also compounded specifically with regard to hotel companies, which employ a cross-section of managers from various cultural backgrounds.

A review of Crisis Management research suggests that little previous research has focused on Crisis Management strategies used within the international hotel industry. Mwaura, Sutton and Roberts' (1998) study investigated the influence and effects of national culture on the work environment of an international hotel company, ITT Sheraton, operating in the People's Republic of China. They studied the effects of western corporate culture assimilation and concluded that a strong national culture will have a major influence on the workplace. Mwaura et al., (1998) identified a divergence in national and corporate culture based on the influence of Confucianism in Chinese culture, which resulted in challenges for management. However, this research did not address Crisis Management issues and further highlights the need for research in Crisis Management in the Asian context.

In addition to national culture, the organisation's culture must also be considered and will now be discussed in the following section. Although this is an extensive subject to introduce at this stage and while it is not the focus of this study; it is a component that needs to be addressed before moving forward since the study is based on a multi-level and multi-location business organisation.

### **2.5.2 ORGANISATIONAL CULTURE**

In order to investigate the influence of national culture on Crisis Management, it is important to also understand the impact of organisational culture in the context of Crisis Management decision-making. Hofstede (1994) posited that there is a distinct difference between national culture and organisational or corporate culture. He argued that organisational membership can be short-term, but national membership is permanent.

He further argued that employees' national values cannot be changed; however, their organisational culture can change as it is comprised of practices rather than values.

The culture of an organisation reflects the emotional belief system of its management; this can either facilitate or hinder Crisis Management planning and operation (Pearson & Mitroff, 1993). Mitroff et al. (1989) defined the culture of an organisation as: "the set of articulated largely unconscious beliefs, values, norms and fundamental assumptions that the organisation makes about itself, the nature of people in general and its environment" (p.271). Mitroff et al.'s (1989) study was designed to investigate the effects of corporate culture on Crisis Management. They advocated that the culture of an organisation is one of the most important variables in analysing an organisation's Crisis Management actions and determining their crisis prone or crisis preparedness status. Kim et al. (2008) argued that organisational culture plays a central role in affecting the way that members in an organisation behave. Even though organisational culture may influence the internal environment, organisations are heavily influenced by the societal culture in which they operate (Sriramesh & White 1992). Implications from Kim et al.'s study (2008) suggested that Crisis Management models need to be further tested to accommodate cultural variations.

Crisis Planning is an important resource in the strategic management toolkit for managers; however, this is not a priority shared by all managers. A cultural shift may be required in order for an organisation to adopt an organisational culture of crisis preparedness (Crandall et al., 2010). Crandall et al. (2010) posit that each organisation has its own unique culture and companies within the same industry may approach situations differently. They recommended that managers focus on developing and supporting crisis-prepared cultures in their organisations. They found that innovative firms undertake the planning necessary to prevent a crisis through the creation of Crisis Management Teams, Crisis Management Plans, and emergency drills to help the organisation prepare and manage crises in the most effective manner.

Organisational culture has been discussed only briefly in the literature review as there are more pre-eminent issues that have been considered for this study. However, it cannot be ignored entirely in regard to the setting for this study since organisational culture has been established as having an influence on crisis management efficacy.

## 2.6 THEORY DEVELOPMENT

Based on a review of the extant literature, one aim of the present study is to posit a new theoretical contribution to explain the Crisis Leadership core capabilities required during the Crisis Readiness and Prevention stages of the Crisis Management process. The theoretical development draws from Jaques (2007) and Ritchie's (2004) frameworks. While James and Wooten (2004) and Wooten and James' (2008) Crisis Leadership Competency Model identifies specific competencies, it has no linkage to any Crisis Management model or framework in relation to the identification of the leadership capabilities required at different stages of a crisis event. Taking into account the aforementioned theoretical models developed by Jaques (2007) and Ritchie (2004), this study provides a linkage to Wooten & James' (2004 & 2008) Crisis Leadership competencies models to create a new model appropriate during the Crisis Readiness phase.

Minimal research has focused specifically on the substantive context of how the Thai hotel sector approaches crisis readiness with the majority of studies dedicated to a Western environment. The present study analyses Crisis Leadership from an Asian perspective, specifically the Thai business context. At the same time, additional exploration of the impact of the hotel manager's prior experience is needed to understand how hotel managers approach their Crisis Readiness. While the research focuses on the Crisis Readiness of one hotel company, the findings of this study will offer implications for Crisis Leadership across a broad spectrum of industry sectors. The present study responded to the identified need for further academic research about how hotel managers respond in a crisis situation and what factors influence their approach to crisis management readiness.

As discussed previously, we know little about *how* Crisis Leadership influences its Crisis Management readiness. In order to close this gap, the primary research question guiding this study was:

How does Crisis Leadership influence Crisis Management readiness in the  
Thai hotel Industry?

The sub-questions underpinning the primary question are:

- ❖ What level of importance do hotel managers place on crisis management planning, response and evaluation?
- ❖ How does organisational culture influence crisis management planning and response?
- ❖ How applicable are Western based Crisis Management frameworks to the Thai Crisis Leadership context?

## 2.7 CHAPTER SUMMARY

Chapter Two sought to identify relevant literature related to the primary research question; *How does crisis leadership influence crisis management readiness in the Thai hotel industry?* While the extant literature provided a better understanding of the issues under consideration, it also highlighted theoretical gaps and encouraged the researcher to pursue issues pertaining to Crisis Readiness and Crisis Leadership with the potential to develop new substantive theory. The key topics underpinning this thesis examined in this chapter included, defining crisis, crisis management theoretical frameworks, crisis leadership and relevant leadership theory, as well as the role of national and organisation culture and its relationship to crisis leadership.

The interchangeability of the terms crisis and disaster was addressed. The selected definition of crisis is “an unexpected event for an organisation that resulted in chaos and required urgent and decisive action”. Crisis Management theory was examined and relevant tourism crisis management models were discussed, with a focus on the crisis readiness phase. It is evident in previous studies that the crisis prevention and preparation phases have received minimal attention in comparison to the crisis incident and post crisis phases. Moreover, the extant literature is characterised by US or Western-centric studies.

This chapter also provided an overview of relevant leadership theory and illuminated the nascent state of current crisis leadership research. Charismatic and Transformational Leadership were identified due to their positive influence at a time of crisis. While examples of crisis leadership theory were identified in the literature review, they failed to provide a link between crisis management frameworks, or describe their importance to successful crisis event outcomes. In addition, the role of national culture was

identified as influencing factors on Crisis Leadership efficacies; however, it has received little consideration in the existing Crisis Leadership research studies.

Chapter Three will now outline the research design adopted with an explanation of the research methodology including; the research philosophy from a grounded theory perspective, the setting for the study, data collection methods, ethical considerations and the de-limitations of the present study.

## **CHAPTER 3 RESEARCH METHOD AND DATA COLLECTION**

### **INTRODUCTION**

The review of the extant literature on Crisis Leadership in Chapter Two concluded that there is a gap in our current knowledge about Crisis Leadership and its influence on Crisis Readiness. Chapter Three will provide an outline of the research methodology used in this empirical study that guided the data collection and analysis. To accomplish this, the chapter includes an introduction of qualitative research design in leadership studies, followed by a discussion on the rationale for employing a Grounded Theory single case design. This will provide an introduction for the next section which incorporates the justification for a single, multi-dimensional case approach within a multi-unit organisation. In addition, an explanation about the setting and access for the study will be provided. The chapter will also provide an outline of the methods utilised, specifically highlighting the use of in-depth interviews as the primary data collection method; secondary data sources will also be discussed.

By embracing a predominantly qualitative study design, an interpretivist philosophy has been adopted utilising an exploratory design strategy. Data triangulation was achieved through qualitative analysis of semi-structured in-depth interviews, an on-line survey and secondary data sources. Detail relating specifically to the interview and online survey data collection and analysis will be outlined in this chapter with the study's findings presented subsequently in Chapters Four, Five and Six. A more in-depth explanation and justification of the research design and philosophy is provided in this chapter.

This chapter will also describe Grounded Theory's data coding process, which begins with substantive coding and progresses to higher level abstract theoretical coding. The key principals of Grounded Theory were employed throughout the data collection and analysis processes and included the constant comparative method, theoretical sampling, theoretical coding, theoretical memos and theoretical sorting. The purpose of using Grounded Theory was to explore the basic social processes involved in crisis leadership and an organisation's state of crisis readiness and to identify substantive theory in the

field of crisis leadership. This chapter will conclude with a discussion of the ethical considerations and de-limitations of this study.

### *IN CONTEXT: CRISIS LEADERSHIP RESEARCH METHODOLOGY*

Since the research enquiry focused on leadership, the researcher sought the most appropriate research methodology which would provide the key to unlock rich insights and perspectives. The study focused on leadership in the context of both a specialised role and a shared influence process in the context of a hotel company, its business units and the corporate headquarter offices across all management levels. Popper (2002) described leadership as being comprised of leaders, followers and the context in which relationships are formed. The leadership relationship is characterised by the conscious and unconscious desires of leaders and followers in their interactions, in a dynamic timeline of events, and within a diverse context dependent upon the social, ideological, cultural and technological environments.

It is this dynamic context that required the research to go beyond the laboratory's experimental design bias to a contextually based research design. A quantitative approach generalises a dataset's frequency to satisfy a hypothetical need; in contrast a qualitative approach was adopted as the most significant part of this research, aimed at developing theory from the Crisis Leadership phenomenon in order to answer the research question.

Traditional leadership research has been dominated by statistical studies that are published as valid research because of their robustness (Kempster, 2009). Quantitative methods require large sample sizes, but they provide the development of causal models and the convenience of replicability; however, they do not provide an in-depth understanding of the leaders' or followers' perceptions during significant events and the success or failure of those event outcomes (Klenke, 2008).

Due to the unique nature of crisis events, situational leadership highlights the necessity to assume a specific contextually-based qualitative research approach. By using a qualitative methodology, the research will uncover the social processes that operate within a crisis situation and provide valuable insight into the relatively new field of Crisis Leadership research. Kempster (2009) argued that "through qualitative research we can begin to reveal how contextualised leadership practice develops and understand



how individual leaders and followers learn how to enact these leadership processes” (p.47).

Context is crucial in determining the relevance and effectiveness of the leadership process being demonstrated. It cannot be assessed in a vacuum, or by seeking empirical results from a group of university students in order to satisfy a ‘scientific’ result, or for further replication purposes. Liden and Antonakis (2009) suggested that:

“given the dynamic and multi-faceted socio-environmental context in which leadership occurs, one cannot simply study leadership as one would simple chemical reactions, where ingredients can be added and subtracted at will and where there is complete experimental control” (p.1594).

It is evident from the literature that Crisis Management research requires a greater insight into the contextual experiences of the crisis phenomenon. From these experiences, leadership processes can be analysed and explained, and as a consequence provide a basis for the study’s theoretical development. Since the contextual issues of Crisis Management and Crisis Leadership heavily influence the choice of research methodology, Grounded Theory design was selected as most relevant to achieve theory generation (Parry, 1998). The value of Grounded Theory will be explained in more detail in Section 3.1.1.

Grounded Theory guided the study using semi structured in-depth interviews as the main data source in the first iteration phase of data collection. This was followed by a second iteration of interviews based on theoretical sampling and follow up interviews with key informants from the first iteration phase of interviews. At the same time, the constant comparative method of Grounded Theory encouraged constant reflection and induction of the primary and secondary data sources to tease out thematic concepts as the emergent theory developed. The data collection phases and concurrent analysis will be further described in more detail in Section 3.1.4 on Grounded Theory methodology.

This research study utilised a single case study of a multi-unit, multi-level hotel organisation based on the substantive context of the 2010 Red Shirt crisis to explore the research question. The justification for a single case study is explained in Section 3.1.5. The research methodology explanation now commences with an introduction of the study design philosophy.

### 3.1 THE STUDY DESIGN PHILOSOPHY

The research philosophy embraced for this study can be described as the development of knowledge and the nature of that knowledge (Saunders, et.al, 2009). This research was viewed concurrently through ontological and epistemological lenses at the beginning of the research journey. From the perspective of the ontological lens, where we view the nature of reality, this study took a position of subjectivism whereby a social phenomenon is created from the perceptions and consequent actions of the participants or actors (Jennings, 2010; Saunders et al., 2009). Looking through the epistemology lens where we view what constitutes acceptable knowledge in a field of study, this research adopted an interpretivist view.

The debate between the value of qualitative versus quantitative research has been well documented, especially in the formative years of developing sound and rigorous qualitative research techniques (Denzin & Lincoln, 2005; Johnson & Onwuegbuzie, 2004; Klenke, 2008; Kumar, 2011; Losch, 2006; Veal, 2006). Quantitative loyalists maintain a negative attitude about qualitative research. They often fail to acknowledge that rich and compelling findings can be derived from a qualitative approach (Johnson & Onwuegbuzie, 2004).

DeLyser, Herbert, Aitken, Crang and McDowell (2010) described qualitative researchers as being the research instrument that collects data, filters feelings, experiences and analyses field activities and challenges personal understandings. They work *with* (not on) the communities that they study, giving voice to those being researched. Qualitative research which is theoretically and methodologically sophisticated has now challenged the quantitative episteme paradigm (DeLyser et al., 2010). Although the debate continues, qualitative research is no longer seen as exceptional or in need of special justification. Its acceptance is growing steadily (Veal, 2006).

The present study on Crisis Leadership explicitly explored the emic view from an insider's perspective. In describing their comparative view of the qualitative versus quantitative researcher DeLyser et al. (2010) stated that “qualitative research places the researcher in and amongst the findings, rather than deploying the scientised rhetoric of the disembodied, neutral and detached observer” (p.6). Research in the social sciences, and specifically in leadership, has been historically based on the objectivist, positivist,

quantitative paradigm and the academic discipline of leadership has accounted for a myriad of empirical studies, theory, texts and journal articles.

While quantitative research includes numeric explanations, it does not provide a deeper understanding of the phenomenological structures under study (Klenke, 2008). It is this approach to leadership studies through which the researcher embraced a qualitative research design for the present study's methodology. The researcher was influenced by Klenke's (2008) position that: "Qualitative leadership studies, when conducted with the same degree of rigour and concern for validity and quality, have several distinct advantages over quantitative approaches by offering more opportunities to explore leadership phenomena in significant depth" (p.5).

As the context of this study was the phenomenon of Crisis Leadership, one of the aims was to seek to understand reality, and build theory. Since this research study sought to understand *how* leadership capabilities and experience in crises influences Crisis Readiness, the inductive approach of Grounded Theory is accepted as a common strategy to explore management issues (Saunders et al., 2009). The following section will detail the study's Grounded Theory design.

### **3.1.1 GROUNDED THEORY**

Qualitative research shares the inductive approach with research methods that include; ethnography, oral history and participant observation. These methods deal with people, places and events and the explanations derived through the extant literature. In contrast, Grounded Theory seeks to discover emergent theory from reality and conceptualises data, taking the level of thought to a higher level (Glaser, 1978). For this reason, Grounded Theory was selected as a key differentiator from other qualitative methods in establishing theory and contributing to the body of knowledge.

Many scholars of leadership research have elevated Grounded Theory as a research technique due to its ability to produce a social theory from leadership's social, contextual, processual and relational elements (Kempster & Parry, 2011). Grounded Theory design was applied in the current research based on the premise that theory emerges and is extrapolated from 'grounded' data which is collected from field research (Leedy & Ormrod, 2005) and includes the perspectives and voices of those being studied. Kempster and Parry's (2011) critical realist perspective using Grounded

Theory generated credible descriptions through Sense-making of actions and words to build theory. The critical realist approach to Grounded Theory research by Kempster and Parry (2011) has been cited and often supported in subsequent research (Mabey, 2013; Whitely, 2012; Zhang, Fu, Xi, Li, Xu, Cao & Ge, 2012) The backstory debate to Grounded Theory and the particular methodology chosen is further explained in this section.

The use of Grounded Theory methodology delivers a level of authenticity to leadership research from which new theoretical perspectives can be uncovered. It is with this approach in mind that a successful theoretical outcome was anticipated. Eisenhardt (1989) found that “intimate interaction with actual evidence often produces theory which closely mirrors reality” (p.547). Locke (1996) described the characteristics of Grounded Theory as: closely fitting the substantive topic being researched; being understandable and usable by the organisation being studied; and being sufficiently complex to explain a significant portion of the variation in the area of study.

Although classic Grounded Theory commences with no pre-formed notions in mind, it seeks to uncover patterns and contradictions throughout the data gathering phase (Veal, 2006). Grounded Theory requires the researcher to be familiar with the data, the participants and the cultural context of the research (Hardy, 2005). As Veal (2006) suggested, “The process is a complex and personal one” (p.197). In this context the researcher is in a unique position as an applied expert in this discipline to study the research topic and provide new insights. The researcher’s passion and inspiration to discover a theoretical concept for the chosen research question can be best explained by Strauss and Corbin (1998) who stated; “the touchstone of one’s own experience might be a more valuable indicator of a potentially successful research endeavour than another more abstract source” (p.38).

The role of the researcher as the primary data collection instrument dictates full disclosure of any biases, personal opinions and assumptions at the beginning of this study in Chapter 1, Section 1.7. Rather than being a negative influence, the researcher’s personal experiences are valuable in identifying concepts based on a higher level of theoretical sensitivity. Perceptions of Crisis Readiness and the influence of Crisis Leadership have shaped the personal experiences of the researcher, who lived through crisis events in Asia from 2001-2011 including; tsunamis, SARS, Bali bombings and Thai political protests. The senior management roles held by the researcher in

Singapore and Bangkok during this period provided first-hand knowledge of Crisis Leadership expertise. Due to the researcher's previous experience working in the case study organisation at a senior level, biases are inevitable but the researcher made every effort to ensure objectivity in the way the data were collected and interpreted. The use of multiple data sources with Grounded Theory's constant comparative method enhanced the validity of the substantive theory (Parry 1998). In addition, the researcher invited the informants to review the developing emergent theoretical concepts, which assisted in mitigating researcher bias.

The researcher engaged in critical, personal self-reflection. This process allowed the researcher to create new perspectives when chronicling her own "Reflections and Recollections" of the May 2010 Red Shirt crackdown; this narrative process of 8,000 words also assisted in identifying additional subjects, thematic concepts and core categories for the final phase of interviews. It was also a cathartic review that ensured the researcher's insider position was kept as objective as possible and delivered an honest account of the events and relationships as they unfolded. The following narrative by the researcher highlighted the emotional turmoil of the responsibilities undertaken at the time of the Red Shirt crisis; "There were no preparations for any contingencies should the violence escalate, which seemed to be an unthinkable possibility, but now in hindsight, how wrong we all were."

Grounded Theory also encourages self-learning and self-reflection of the actors during the interview data collection process. It allows the participants an opportunity to consider issues that may need addressing and provides a means to create value for the individuals and the organisation as a whole (Roberts, 2002). One of the interviewees responded to the question on the company's crisis plan explaining that by engaging in the interview process it had alerted her to the need for a simple crisis plan and raised other questions in her mind:

"I think looking at the crisis management, what we have right now and just talking to you right now, I feel that there should be a communication, easy, simple, one page plan that should be shared within the team..... again while I'm talking I'm questioning how does it relate to the staff? ..... how did it relate to the whole staff, 700 staff, I don't know. They have to rely on the department managers or the Excoms."

The notion of self-learning and self-reflection by both the actors and the researcher became an important unanticipated outcome of the research study. It also reinforced the researcher's quest to explore how Crisis Leadership influences successful Crisis Management outcomes.

Grounded Theory has been subject to criticism related to the labour intensity of the data collection process, analysis and its inability to predict (Hardy, 2005; Saunders et al., 2009). However, the iterative, inductive nature of the methodology encouraged the generation of new theory which was one of the main aims of this study. The researcher chose Grounded Theory by using a substantive context that could examine the nature of Crisis Leadership to generate theory. From a personal viewpoint, the researcher sought to bridge the substantive community with a theoretical concept that could be applied to future crisis management situations. Egan (2002) identified a salient link existed between theory and practice, which further enhanced the study's contribution to the body of knowledge. Utilising a substantive context involved the participant's own lived experiences, reflections and world views; building a rich and compelling case for the theoretical concepts as they developed. Involving the participants in validating the core themes was integral to the Grounded Theory process and added to the inclusiveness and engagement of the research participants.

In addition, Parry (1998) highlighted an important component of Grounded Theory is the theoretical sensitivity of the researcher towards emergent theory. In essence, "one must know what it is that one is observing or quoting" (Parry, 1998, p.93). This was a key element of the researcher's immersion in this topic based on the insider approach, having lived the experience and therefore sensitive to the developing themes from the study.

Due to the lack of Crisis Leadership research and theory in Crisis Management studies, Grounded Theory was deemed the best fit to explore and uncover the influence of Crisis Leadership on an organisation's Crisis Readiness (Hardy, 2005; Kensbock & Jennings, 2011). Kempster and Parry (2011) posited that Grounded Theory was most relevant to researching leadership processes within distinct or unique processes, such as extreme crisis events. Having introduced Grounded Theory, it is noted that this method has not been without controversy. As such some of the issues associated with Grounded Theory are now addressed in the following section.

### **3.1.2 GROUNDED THEORY CHALLENGES AND STRENGTHS**

Grounded Theory as a methodological approach is portrayed as confusing, conflicting and complicated in some academic circles (Egan, 2002; Locke, 1996; Suddaby, 2006; Thomas & James, 2006). While some of these issues were considered when choosing the research methodology, Grounded Theory was selected as the most practical method

to conduct research that was aimed at exploring and analysing the social processes at play for the purpose of generating substantive theory. Egan (2002) supported this direction since the connection between theory and practice is one of the most salient links of Grounded Theory research.

As described earlier, Grounded Theory is inductive and as its title implies, it is built from the ground up; exploring, understanding and conceptualising theory generation. In contrast to a deductive approach that applies established theory on the data. The researcher's insider position provided the platform to study what is really going on and how the actors see the world in the context of a unique crisis event. This motivated the researcher further to discover emergent theory to explain the problem of crisis readiness. Therefore, Grounded Theory was determined to be the most practical method for this research problem.

Within the Grounded Theory literature there are conflicting views about when the literature review should be conducted. This research study adopted an integrated approach between the empirical data and the extant literature to ensure the theory development was contributing to new knowledge. Connell and Lowe (1997) argued that the substantive literature should not be reviewed first but at a point when the inductive process has largely been completed. Suddaby (2006) argues that this is a serious misreading of the seminal texts on Grounded Theory and advises researchers to be careful not to be influenced by pre-existing conceptualisations in the field, or force the researcher into hypothesis testing. Suddaby (2006) identified six misconceptions about Grounded Theory as follows:

1. It is not an excuse to ignore the literature,
2. It is not a presentation of raw data but elicits information to take the data to a higher level of abstraction of theoretical concepts,
3. It is not theory testing, content analysis or word counts.
4. It is not a mechanical technique but has a clear creative component in its interpretative process and uses the researcher's theoretical sensitivity to tease out theoretical concepts,
5. It is not perfect but is a pragmatic approach to assist researchers in examining complex social processes,
6. It is not easy and it depends on the researcher's sensitivities through the interpretative process.

High-quality Grounded Theory research is attributable to a number of factors including a commitment to developing the theoretical concept and the empirical site (Suddaby, 2006). Employing a Grounded Theory methodology for the present study was an insightful experience that allowed the researcher's intuitive skills and insider's knowledge to become an important component of the research process. The researcher's past tenure with the case study organisation also provided a smooth introduction to the interview plan, commencing from the introductory rapport-building of the interview, to explaining the purpose of the research study. Based on this insider approach, the subsequent dialogue on the research topics for discussion with the interviewees flowed openly and freely in a non-threatening environment.

In adopting a Grounded Theory approach, the researcher needs to ensure a coherent practice of inquiry by utilising its key operational indicators and processes (Locke, 1996). Otherwise it will be difficult to evaluate the research processes and findings. Although Connell and Lowe (1997) highlighted the challenges for novice Grounded Theory researchers, they recommended that first-time researchers consider the time, the cumbersome data analysis techniques, and the intuitive sensitivities that are required before they select this method. Charmaz (2006) argued the benefits of Grounded Theory methods, highlighting their potential for flexibility and versatility. Charmaz (2006) also suggested that evaluating Grounded Theory entails Glaser's (1978) key criteria's of fit, work, relevance and modifiability, as well as evaluating by credibility, originality, resonance and usefulness and the study's scholarly contribution.

When these challenges were taken into consideration, the researcher concluded that the advantages of Grounded Theory methodologies far outweighed the alternative qualitative or quantitative methodologies. The advantages included; the intuitive nature of Grounded Theory, its flexibility, the systematic approach to data analysis, using rich and in-depth data sources and ultimately theory generation. The substantive Grounded Theory presented in the present study will be judged with confidence on its fit with reality and how the social processes explain variations in behaviour (Connell & Lowe, 1997). However, Grounded Theory is not without its controversy; it has polarised qualitative researchers who take either the classical 'Glaserian' or the revised neo 'Straussian' approach. The well-documented debate about the two key approaches is briefly explained in the next section.



### 3.1.3 DIVERGENT DIRECTIONS – GLASER VERSUS STRAUSS

The divergent views and ensuing debate about Grounded Theory methodology has divided the domain of grounded theorists for more than twenty-five years (Charmaz, 2006; Egan, 2002, Hardy, 2005; Locke, 1996). Glaser and Strauss were credited with discovering and formulating Grounded Theory in their seminal work titled “The Discovery of Grounded Theory” (1967). However, their researching partnership deteriorated with Strauss’ publication of “Qualitative Analysis for Social Scientists” (1987) followed by Strauss and Corbin’s follow-up book “Basics of Qualitative Research” (1990).

The Strauss and Corbin work reinforced the divergent perspectives of Glaser and Strauss. In response, an enraged Glaser refuted their version of Grounded Theory in “The Basics of Grounded Theory Analysis” (1992) which reinforced the original Grounded Theory methodology (Jones & Alony, 2011). Glaser used this publication to implore Strauss to rescind his version and return to the original philosophies of Grounded Theory (Ng & Hase, 2008). In the interim, the debate has stimulated a plethora of publications on the acrimonious split between the co-authors, and a number of researchers have sought to reinvent the original Grounded Theory (Thomas & James, 2006).

This present study does not permit a complete analysis of the conflicting views. Nevertheless, these divergent views compel the researcher to state the Grounded Theory approach selected. The two fundamental schools are described as either ‘Glaserian’ or ‘Straussian’, and the key differences in Grounded Theory methodology are summarised by Onions (2006) in Table 3.1.

Table 3.1: Onion’s (2006) “Key differences in Grounded Theory approaches”

<i>Glaserian</i>	<i>Straussian</i>
Beginning with general wonderment (an empty mind)	Having a general idea where to begin
Emerging theory, with neutral questions	Forcing the theory, with structured questions
Development of a neutral theory	Conceptual description (description of situations)
Theoretical sensitivity (the ability to perceive variables and relationships) comes from immersion in the data	Theoretical sensitivity comes from methods and tools
The theory is grounded in the data	The theory is interpreted by an observer
The credibility of the theory, or verification, is derived from its grounding in the data	The credibility of the theory comes from the rigour of the method
A basic social process should be identified	Basic social processes need not be identified
The researcher is passive, exhibiting disciplined restraint	The researcher is active
Data reveals the theory	Data is structured to reveal the theory
Coding is less rigorous, a constant comparison of incident to incident, with neutral questions and categories and properties evolving. Take care not to ‘over-conceptualise’, identify key points	Coding is more rigorous and defined by technique. The nature of making comparisons varies with the coding technique. Labels are carefully crafted at the time. Codes are derived from ‘micro-analysis’ which consists of analysis data word-by-word.
Two coding phases or types, <u>simple</u> (fracture the data then conceptually group it) and <u>substantive</u> (open or selective, to produce categories and properties)	Three types of coding, <u>open</u> (identifying, naming, categorising and describing phenomena), <u>axial</u> (the process of relating codes to each other) and <u>selective</u> (choosing a core category and relating other categories to that)
Regarded by some as the only ‘true’ Grounded Theory	Regarded by some as a form of qualitative data analysis (QDA)

Source: Onions, P. E. (2006). Grounded theory applications in reviewing knowledge management literature. *Methodological Issues and Ethical Considerations' Conference, Leeds Metropolitan University Innovation North Research Conference, Leeds, 24 May*

A predominantly Glaserian approach has been adopted for this study based on its original Grounded Theory design and remaining ‘true’ to one of its guiding principles that theory will emerge from the data through a constant comparative method. In essence Glaser’s approach is interpretive, contextual and emergent, whereas Strauss and Corbin’s approach is to force the data to meet pre-conceived notions (Ng & Hase, 2008).

As Thomas and James (2006) suggested, it is difficult for researchers to distance themselves from the data and allow theory to emerge. The researcher took into consideration some of the Straussian approach which acknowledges the influence of the insider perspective’s knowledge base and “having a general idea of where to begin”.

There are even more polarising opinions between Glaser’s classic Grounded Theory and Strauss and Corbin’s position. Nevertheless, the Glaserian method and its process of Grounded Theory data analysis and theory generation was adopted for this study. The researcher also considered Charmaz’s (2006) monograph on constructing Grounded Theory. Charmaz (2006) contributed significantly to the evolving development of Grounded Theory (Thomas & James, 2006) and argued that theory is not discovered but instead constructed from reality through the researcher’s interpretive portrayal of the phenomenon being studied. The predominantly Glaserian methodology chosen will be explained in the next section, with some adaptations that support emergent theory generation.

#### **3.1.4 GROUNDED THEORY METHODOLOGY – THE PROCESS**

The Grounded Theory journey undertaken by the researcher required commitment to the explicit method of the theory’s central doctrines (Kensbock & Jennings, 2011). This provides a road map to achieve the final destination of emergent theory. The set of procedures employed in operationalising Grounded Theory methodology are non-linear and overlapping (Connell & Lowe, 1997) and are embedded in an iterative process of constant comparison (Ng & Hase, 2008). Charmaz (2006) described Grounded Theory methods as; “consisting of systematic, yet flexible guidelines for collecting and analysing qualitative data to construct theories ‘grounded’ in the data themselves” (p.2).

The five main components of Grounded Theory’s methodology provided the direction for this study and are summarised by Connell and Lowe (1997), based on Glaser’s (1978) less prescriptive methodology (Jones & Alony, 2011). These procedures include: the constant comparative method, theoretical sampling, theoretical coding, theoretical memos, and theoretical sorting. The Grounded Theory principles will now be explained along with the process that guided the research in its data collection, analysis and theory generation.

##### **(i) THE CONSTANT COMPARISON METHOD**

The constant comparison method is a hallmark of Glaserian Grounded Theory. According to Glaser and Strauss (1967), it is a tool to support the researcher “in generating a theory that is integrated, consistent, plausible, close to the data” (p.103). As the name implies, this method seeks to constantly compare the data throughout the

conceptual development of theory, refining and redirecting the emerging themes and concepts as findings become apparent. Connell and Lowe (1997) posited:

“A well-defined category should have explicitly stated properties which help to delineate inherent causes, conditions and consequences. As categories become saturated by evidence, they form a foundation on which to ask further questions about the underlying process. At this stage the researcher can compare category to category and check meaningful literature to see whether what has emerged fits or confounds existing theory” (p.169).

However, as noted by Jones, Kriflik and Zanko (2005), Glaser (1967) acknowledged that the Constant Comparative method does not provide tested theory but instead establishes a general or substantive theory (Jones & Alony, 2011). According to Glaser, the usefulness of this theory is attributed to the fact that it can be used to create plausibly induced categories and thematic concepts that have been validated through data saturation. It can also be used to address real social problems (Jones et al., 2005). Charmaz (2006) advocated that constant comparison along with the researcher’s engagement constitutes the core methodology of Grounded Theory.

In the current research, constant comparison was applied as the emergent findings from interviewee data were compared with internal meeting minutes, internal and external correspondence, as well as corporate crisis manuals and media reports and the researcher’s Reflections and Recollections. The iterative process of comparing the findings of the Red Shirt Crisis incident, to the Phuket earthquake also refined and redirected the emerging themes. This was also supported and developed further by the findings on the 2011 flood crisis event.

In addressing the research question, the researcher found the constant comparison method gathered momentum as the data revealed itself and theoretical concepts began to emerge. The constant comparative technique compared findings including; incidents and actions undertaken during the 2010 Red Shirt crisis at the hotel operational level and the corporate head office level compared with resort operations during the 2012 Phuket earthquake; email conversation threads; memos or even interviewee perceptions, feelings and experiences. The differing levels of the company and separate incidents provided the researcher with unique contextual data, which provided contextually-rich findings that contributed to the developing themes. With the constant comparative method introduced, the following explanations are provided for the theoretical processes.

**(ii) THEORETICAL SAMPLING**

Qualitative research is distinguished by smaller samples of participants, who are studied in-depth under the lens of a phenomenological context (Miles & Huberman, 1994). Random sampling was not considered as an option since this can prove to be biased with smaller samples (Miles & Huberman, 1994). One of the key components of Grounded Theory methodology is theoretical sampling, which refers to the systematic selection of participants or data by the researcher. This ensures the most appropriate sample is reflective of developing theoretical concepts (Jones et al., 2005) and that the data's emergent explanation is maximised as valid and reliable (Kempster & Parry, 2011). Draucker, Martsof, Ross and Rusk (2007) described sampling in Grounded Theory as being a sequential process, which begins with selective sampling and then moves to theoretical sampling as thematic concepts emerge.

Ng and Hase (2008) suggested that a Grounded Theory researcher would not commence their study without some understanding of the discipline and some perspectives from which to explore the research question. The researcher's past experience of Crisis Leadership and Crisis Management practices in the international hotel industry provided this knowledge. The data sample was selected based on the interviewee's management position and exposure to the 2010 Red Shirt crisis in relation to the case study organisation.

Through the Grounded Theory constant comparative method, the emerging themes and concepts provided the basis for ongoing sample selection. An initial pilot interviewee was selected for the pilot study based on his objectively analytical approach, combined with his articulate and expressive conversational delivery style. The pilot interviewee was a key participant in the crisis management activities from the Crisis Command Centre (CCC) during the Red Shirt crisis. At the time of the interview he no longer worked in the case study organisation and had relocated to Australia to take a senior management role. He was therefore open to discussing the events without any concern of retribution from his employer. This participant provided an in-depth assessment of *what* was going on, and he became one of the key informants.

From the first in-depth interview, the researcher formulated how to approach subsequent interviews by probing for insights that further elaborated the emergent themes and concepts. Miles and Huberman (1994) interpreted Glaser and Strauss's (1967)

theoretical sampling explanation as not referring to a concern for ‘representativeness’ but for addressing the conceptual question. Jones et al. (2005) recommended the researcher target participants with minimal differences on the subject matter being investigated. By so doing, the similarities of the initial sample can encourage thematic categories from the earliest phase of the data collection process. As the sampling expands and the differences between participants achieves maximisation, data saturation can occur. This process was clearly evident in the present research in the pilot interview, and also in both Phase One and Phase Two interviews. These phases will be explained in further detail in Section 3.2.6. A list of the interviewees, their roles and responsibilities and their participation in the two phases is provided later in this chapter in Section 3.2.5 (see Table 3.2).

The list of potential interviewees for Phase One interviews were established from those actors who participated in, and were conversant with, the Crisis Command Centre from the Corporate Head Office, as well as the key EXCOM from the city hotel. In addition, resort property interviewees were also selected to explore any potential new themes in respect to their understanding of the crisis management processes at corporate level. However, the researcher serendipitously discovered the Phuket earthquake incident and the subsequent crisis management processes implemented at the resort level, unbeknown to the corporate head office. This also created another dimension to the study for comparative purposes.

Theoretical Sampling is an ongoing process that systematically selects participants and data samples that are most relevant to the research question (Jones et al., 2005). In the present research study, the researcher was familiar with the contextual situation and was able to select the initial interviewee knowing their active participation in the crisis event. As the data were collected, coded and analysed, the data began to reveal thematic concepts and directed the researcher to gain insights via new data (Connell & Lowe, 1997). Kensbock and Jennings (2011) noted that theoretical sampling is a purposive sampling technique. This technique does not seek to provide a representative sample set but seeks to involve informed participants who are able to provide the richest of data on the research topic. With the selection of participants established, the next stage was the data coding process which is outlined in the following section.

**(iii) THEORETICAL CODING**

By embracing the flexibility of Grounded Theory with its accompanying structural guidelines, the research path to uncover a basic social process was an enlightening discovery of *what* was really happening and *how*. Charmaz (2006) described theoretical codes as explaining possible relationships between the categories that have initially emerged from substantive coding (Glaser, 1978, 1998). This is explained in more detail in Section 3.6 on ‘Data Coding’ which explains the steps undertaken by the researcher in data coding, with the preliminary analysis initially determining the substantive coding through a manual system of summarising the interview data and secondary data. This was then followed by theoretical coding which takes the data analysis to a more abstract level.

While the initial substantive coding assisted in understanding and identifying the variables of interest, theoretical coding further developed the variables’ dimensions (Kempster & Parry, 2011). Theoretical coding is a concurrent process that employs the Constant Comparative method and begins immediately at the commencement of the data collection stage and continues throughout the iterative phases of data collection and analysis (Connell & Lowe, 1997; Glaser, 1978; Hardy, 2005; Jones et al., 2005).

Theoretical codes emerged as the researcher analysed the data, compared similarities and eventually linked the codes together. The theoretical codes continued to develop through constant comparison until higher order theoretical categories were formed. The process of creating Theoretical Memos is now explained.

**(iv) THEORETICAL MEMOS**

Another important concept of Glaserian Grounded Theory is the integration of Theoretical Memos throughout the data collection, coding and analytic phases. Connell and Lowe (1997) borrow from Glaser’s description of Theoretical Memos which is defined as: “the theorising write up of ideas about codes and their relationships as they strike the analyst while coding” (Glaser, 1978, p. 83). Thematic concepts were illuminated as Theoretical Memoing encouraged the researcher to reflect and distil the data through note-taking and recording conceptual thoughts. Ng and Hase (2008) suggested that “memos are vital as they provide a bank of ideas that map the emerging theory and are used to identify categories and their properties” (p.161).

In some instances the researcher's data interrogation identified new areas of enquiry or inconsistencies in the data, which ultimately contributed to the development of thematic concepts (Glaser, 1978, 1998; Charmaz, 2006). Examples of memos about interviews in this research study that highlighted a thematic development for the researcher and led to exploring the area of institutional memory loss included the following from two different interviewees:

“If leaders change, knowledge is lost on that experience which is evident with institutional memory loss. This interview helped me formulate my thinking on best practice for crisis leaders and one of the most valuable interviews.”

“Concerned about leadership continuity and the knowledge being lost as leadership changes: institutional memory loss – reduces confidence levels?”

These ideas became memos and from these memos thematic indicators emerged. These memos helped explain emergent themes and became the basis for the write up of results. The constant comparative method continued to stimulate the emergent thematic concepts and led to the final analytic stage of Theoretical Sorting.

#### **(v) THEORETICAL SORTING**

Theoretical Sorting is the final component of Glaserian Grounded Theory and one of the keys to theory formulation and presentation (Glaser, 1978; Ng & Hase, 2008). It is at this point that the hierarchy of relationships are determined and the core category is identified in order to establish an explicit theoretical concept. Theoretical Sorting built on the iterative nature of the Constant Comparative method and explained the theory conceptualisation stage of the research. Connell and Lowe (1997) described this phase as sorting memos and creating links for a theoretical outline and focusing on the final outcome to generate new theory. This is the final phase which reduces the hierarchy of categories to a core category (or variable) which then operationalises the basic social process (Connell & Lowe, 1997). Chapters Four, Five and Six will provide further insight into Theoretical Sorting as it relates to the research question based on data collected for this study.

#### **3.1.5 A SINGLE CASE APPROACH**

Grounded theory single case research is focused on developing theory whereby the notion of theoretical sampling is applied to a single case. Through Grounded Theory methodology a single case provides the opportunity to investigate a significant



phenomenon under rare or extreme circumstances (Eisenhardt & Graebner, 2007). While Eisenhardt and Graebner (2007) acknowledged the benefits of multiple case study research, they also recognised that single-case researchers can fit their theory exactly to the many details of a particular case (p.30). Furthermore, the resulting theory from a single case is more parsimonious, robust and generalisable, which characterises superior theory.

A single case approach was therefore used in this study as it was considered to be a qualitative methodology extremely well suited to crisis research (James et al., 2011). The single case study design provided a viable method to investigate unique phenomena, such as Thailand's crisis fatigue from the ongoing political crises, and other crisis events. James et al., (2011) argued that case study design is appropriate to crisis research as crises are unique events that occur without warning. Researchers are able to explore the phenomena in-depth and "capture significant detail and insight into underlying relationships that can lead to theory development" (p.482). Even more significantly James et al., (2011) posited that crisis research using case studies provides an opportunity to connect theory with practice and uncover meaningful organisational outcomes. Evans and Elphick (2005), who conducted research pertaining to an organisation in a time of crisis, also supported a single case study design noting the information and relevancy of the lessons that can be learnt from a single case.

Case study research does not seek to provide findings that are generally or universally representative of a population. Instead, case study conclusions provide validation in relation to theory in the case of explanatory research and in relation to policy in the case of evaluative research (Saunders et al., 2009; Veal, 2006). Klenke (2008) acknowledged the debate about the lack of generalisability of single cases, but argued that "we can learn much that is general from a single case" (p.65).

Although single case study design and small samples may be viewed with some suspicion (Siggelkow, 2007), Buchanan and Denyer (2012) argued that single case studies can build theory and their findings can be generalisable by citing seminal works of single case study design such as Weick's (1988) crisis Sense-making, based on the Bhopal disaster. Buchanan and Denyer (2012) outlined four modes that support case study generalizability: moderatum generalisations, naturalistic generalisations, analytical refinement and isomorphic learning. They argued that the merit of using single case studies to develop theory has been established and recommended crisis

researchers to continue to promote and elevate case study methods to mainstream research. Furthermore, case study design can be used to challenge existing theory (Saunders et al., 2009) and is vital to the development of new theoretical concepts.

Siggelkow (2007) advanced that a single case can be a very powerful example because case data empowers the researcher to develop theoretical constructs and provide a more persuasive argument on causation than broad empirical research studies. Single case researchers are also able to better fit theory to the rich data from the many details generated from a single case (Eisenhardt & Graebner, 2007). In the current study, the need to gain a deep understanding of the complex issues of a crisis event, using Grounded Theory methodology based on a single multi-dimensional case was deemed most applicable when dealing with the impact of shock events on strategic decision-making (Bonn & Rundle-Thiele, 2007). Thomas' (2011) definition of case study methodology highlighted the rich analytical detail that can be elicited:

*“Case studies are analyses of persons, events, decisions, periods, projects, policies, institutions or other systems which are studied holistically by one or more methods. The case that is the subject of the inquiry will be an instance of a class or phenomena that provides an analytical frame – an object – within which the study is conducted and which the case illuminates and explicates”* (p.23).

Since one of the key objectives of the study was to derive new theory from the extant emergent theory, the steps outlined by Eisenhardt (1989) for the process of building theory from case study research were adopted for their succinct and systematic approach for a successful theoretical outcome (refer to Appendix 5 for the complete process). Eisenhardt's (1989) case study approach is a flexible one whereby “the flexibility is controlled opportunism in which researchers take advantage of the uniqueness of a specific case and the emergence of new themes to improve resultant theory” (p.539).

Building upon the strengths of a Grounded Theory single case methodology for theory development, the contextual nature of the case study method also contributed significantly to the adoption of this form of research design. As Klenke (2008) argued, “Many leadership problems are defined and shaped by the context in which they manifest themselves” (p.63). In relation to the case of the Crisis Leadership phenomenon, the case study approach set the scene for the most appropriate means to analyse the variables which impacted the leadership process. As explained in Section 3.1.1, Grounded Theory method based on a single case multidimensional organisation was selected as the most appropriate method in light of the unique contextual aspects of Crisis Management and the Crisis Readiness phase.

The Grounded Theory single case approach involved multiple data sources: documentary evidence, in-depth interviews and an online survey distributed to a cross section of staff from non-managers to senior executives in a hotel company. It sought to relate theoretical perspectives and concepts to the research question. Whilst the qualitative interview data provided in-depth descriptive analysis, the online survey allowed for integration of data (Reilly 1993) and a means to reduce researcher bias. The Grounded Theory single case design provided a rich source of primary and secondary data which combined to assist in data triangulation. Data triangulation will now be explained, followed by explanations of the primary and secondary data collection methods.

### **3.1.6 DATA TRIANGULATION**

The single case approach was used for data collection and provided the background from which to explore the organisation's Crisis Management processes and future potential best practices. Like Fink (1986), who employed a case study approach in his original Crisis Management research, the researcher triangulated multiple sources of data; thus a more rigorous investigation was assured. Triangulation involved the use of multiple data collection techniques in order to ensure reliability and validity. Veal (2006) advocated that in using both qualitative and quantitative approaches for the purpose of triangulation, the methods used will be complementary due to the weaknesses of one being complemented by the strengths of the other method. While this study draws from primary and secondary data to validate data triangulation, it does not adopt mixed methods as a methodological approach.

Herman and Egri (2002) analysed the use of data triangulation and highlighted the importance of qualitative research and the sensitivity to the context that it provides. They posited that research is not just about making results meaningful for their contribution to the academic body of knowledge, but also for the respondents, the organisation and the industry at large.

Quantitative and qualitative methods can achieve synergies and complementarity (Eisenhardt, 1989; Parry, 1998; Ghauri, Pervez, Gronhaug, 2005). Quantitative results can corroborate findings from qualitative research and uncover relationships that may not be obvious in the qualitative data. A triangulated approach was adopted for the present study from both a data and theoretical perspective; predominantly qualitative

methods were employed. The use of data triangulation enhances data validity. The data generated was integrated to provide rich, well-grounded data and provided evidence of internal consistency from the different data sources (Reilly, 1993, p.121). It was anticipated that a broader or more complete understanding of the issues would be achieved with the use of more than one data source (Veal 2006).

The researcher is confident that the data triangulation procedure chosen achieved more insightful and robust findings from a Grounded Theory single case design utilising primary and secondary data collection. A predominant data-analytic method (grounded theory method) guides the study while multiple concurrent methods are nested or embedded within the overall predominant data-analytic method. Since the overriding grounded theory research methodology was identified for its ability to provide an in-depth exploration of a contextual phenomenon, qualitative data collection was the predominant data-gathering method utilised in the present study.

The aim to embed quantitative data into the study design was twofold: firstly, to gain a broader perspective rather than relying on one single method; and secondly, to assist in analysing data from individuals at different levels within the organisation (Creswell, 2009). The appropriateness of this methodology for this study is reflected in the strengths of collecting data concurrently through data triangulation, providing both qualitative and quantitative data to gain different perspectives from different data and from a multi-level aspect. The following section will now outline the primary data collection undertaken for this study.

### **3.2 PRIMARY DATA COLLECTION**

As previously mentioned, the aim of this study was to determine how Crisis Leadership influences a company's Crisis Readiness. The study employed semi-structured in-depth interviews as the predominant research instrument. An online survey was also incorporated into the study to uncover any further insights. In addition, document and media analysis occurred concurrently to provide another avenue to explore *what* was happening in the crisis event. The primary data collection rationale and process will be explained in further detail in the following section.

### **3.2.1 SETTING FOR THE STUDY AND ACCESS**

The corporate headquarters and business units of a large publicly listed international hotel company in Thailand served as the setting for this research at the time of the Red Shirt crisis. The company operated 20 hotels in six countries with approximately 8,000 employees. It is not named here to maintain confidentiality. The company is considered to be one of the iconic Asian hotel groups, with international business units also located in the Middle East (UAE, Egypt), China, India, Maldives and the Philippines. They also have regional sales offices in London, Berlin, Dubai, Hong Kong and Singapore.

The case study organisation was located in the vicinity of the Red Shirt encampment in the central business district of Bangkok. The buildings were physically targeted during the Red Shirt activity and were forced to close for more than a week at the height of the violence during the Red Shirt demonstrations in May 2010. As a consequence, a Crisis Command Centre (CCC) was set up at their airport hotel and adjacent hospitality college. The researcher was a member of the company's senior executive management team for more than four years. While she was no longer employed by the company at the time of undertaking the research, she received written permission from its Chief Executive Officer to access records and contact employees to invite them to participate in the study.

### **3.2.2 INTERVIEW METHODOLOGY**

Since leadership is a process that influences followers' perceptions and motivations, the optimal source of data are the followers and the best way of learning about their experiences is through interviewing (Parry, 1999). Eisenhardt and Graebner (2007) also advocated interviews as being highly efficient in gathering rich, empirical data when researching phenomena that are highly episodic and infrequent. Throughout the interviewing process the researcher was able to explore the research question, as well as identify and understand the social processes at play. This section will provide an overview of the interview methodology, data collection and analysis.

Even though the researcher was familiar with the context of the crisis event and the case study organisation, new avenues of thought from the interviewee's feedback enriched the data even further. As a consequence, the interview process directed the researcher

to investigate additional data which provided new insights into the research topic. This was evidenced by serendipitously uncovering the 2012 Phuket earthquake incident and the subsequent Crisis Management, Crisis Leadership and Crisis Readiness issues that emerged from one of the key informant's experiences. It also directed the interview questions through theoretical sampling. Charmaz's (2006) use of constructivist Grounded Theory recommends the researcher follow leads that emerge from the data and 'try to make everyone's vantage points and their implications explicit' (p.184).

The personal contact in face-to-face interviews also contributed to rapport building between the researcher and the interviewee. As a result, the trust between the two "will be enhanced, and that the corresponding understanding and confidence between the two will lead to in-depth and accurate information" (Kumar, 2011, p.160). The researcher's listening skills became one of the most valuable assets of this research journey. Veal (2006) recommended the researcher not be afraid of silence as the interviewer's main role was to listen and encourage the interviewee to speak openly.

The seminal work of Rubin and Rubin (2005) was an additional compass in navigating this study's interview road map. Rubin and Rubin (2005) described qualitative interviewing as "like night-vision goggles, permitting us to see that which is not ordinarily on view and examine that which is often looked at but seldom seen" (p.vii). They posited that the *responsive interviewing* model detailed a technique for the researcher to choose interview subjects who are knowledgeable about the research problem.

The researcher obtained information from the interviewee after listening to their responses and continued to question until a greater understanding of the topic was achieved. Although this technique refrains from utilising a structured set of questions, this study employed a semi-structured method with the flexibility to explore new avenues of thought as data revealed itself. An interview protocol of open-ended questions also gave the researcher the ability to focus on the study's primary research question and create a time efficient process for both the interviewer and interviewees (Charmaz, 2006; Kumar, 2011; Yin, 2011). A copy of the interview protocol is provided in Appendix 6.

Interviews are considered one of the methods used in the toolkit to gather empirical data within the qualitative research field (Jennings, 2010) and are the primary research

instrument for this study. The researcher was able to understand the experiences and perspectives of the participants and to probe further when their experiences helped address the research question (Rubin & Rubin, 2005). However, the researcher was able to select from a number of interview options for qualitative research studies and investigated the most appropriate interview method for this study before commencing the data collection.

#### **(i) TYPES OF QUALITATIVE IN-DEPTH INTERVIEWS**

The interview taxonomy is characterised by a number of interview types. This section begins with an evaluation of two qualitative interviewing techniques; unstructured and semi-structured interviews. Rubin and Rubin (2005) developed a matrix of qualitative interviews which identified two dimensions; breadth of focus and subject of focus. They described in-depth qualitative interviews as being characterised by the scope of the interviewer's questions with either a narrow or a broad focus. In addition, the interview method is also characterised by whether it seeks to elicit "understandings or meanings or whether their purpose is to describe and portray specific events or processes" (Rubin & Rubin, 2005, p.5).

The Grounded Theory approach led the researcher to consider Rubin and Rubin's (2005) qualitative interview typology and concur with their observation that researchers can use more than one style to elicit data. In saying this, the researcher engaged in theory-elaboration research which is described by Rubin and Rubin (2005) as examining a specific issue from which themes are extrapolated with broader significance. As a result, when applied to the present study it referred to the enquiry into the case study organisation's Crisis Readiness preparations and how Crisis Leadership influences Crisis Readiness. In "The Variety of Qualitative Interviews" matrix this interview type is described as an 'in-between' on the narrow-broad scope of focus, while also being focuses mainly on meanings and frameworks (Rubin & Rubin, 2005).

Having noted the focus of the interviews, it is important to also consider the type of interview to be conducted. Jennings (2010) described the differences between three types of interviews: structured, semi-structured and unstructured interviews according to each one's ontological, epistemological, methodological, and axiological views. Jennings' (2010) overview of the two qualitatively focused interview methods of

unstructured and semi-structured provided the basis for the evaluation of the interviewing method selected for the present study. Structured interviews are utilised in quantitative research and can comprise for example surveys, opinions polls, and standardised interviews. The semi-structured and unstructured interviews were used in accordance with their ability to explore the multiple realities of the substantive contextual frame and are explained in the following sections.

### **(ii) THE UNSTRUCTURED INTERVIEW**

The fundamental nature of the unstructured interview is that it is flexible and does not have a formal interview schedule (Jennings, 2010; Kumar, 2011; Veal, 2006). Although, Jennings (2010) suggested that the researcher, as the interviewer, has a purpose in mind in regard to the research topic as well as the themes or issues under investigation. Nonetheless, the flow of an unstructured interview is a fluid one and the researcher's interview management skills may require some redirection of the participant should the discussion go off topic. Although in Grounded Theory this divergence may encourage new ideas and thoughts providing even richer empirical data, it could also waste valuable research time. Jennings (2010) suggests that rapport and trust between the researcher and the interviewee facilitates an even greater depth of discussion.

However, the disadvantages of the unstructured interviews as described by Jennings (2010) reduced the strength of the interview method for the present study. One disadvantage is that the findings cannot be applied to the wider population, although this is often an argument by qualitative research critics and leads to the positivists' claims regarding lack of validity and reliability (Jennings, 2010; Johnson & Onwuegbuzie, 2004). Furthermore, the time frame for each interview can be longer and therefore not time efficient, which could be problematic for the interview participants. The unstructured interview was rejected in favour of the semi-structured in-depth interview, which will now be discussed in the next section.

### **(iii) THE SEMI-STRUCTURED INTERVIEW**

In comparison to the unstructured interview, the main difference between a semi-structured interview and the unstructured interview is that some form of structure is utilised to prompt the researcher with a list of topics and issues to direct the conversation (Saunders et al., 2009). While a degree of flexibility existed, a list of



issues or questions established the context of the interview and provided a level of comfort for the interviewee (Jennings, 2010) so that they knew where the interview thread was leading.

While there are similar disadvantages to the unstructured interview method from a positivist data collection approach, Jennings (2010) highlighted disadvantages as being a lack of ‘reliability’ and ‘validity’, difficulty in replicating the context of the interview’s location, the mood of interviewee/ or interviewer and time of day. Moreover, the data may be useless if the researcher did not probe leads that may be uncovered during the interview process (Jennings, 2010). Although rapport building was also considered a disadvantage due to its time inefficiencies, this was not considered to be a disadvantage for the present study as the researcher was known to the interview subjects and was positively welcomed by the participants since only 18 months had lapsed since her departure from Thailand.

Semi-structured interviews were deemed the most appropriate method in the current study due to the advantage that in-depth data were collected based on experiences, opinions, knowledge and attitudes within the sphere of the research topic. The researcher was also confident in seeking further clarification as the interview probes provided more cues for exploration (Jennings, 2010). As an example, there were instances when the interview subjects made contact with the researcher to provide additional empirical data or agreed to follow-up interviews to clarify earlier statements. In addition, the greater level of time efficiency and focus of this method, combined with the time demands on hotel management, meant that a semi-structured interview allowed for the most efficient use of time for the interview subjects and researcher. With the semi-structured in-depth interview approach selected, the responsive interview technique supported the researcher’s qualitative interviewing approach which is now described in the next section.

#### **(iv) RESPONSIVE INTERVIEWING**

The responsive interview model (Rubin & Rubin, 2005) contributed to the richness of the present study’s findings due to its key characteristics. Firstly, the interview is about obtaining the interviewee’s perceptions from their own sphere of reality which meant the researcher needed to be cognisant of her own opinions, experiences and cultural views as they could have influenced the interview. The responsive interview also

depends on the personal relationship between the interviewee and interviewer. Since the researcher had a previous working relationship with the interviewees at different levels it was vital in using the responsive interview model that the researcher met the ethical obligations of an interviewer's responsibilities and assured the interviewees' confidentiality. The approach taken to ensure confidentiality is outlined in this chapter in Section 3.2.4, Interview Process and 3.2.6, Interview Protocol.

It was also imperative to avoid imposing the interviewer's views on the interviewees (Kumar, 2011; Saunders et al., 2009; Yin, 2011). This meant that the researcher was required to ask broad questions so as not to limit the responses. The researcher had to engage in active listening so that further questioning could be modified based on what the researcher heard, rather than a prior notion about what the researcher believed was occurring before the interview (Saunders et al., 2009; Rubin & Rubin, 2005; Yin, 2011). For example, the question 'Can you describe the training you have received with regard to the Crisis Plan?' invited a descriptive response. It was the question that revealed the previously unknown 2010 Phuket earthquake event and provided the researcher with an opportunity to probe further into the phenomenon. The final characteristic of the model is its flexibility and adaptability which allows for a new direction dependent upon the informants' responses. The interviewer may also be required to change or add new interview subjects dependent upon what new data emerges. This approach is a synergistic fit with Grounded Theory's philosophy of theoretical sampling.

During the interview process, the researcher was guided by the important axiom that one of the key components of interview data collection is the 'Art of Hearing the Data' (Rubin & Rubin, 2005). Rubin and Rubin (2005) posited that "the researcher's self-confidence, adaptability, and willingness to hear what is said and change direction to catch a wisp of insight or track down a new theme are what make responsive interviews work" (p.37). It could be argued that changing direction is contrary to semi-structured interviewing. However, the semi-structured interview techniques provided the researcher with the guidelines to which the responsive interviewing style could be integrated, and subsequently enrich data collection.

### **3.2.3 INTERVIEW STRUCTURE**

A series of semi-structured in-depth interviews provided the means to probe more deeply than is possible with questionnaire-based interviews or surveys (Veal 2006) and

were the predominant data collection approach. Parry (1998) recommended Grounded Theory leadership research utilise multiple data sources to strengthen research validity, but interviewing should be the core data collection strategy over participant observation due to the “potential validity problem of researcher reactivity” (Parry, 1998, p.96). These data were expected to yield the information required including: the interviewee’s own understanding of the events and actions and a situational analysis of the decision-making processes before and after the event (Bonn & Rundle-Thiele, 2007).

Thomas (2011) noted that semi-structured questions provide the structure for the interview and also allowed for probing through potential questions and possible follow up questions, with the aim of eliciting “rich” data (Yin, 2009). In comparison to a structured interview, semi-structured interviewing allows interviewees to freely discuss the topic in question. This process generates more information than could have been expected from a structured interview plan (Evans & Elphick, 2005). Although Grounded Theory is a flexible and iterative methodology, the structure of the interview required a methodical commitment to its design so that the research study’s conceptual framework and its data needs were maintained as the research priority (Veal, 2006).

The overall purpose of the interviews was to elicit information with regard to managers’:

- Past experience of a crisis and their crisis readiness
- Perceptions of the hotel’s crisis management plans and crisis response competencies, internally and externally
- Perceptions of *what* influenced the hotel’s communication capabilities, internally and externally
- Perceptions of *what* makes a successful leader during a crisis
- Perceptions about *what*, if any, organisational learning occurred from past events.

These semi-structured interview topics were comprised of mainly open-ended questions based on a combination of topics by Rousaki and Alcott’s Crisis Readiness Dimensions (2006) as previously discussed in Section 2.2.4 and James and Wooten’s (2004) Crisis Leadership competencies discussed in Section 2.4.4. Rousaki and Alcott’s Crisis Readiness Dimensions (2006) that were applied to the interview questions included; internal functionality of the organisation (quick response, how informed, access to Crisis Management resources, adequate strategic crisis planning) and the perceived likelihood of a crisis striking the organisation.

The interview plan was compiled under three main topics: the organisation's crisis management internal functionality, crisis management leadership capabilities, and crisis experience. The interview plan is provided in Appendix 6.

Veal (2006) suggested that in-depth interviews can vary from interview to interview, but it is the interviewer's responsibility to ensure that the relevant topics are addressed. This was one of the strengths of the semi-structured interview method, which allowed both the interview subject and researcher to stay focused on the research question so that data could emerge and eventually achieve the point of data saturation.

#### **3.2.4 INTERVIEW PROCESS**

Prior to embarking on an intensive interview schedule in Bangkok, a pilot interview was conducted with one of the key informants to the study. The pilot interview was conducted via Skype with one of the key actors of the CCC. The interviewee was located in Adelaide and the researcher was on the Gold Coast, Australia. The pilot interviewee had left the case study organisation approximately one year after the Red Shirt crisis. The interview was recorded and the researcher immediately transcribed the interview in order to assess and review the flow of the questions. As a result of this pilot some questions were deleted as they were considered redundant or repetitive. After discussing the points raised by the interviewee with the researcher's primary supervisor, the interviewee was re-contacted for a follow up interview to clarify some of the terminologies utilised and to seek more detail with regard to specific topics.

The location of the Bangkok interviews was carefully chosen in order to maintain confidentiality and anonymity, as well as to put the interview subjects at ease. Although the corporate office of the case study organisation had meeting facilities, they were encased in glass walls and located at reception by the main thoroughfare. The researcher believed the meeting rooms could have been a source of distraction for both parties and may have affected the informants' level of comfort and the conversational flow of the interviews.

The researcher explained to the gatekeeper the importance of a location that would ensure open, honest and robust discussions without distraction from surrounding 'noise' and it was agreed to utilise a hotel suite. The hotel suite lounge space is often utilised by business travellers to conduct meetings and provided a layout conducive to an

interview discussion. The interview was conducted next to the desk space in the relaxed lounge seating with the coffee table's unobtrusive height allowing for the set-up of a small recording device.

The interview subjects employed by the case study organisation were invited to participate through an email communication on November 16<sup>th</sup>, 2012 from the HR gatekeeper (see Appendix 7). The email communication also included the following attachments:

1. Researcher's Explanatory Statement (see Appendix 8)
2. CEO's approval (see Appendix 9)
3. Consent Form (see Appendix 10)

The interview questions were also provided before the interview so that the interview would be time efficient due to the nature of a hotel professional's high pressure round-the-clock work schedule. This enabled participants to make an informed choice about participation having observed the nature of the topics to be covered.

The in-depth interview process required a skill set that engaged the participant with the researcher, but avoided a conversational tone that could have influenced the responses (Veal, 2006). The researcher committed to the interview question plan, but at the same time allowed for flexibility and agility in the questions in cases where a topic was unclear or of a sensitive nature. It was also important for the researcher to assure the interviewees that they were partners in this research project rather than subjects to be tested or examined (Rubin & Rubin, 2005). This was further reinforced at the commencement of the interview with the researcher's explanation that this study was designed to contribute to the body of knowledge aimed at understanding how Crisis Leadership influences Crisis Readiness.

Interviews were conducted face-to-face and were recorded with the consent of participants. The recording of interviews can inhibit respondents (Veal, 2006) and reduce the researcher's immersion in the data after the interview when notes are typed and theoretical coding and sampling occurs (Glaser, 1998). Nonetheless, it was a process chosen by the researcher to ensure a fluid conversational flow rather than being interrupted or hampered by less efficient note-taking. It also provided a means for the researcher to maintain focus and concentration (Ghauri et al., 2005; Glaser, 1998; Saunders et al., 2009). Verbatim transcripts can provide more complete data for a

methodical analysis in comparison to notes (Veal, 2006). Interviewees were asked for their permission to record prior to the commencement of the interview and were assured of the confidentiality and anonymity of their participation. All participants agreed to the recording.

The researcher also took notes of key points as an added reference and in case of possible recording malfunctions. The researcher transcribed the first pilot interview to understand the process and immerse herself in the data. Thereafter, all interviews from Phase One interviews were transcribed by a professional transcription service. The digital recordings were sent to a transcription service to be converted into verbatim transcripts. Since the transcriber was unfamiliar with some terminologies, acronyms, names and places, the researcher reviewed all transcripts for highlighted sections that could not be completed by the transcriber. This was the first phase of numerous reviews and analyses of the transcriptions.

In-depth analysis of the interviews commenced after the transcripts were returned from the transcription service prior to the researcher's return to Australia. The efficient timeliness of the transcripts being completed meant that the researcher's experience of the interview was still very fresh in the researcher's mind and contributed to the memo writing. Each interview provided data that stimulated the researcher's understanding of the evolving thematic concepts. As a consequence, the interview questions were slightly adjusted as new theoretical codes began to emerge or as incidents highlighted a new avenue of enquiry. For example, the 'bunker spirit' concept or the staff reactions to the Phuket earthquake emerged. At the same time, the process of theoretical memoing, detailing ideas and thoughts through the constant comparison method, became a vital component in contributing to robust theory development.

### **3.2.5 INTERVIEW PARTICIPANTS**

The profile of the participants emerged from the theoretical sampling and data coding in the earlier stages of analysis by qualifying the job level of potential staff for interviewing. The researcher's past experience working at a senior management level in the case study company provided an insight that would not normally be available to external researchers. This insight ensured a theoretical sample that would contribute rich and compelling data for this study and sought participants who were willing to make a positive difference to management practices.

Saunders et al. (2009) suggested that managers are more likely to agree to being interviewed than finding time to complete a questionnaire. Their level of interest also increases when the research topic is perceived to be important to their work environment and processes. The interviewees held senior management and Director level posts within the company and were comprised of both Thai nationals and expatriates, with varying levels of experience and education levels. They all spoke in regard to a Thai context. Participants were selected based on their employment position and their influence on strategic decision-making relevant to crisis situations.

These criteria typically meant they were Department Heads of functional areas whose work processes were influenced by senior management actions. Phase One and Two interviewees are listed below in Table 3.2, which describes their role and level in the organisation, together with their nationality.

Table 3.2: Interview Participants

Interviewee	Nationality	Role/ Level	Phase 1	Phase 2
1	Malaysian	Corporate Office - Director	✓	✓
2	Swedish	Corporate Office – Manager	✓	✓
3	Thai	Corporate Office - Director	✓	
4	Australian	Hotel – Executive Committee	✓	✓
5	Austrian	Hotel – Executive Committee	✓	✓
6	Thai	Hotel – Executive Committee	✓	
7	Japanese	Hotel – Director	✓	
8	Indonesian	Hotel – Executive Committee	✓	✓
9	Thai	Corporate Office - Director	✓	
10	Thai	Corporate Office - Director	✓	✓
11	Filipino/ Thai	Hotel – Executive Committee	✓	✓
12	Thai	Corporate Office - Director	✓	
13	English	Corporate Office – Director	✓	✓
14	Australian	Corporate Office – Director	✓	✓
15	Swiss/ Peruvian	Corporate Office – VP (pre crisis)		✓
16	English	Corporate Office – Director		✓
17	Scottish	Hotel – Executive Committee		✓
18	Thai	Corporate Office – VP (post crisis)		✓
19	German	Corporate Office – Director		✓
20	Australian	Regular VIP Hotel Guest		✓

N = 29 interviews involving 20 participants

### **3.2.6 INTERVIEW PROTOCOL**

The interviews took place concurrently with survey data collection (see Section 3.3) and were conducted in two phases. The full interview protocol which guided the data collection is illustrated in Appendix 6, which also includes the researcher's introduction and explanation of the study's aims which were used as a guideline. Interview participants were informed that the interview would last forty-five minutes to one hour. Before commencing the interview the researcher confirmed with the interviewee that permission to record and take notes was granted. The interviewee was also advised that complete confidentiality was assured as the data would not identify participants or specific comments of individuals to encourage open and honest feedback. Upon completion of the consent form (see Appendix 10), the interview commenced.

The interviewer recognised that the interviewees revived memories of a traumatic period and to avoid any issue of defensiveness; the interviewer encouraged a free exchange of views for improving Crisis Management planning in the future (Faulkner & Vikulov, 2001). Faulkner and Vikulov (2001) advised their informants that their intention was to re-examine the events with the benefit of hindsight so as to identify those strategies that may have produced better results. The same approach was adopted in this study.

#### **(i) PHASE 1 INTERVIEWS**

Following the pilot interview, fourteen (n=14) semi-structured in-depth interviews were conducted in Phase One of two phases of interviews based on the Grounded Theory theoretical sampling method. The majority of the interviews were then conducted face to face in Bangkok between November and December, 2012 with current and former hotel employees, who were employed during the time of the May 2010 Red Shirts Crisis and the 2011 floods. A total of thirty (30) follow up telephone interviews were conducted for participant checking to clarify their statements and perceptions to ensure their views were interpreted correctly (Kensbock & Jennings, 2011).

#### **(ii) PHASE 2 INTERVIEWS**

Phase Two interviews utilised the Grounded Theory approach with the results of the first phase guiding the questions and providing an emergent theoretical concept (Hardy, 2005). The researcher explored participant's perceptions of the emerging themes based



on a schematic that illustrated the proposed lower order, higher order and core categories. A schematic with emergent themes from Phase One was shared with the purposively selected interviewees and the researcher sought their perceptions and insight about the developing theory. The schematic for discussion is described in more detail in Section 3.6.3 (Figure 3.1.)

Fifteen (n=15) additional interviews were conducted in Phase Two using Grounded Theory's theoretical sampling principles. Twelve (12) interviews were recorded via Skype, with three (3) interviewees preferring to respond by email. The sample comprised six new participants and nine follow up participants from Phase One. The Phase One follow up participants were selected based on their detailed interviews during Phase One. Phase One participants who were not included in Phase Two were omitted because they had either left the company or the researcher was unable to make contact after three attempts to include in Phase Two interviews.

In the new participant cohort, five were either currently or previously employed with the case study organisation, and of that group, one member was not in the organisation at the time of the Red Shirt crisis. Phase Two participants were chosen based on their senior management role and responsibility for crisis management as a current or past employee.

Phase Two questions were presented by email together with the emergent theme schematic (i.e. Figure 3.1), with the advice that their comments and feedback would remain strictly private and confidential. Any feedback would not be identifiable in the concluding report. The researcher then followed up with a telephone interview with twelve participants with another, three participants requesting to email their responses, due to international time differences, work pressures or work commitments which made phone interviewing difficult. The questions in Phase Two as they were presented to the interviewees are as follows:

Question 1: Crisis Leadership Influencers contributed to how leadership reacted to a crisis event. Can you provide your thoughts on this theme and can you please suggest any additional influencing factors?

Question 2: Experiential Learning refers to how leadership's past experience contributed to preparing and dealing with crisis events. Can you provide your

thoughts on this theme and can you please suggest any additional influencing factors?

Question 3: The two themes above combined to reveal Empowering Readiness as the main category to prepare the organisation for future events. Can you suggest how crisis-ready you feel, and is your organisation ready for the next potential crisis?

Question 4: Please feel free to make comment on your feelings of what this study has revealed so far?

The interviewees reviewed the emergent conceptual theme schematic (Figure 3.1) and did not have any recommendations for modification or suggestions for revisions. One of the participants confirmed that he interpreted the schematic to illustrate the main themes of leadership and experience. He also made the comment that he had not heard the term Empowering Readiness previously but he felt it was a powerful concept, especially when combined with leadership and experience.

At the point of data saturation, when no new themes emerged, Phase Two interviews concluded the data collection. One additional, new participant was also interviewed at this point based on her learned experience of the 2010 Red Shirt crisis. This participant was a VIP Hotel guest of the city hotel property who had significant insight into the way the hotel operated. The reasoning for this interviewee was to ensure the point of data saturation has been achieved and no further new insights could be established. Data saturation is explained in Section 3.5.1.

The interview data constituted the core data collection method, but was supported by additional data sources for the purpose of data triangulation and strengthening the study's findings. A total of twenty nine (n=29) interviews were conducted based on the purposive theoretical sampling technique. The purpose of these interviews was to draw out optimal data for validity and reliability purposes.

The following section outlines secondary data collection including the use of an online survey as an additional data source to achieve data triangulation. The online survey methodology will be explained including; its design, the participants, the survey's delivery and analysis, and the justification for using descriptive statistics. The

respondent's perceptions from the survey will be reported in Chapters Four, Five and Six with interview findings and will describe how they validate and augment the core interview data collection method.

### **3.3 ONLINE SURVEY**

As the research design is a predominantly qualitative one, the introduction of a survey tool into the research mix allows for data triangulation to augment the qualitative data with cross-referential data. This is expected to confirm the validity of the research findings (Rowland & Parry, 2009). The online survey was used to explore the perceptions of the broader staff community of the company under investigation in relation to its organisational culture, crisis management internal functionality, and leadership. This group was not part of the theoretical sampling interview cohort.

The objective of this survey was to elicit multiple perceptions from a more diverse cross-section of staff than the interview cohort and provide an additional perspective to enhance the richness of the data (Kan & Parry, 2004). The company's HR gatekeeper was very supportive of the study and stated in an email prior to the interview schedule and survey:

“To be honest with you we don't have the corporate safety and crisis committee even I try to drive the structure with (name is confidential) but not that happening yet. However, this survey may help people here have more awareness on this significant concern” (Secondary data email: 9 November, 2012).

The results of the survey were explored from a Grounded Theory qualitative perspective to further understand the environment in which the substantive context of this hotel company case study exists.

#### **3.3.1 ONLINE SURVEY OF HOTEL EMPLOYEES**

A survey was undertaken to gather additional insights and qualitatively analyse the survey data. Since this was a qualitative research study, the purpose of the online survey was to uncover any additional descriptive data in comparison to the interviewee's perspectives. Its purpose was not to explore correlations or undertake more advanced statistical analysis, but to provide a descriptive insight into the views of other employees in the case organisation.

The online survey was constructed from pre-validated instruments that combined prior crisis management studies and the Multifactor Leadership questionnaire. The survey design is explained in more detail in 3.3.2, however the priority for this study was the additional insights that could possibly be gained from the survey. Losch (2006) suggested that “despite its strong quantitative nature the online survey could remain largely exploratory and open to theory building in the sense of the overall GT approach” (p.137).

The online survey was designed with the purpose of analysing the perceptions and attitudes of a cross section of the company’s management and junior staff in relation to Crisis Leadership in Crisis Management and the organisation’s cultural values. The survey results were intended to provide an additional assessment of managerial attitudes towards Crisis Readiness. The advantages of an online survey included: quantifying the information easily, providing a transparent set of research procedures, and follow up surveys can be conducted with the same format for comparative analysis (Veal 2006). Reasons for selecting an online survey as opposed to other survey methods included the easy accessibility of respondents to computers twenty-four hours per day allowing them to complete the survey at their convenience. In addition, the level of computer literacy was high among the staff involved (Saunders et al., 2009).

### 3.3.2 SURVEY DESIGN

In order to triangulate the qualitative data, an online survey was designed from pre-validated instruments. The instruments and crisis leadership model that provided the components related to the statements, as applied to the online survey, are described in Table 3.3 below.

Table 3.3 Survey Instruments

Instrument	Authors	Survey Topic	Question
Questionnaire on Corporate Orientation	Sheaffer and Mano-Negrin (2003)	Perception of their organisation’s human resource, strategic and unlearning orientations, and crisis management, based on the organisational culture	Q 1-16 Q 24-28
Questionnaire on hotel manager’s crisis readiness	Rousaki and Alcott (2006)	Perception of their crisis management readiness	Q 17-23
Multifactor Leadership Questionnaire (MLQ)	Bass (1985)	Intellectual Stimulation and Inspiration Motivation about their leader	Q 29-31 Q32-35
Crisis Leadership Core Competencies Model	James and Wooten (2005)	Trust and decision-making	Q 36-39

The survey did not adopt all statements from each instrument but selected those statements that would assist in exploring the research question. The statements used from Sheaffer and Mano-Negrin's (2003) instrument were the key predictors of crisis preparedness from the corporate orientation, which was used as a proxy for understanding the organisation's culture. Rousaki and Alcott's (2006) instrument provided the statements that dealt with crisis readiness perceptions of hotel managers. The resultant perceptions were expected to either validate or rebut the primary data collection findings. The MLQ (Bass, 1985) factors selected were chosen to reflect crisis leadership competencies and finally, James and Wooten's (2004) model provided the statements on trust and decision-making.

Statements which an early pilot interview of the survey revealed were ambiguous, or which were not entirely relevant to the current research, were excluded from the original survey instruments. For example; Sheaffer and Mano-Negrin's (2003) statements that were excluded included:

“We invest a lot in identifying risks in our task environment” or Statements relating to “Following crises”:

“Media's attention increased”

“Management enhanced its involvement in internal corporate activities”

A staff population sample was selected to provide some insight into the emic view and authentic experiences of the organisation by its actors. The survey comprised 38 items, which were selected to assist in setting the stage for staff attitudes in regard to the organization. The key components related to the structures, human orientation and decision-making, together with crisis management readiness and leadership perceptions. The survey instrument was divided into five main sections.

The first section of the survey explored staff perceptions with regard to the corporate orientation, which could also be described as organisational culture, based on Sheaffer and Mano-Negrin's (2003) scale as noted in Table 3.3. The second section contained a series of statements in regard to their understanding of the organisation's internal functionality and crisis management readiness status (Rousaki & Alcott, 2006; Sheaffer & Mano-Negrin, 2003). The third section was made up of questions relating to their perceptions of their supervisor's leadership (Bass, 1985; James & Wooten, 2004). The fourth section requested information about their crisis experience and the perception of those who answered affirmatively of their business unit's crisis management

performance. This section also sought additional feedback with an invitation to provide further comment through a free text box facility.

Participants were asked to indicate their level of agreement with the statements in sections 1 to 4 by using a 5 point Likert-type scale ranging from Strongly Disagree (1) to Strongly Agree (5). Finally, the fifth section sought to obtain some demographic information about participants. Participants were assured that their feedback was completely confidential and anonymity was confirmed.

In order to ensure a parsimonious approach to the survey, the statements selected from prior studies were selectively chosen for their relevance to the context of the current study, and for their relevance in providing an understanding of the staff community's perceptions and insights in regard to the research question. The survey statements are shown in Table 3.4 and were selected on their applicability to the research question in the areas of organisational culture, crisis readiness, leadership capabilities and competencies.

Table 3.4 Survey Topics and Statements

Authors	Survey Topic	Scales	Statements
Sheaffer and Mano-Negrin (2003)	Perceptions on corporate orientation or organisational culture	1-16	<p>My organisation is:</p> <ol style="list-style-type: none"> <li>1. Our organisational structure is decentralized</li> <li>2. Our organisational structure is centralised</li> <li>3. 'Exploitative' organisation (people-wise)</li> <li>4. Caring for people</li> <li>5. People above everything</li> <li>6. Profits above everything</li> <li>7. Cooperation-oriented</li> <li>8. Encourages 'new ideas'</li> <li>9. Centralized decision-making</li> <li>10. Empowers each unit</li> <li>11. Vision and goals are carefully understood</li> <li>12. A learning organization which invests in training, and learns from errors and successes</li> <li>13. Adjusting well to changes in our business, cultural and social environment</li> <li>14. We often change our important corporate goals</li> <li>15. Emphasis on <i>how</i> to do things (efficiency above all)</li> <li>16. Once we have reached our business goals we rethink our business strategies</li> </ol>
Rousaki and Alcott (2006)	Perception of their crisis management readiness	17-23	<ol style="list-style-type: none"> <li>17. I have easy accessibility to crisis management resources</li> <li>18. The organization has adequate budget in its strategic plans in case of a crisis situation</li> <li>19. The organization has an adequate crisis management plan</li> <li>20. I am well informed about the resources and tools allocated for crisis response</li> <li>21. The organization views crisis management readiness as a corporate goal priority</li> <li>22. The members of the organization are trained to handle a crisis situation</li> <li>23. The organization will recover quickly after a crisis situation</li> </ol>
Sheaffer and Mano-Negrin (2003)	Perception of their crisis management readiness	24-28-	<ol style="list-style-type: none"> <li>24. Crisis management readiness is a luxury we cannot afford</li> <li>25. Since we are big enough, survival following crises are greater</li> <li>26. Crises have only negative effects on my firm</li> <li>27. It would be sufficient to take action once crises occur</li> <li>28. It is impossible to prepare for crises since they are unpredictable</li> </ol>
Bass (1985)	<u>Leadership</u> 1. Intellectual Stimulation 2. Inspiration Motivation about their leader	1. 29-31 2. 32-35	<ol style="list-style-type: none"> <li>29. Seeks differing perspectives when solving problems</li> <li>30. Gets me to look at problems from many different angles</li> <li>31. Suggests new ways of looking at how to complete tasks</li> <li>32. Talks optimistically about the future</li> <li>33. Talks enthusiastically about what needs to be accomplished</li> <li>34. Articulates a compelling vision of the future</li> <li>35. Expresses confidence that goals will be achieved</li> </ol>
James and Wooten (2004)	Decision making and Trust perceptions	36-38	<ol style="list-style-type: none"> <li>36. Makes decisions fast and accepts responsibility</li> <li>37. Makes decisions without thinking through all possible outcomes</li> <li>38. Has my complete trust to make decisions during a crisis</li> </ol>

The Qualtrics online survey tool was the survey programme used to design and administer the survey due to its professional layout and presentation capabilities, together with its response monitoring facility and ability for SPSS data conversion (Snow, 2013). A copy of the online survey is provided in Appendix 11.

### **3.3.3 SURVEY PARTICIPANTS AND DISTRIBUTION**

Participants who completed the survey were selected from the company's email database in consultation with the company's e-business gatekeeper, the HR manager and the researcher. The positions identified for survey included the Executive Committees of the five-star hotel brand in Thailand, Manila, Dubai and Cairo, as well as staff in the corporate head office. The range of positions were reflective of a cross section of the staff population, from non-managerial staff to senior levels of management.

Although the company has significant operations in Thailand and the majority of the 8,000-strong workforce is Thai, the day-to-day business operations are conducted in English due to its international network of hotels, guests and stakeholders. Test surveys were sent to the Thai HR gatekeeper of this research project and two additional Thai staff to ensure comprehension of the survey. They provided feedback on some statements with suggested rewrites, which were undertaken as advised by Jennings (2010).

An email invitation to participate in the survey was initially sent to the selected internal email database (n=919) on 26 November, 2012. Bond University was identified as the researching institution and the identity of the researcher undertaking the study was also included. The email also highlighted the support from the company's CEO and the aim to improve business processes through their feedback and participation. An e-survey was chosen as the preferred delivery method for the survey due to its convenience for ease and access at any time (Jennings, 2010).

A second follow up email was sent on 4 December 2012 to encourage a greater response rate. From the survey distribution of 919 surveys, 130 were returned, from which 118 were fully completed surveys. Therefore the effective usable rate was 12.8%. Schmidt and Berrell (2007) suggested that response rates for online surveys can be as high as 10%; their Crisis Management survey achieved 8%. Veal (2006) suggested



low response rates for e-surveys may be due to the increasing volume of junk emails and therefore ignored by the recipients. While Saunders et al.'s (2009) examination of response rates to business surveys indicated response rates in the range of 10% to 20%, although they suggest that this lower rate may be due to questionnaire fatigue.

### 3.3.4 SURVEY PARTICIPANT PROFILES

The 118 participants comprised of 50.8% males and 49.2% females. Table 3.5 describes the age and position of respondents with the largest cohort being in the 30-39 year range (43.2%), and the 40-49 year age group making the second largest grouping (26.3%). The positions of the respondents comprise mainly of first tier management (47.5%), followed by second tier management of Directors and Vice President level (28.5%) then non-managerial staff (19.5%) and Vice President level (4.2%). This range of positions provides an insight into the differing perspectives of staff and supports the survey's objective to explore multiple perceptions within the organization. This contributed to a focused picture of the substantive context of this study.

Table 3.5: Age and Position of Respondents

<b>Age Range</b>		<b>Position</b>	
20-29 years	15%	Non-managerial	19.5%
30-39 years	43.2%	Manager (1 or more staff)	47.5%
40-49 years	26.3%	Director / Assistant Vice President	28.8%
50-59 years	15.3%	Vice President	4.2%

The staff tenure for this group indicated the majority of the staff surveyed had been with the company for three years or more and would therefore have been employed by the company during the Red Shirt crisis of 2010. It also indicated relatively stable employment tenure for the hospitality industry which is renowned for a high turnover employment rate (Gruman, Chhinzer & Smith, 2011), where front line employee turnover rates average 60% and management level average 25% (Tracey & Hinkin, 2008). Table 3.6 illustrates that 62.7% of all respondents had been with the organisation for more than three years and therefore had a sound understanding of the standard operating procedures within the company.

Table 3.6: Employment Tenure

<b>Employment Period</b>	
0-2 years	37.3%
3-6 years	38.1%
7-10 years	11%
11+ years	13.6%

Table 3.7 provides an overview of the respondent's nationality. The nationality statistics indicate that almost 65% of all participants were Thai, reflecting the focus of the research context.

Table 3.7: Nationality of Respondents

<b>Nationality</b>	<b>Frequency</b>	<b>%</b>
Thailand	76	64.4%
Asia (excluding Thailand)	23	19.2%
Europe and UK	11	9.2%
Middle East and Africa	7	5.8%
N/A	1	.8%
	118	99.4*

\* Some missing % due to rounding down + the N/A value can be excluded for incorrect classification

### 3.3.5 SURVEY ANALYSIS

The data elicited from the surveys were analysed using IBM SPSS software. The survey was intended to enhance the exploratory nature of the research study and contributed to theory-building within the Grounded Theory methodology (Losch, 2006). Frequency statistics were used in order to contribute to the richness of the Grounded Theory methodology narrative. Due to the small sample size of this online survey, as well as the limitations of significance testing, it was not appropriate to analyse the data for statistical significance (Losch, 2006). In addition and given the small sample size, the survey data were not intended to become a central part of the study's findings (Herman & Egri, 2002) but were intended to provide another layer to the richness of the data. Furthermore, the open feedback section also enriches the study's findings with over 750 words of direct comments made in the survey from respondents about the organisation's performance during a crisis event. These comments will be further analysed in Chapters Four and Five.

The two key elements in objectively evaluating a measurement instrument are validity and reliability (Tavakol & Dennick, 2011). The survey instrument was tested for its reliability for internal consistency of the scale, whereby the multi-item measures of a

concept or a construct were tested for their interrelatedness with an index of reliability. The data were assessed for consistency in the respondents' answers by employing Cronbach's alpha as the reliability test (Kan, 2002) with the frequency reports. This contributed further to the robustness of the emergent interview themes.

The online survey resource adds another dimension to the primary interview data and builds a clearer picture of the substantive context of this case study organisation and provided additional insights into the organisation's crisis readiness. The online survey's findings of staff perceptions will be discussed in conjunction with the primary data findings in Chapters Four, Five and Six. The researcher also incorporated further secondary data sources into the study as will now be detailed in the following section.

### **3.4 SECONDARY DATA COLLECTION**

Secondary Data can be used to triangulate findings based on other data (Saunders et.al, 2009), such as correspondence, media reports that substantiate or refute primary data collection in the form of interviews. In their Grounded Theory mantra, Glaser and Strauss (1967) emphasised the key to exposing variation is to collect data from a range of sources. Strauss and Corbin (1998) further advocated the interplay between qualitative and quantitative methods whereby the qualitative should direct the quantitative and the quantitative is fed back into the qualitative in a circular, evolving process contributing to the development of theory. An important characteristic of grounded theory data analysis is the constant comparison method in order to generate and analyse the data (Egan, 2002). Document and media analysis will now be explained in detail in the following section.

#### **3.4.1 DOCUMENT AND MEDIA ANALYSIS**

The research also involved the analysis of the case study organisation's secondary source information including the company's Crisis Communication Plan, internal and external communications, and media reports. This supplementary material provided further insight into the rationale for management decisions, as well as being a vital point of comparison (Saunders et al., 2009; Veal, 2006). The documents collected also assisted in verifying and clarifying details from the interview data collection process (Yin, 2011) which added to the rigour and efficacy of the research study and its findings. Table 3.8 provides a summary of the secondary data reviewed in order to

substantiate the chain of events and explore further thematic concepts and discordant data.

Table 3.8: Secondary Data Document Analysis

Document Type	Quantity	Pages	Words
Internal and External Company Emails : February –Sept 2010	936	669	244,203
Manuals and Reports:			
○ Risk Assessment Reports 2008 and 2010	2	117	26,131
○ Crisis Manual + Crisis Communication Manual	2	140	23,387
○ Resort property Training documents *	7	30	
○ Media Reports/ clippings/ print and online *	55		
○ Company Annual Reports 2010 and 2011 *	2	360	
Meeting Minutes	3	8	2,554
Advertisements – company related *	8		
Reflections and Recollections of researcher	1	14	8,000
Summary and Memo Highlights	1	23	12,216
CNN TV Interviews			2,734
* Power Point, PDF and media clippings : word count not available			

The researcher had access to internal and external communications from the case study organisation, including emails, minutes of meetings, staff announcements, advertisements and CNN television interviews of the CEO during the Red Shirt crisis period. These documents were analysed using a textually driven qualitative methodology and were examined to identify additional and supporting themes as the theoretical concepts developed. The organisation's February to May 2010 media report was also included providing media clippings and media value calculations. Grounded Theory is grounded in the richness of the contextual data and the researcher found documents such as meeting minutes (Veal, 2006) and television interview narratives to be extremely descriptive and useful for emergent themes.

Some concerns have been expressed about secondary data in areas such as personal bias where less rigour exists in news media for example than in research reports (Jennings, 2010; Kumar, 2011). Jennings (2010), who summarised the advantages and disadvantages of using secondary data, concluded that this type of data is a rich source of empirical data, however, because it uses the language of the contextual setting not of the researcher. Jennings (2010) also acknowledged the disadvantages related to data accessibility and a lack of knowledge with regard to how the documents were produced. This was not an issue for the researcher as she had full access to the data and was a member of the case study organisation as the time of the Red Shirt crisis. Analysis of the secondary documents and media materials is reported in the findings in Chapters Four and Five.

### 3.5 DATA ANALYSIS

Grounded Theory methodology directed the data analysis process. First, theoretical sampling was used, followed by data coding which progressively moved from open coding to selective coding (lower order categories), to theoretical coding (higher order categories) and finally to the identification of the emergent theory in the form of a basic social process (BSP).

The coding process adopted at the commencement of the data analysis was based on Glaser's (1978) theoretical coding families. "The Six C's" is Glaser's (1978) first phase coding process to consider and is based on the causal-consequence model or the equivalent of the nomothetic independent-dependent variable model. "The Six C's" consisting of causes, consequences, contingencies, conditions, covariances and context. It provided the road map for the data analysis trail and is summarised by Kan and Parry (2004) with its nomothetic equivalent in Table 3.9.

Table 3.9: The Six C's and the Equivalent Nomothetic Concepts

<b>Grounded Theory Concepts</b>	<b>Equivalent Nomothetic Concepts</b>
Cause	Independent Variable
Consequence	Dependent Variable
Contingency	Moderating Variable
Condition	Intervening Variable
Covariance	Correlation
Context	Context

Source: Kan, M. M., and Parry, K. W. (2004). Identifying paradox: A grounded theory of leadership in overcoming resistance to change. *The Leadership Quarterly*, 15(4), 467-491.

Having used "The Six C's", the researcher then progressively analysed the data with Glaser's (1978) coding families, which have been summarised by Kan (2002) in Table 3.10 and used as a guideline for this present study .

Table 3.10 Glaser's (1978) Coding Families

<b>Coding Family</b>	<b>Description</b>
1. The Six C's	Causes, consequences, contingencies, conditions, covariances and context
2. Process	Stages, staging, phases, progressions, passages, gradations, transitions, steps, ranks, careers, orderings, trajectories, chains, sequencing, temporalizing, shaping and cycling.
3. Degree	Limit, range, intensity, extent, amount, polarity, extreme, boundary, rank, grades, continuum, probability, possibility, level, cutting points, critical juncture, statistical average, standard deviation etc ...
4. Dimension	Dimensions, elements, division, piece of, properties of, facet, slice etc...
5. Type	Type, form, kinds, styles, classes, genre.
6. Strategy	Strategies, tactics mechanisms, managed, way, manipulation, manoeuvrings, dealing with, handling, techniques, ploys, means, goals, arrangements, dominating positioning.
7. Interactive	Mutual effects, reciprocity, mutual trajectory, mutual dependency, interactions, interdependence, interaction of events, covariance.
8. Identity – Self	Self-image, self-worth, self-concept, self-evaluation, identity, social worth, self-realisation, transformations of self etc...
9. Cutting point	Boundary, critical juncture, cutting point, turning point, breaking point, benchmark, tolerance levels, division, polychotomy etc....
10. Means - goal	End, purpose, goal, anticipated consequence, products.
11. Cultural family	Social norms, social values, social beliefs, social sentiments.
12. Consensus	Clusters, agreements, contracts, definitions of the situation, uniformities, opinions, conflict, differential perceptions, conformity etc...
13. Mainline	Social control, recruitment, socialisation, social interaction etc...
14. Theoretical	Parsimony, scope, integration, density, conceptual level, relationship to data, clarity, fit etc...
15. Ordering or Elaboration	Structural, temporal, generality are the three principals to order data.
16. Unit	Collective group, organisation, situation, context, social world, society etc...and positional units: status, role etc...
17. Reading	Concepts, problems, hypotheses.
18. Models	Modelling one's theory pictorially

Source: Kan, M. M. (2002). *Identifying paradox: A grounded theory of nurse leadership in overcoming organisational change resistance*. (Doctor of Philosophy in Management, Victoria University of Wellington).

The interview data were coded and analysed using NVivo, a computer-aided qualitative data analysis software (CAQDAS). Rather than using a manual coding scheme, CAQDAS improved transparency and methodological rigour to enable key themes to be

detected, categorised and relationships to be explored (Saunders et al., 2009). Please refer to data coding by Nvivo Nodes Parent and Child Categorisation in Appendix 12.

### 3.5.1 DATA SATURATION

As noted in Section 3.2.6, data saturation from all qualitative sources was achieved when it was evident that no new information emerged from the joint collection and analysis of data (Glaser & Strauss, 1967). The point of data saturation was reached when the interviewees were providing similar feedback about the phenomenon and the data were not contributing to the generation or clarification of categories (Kan, 2002). Egan (2002) suggested Grounded Theory research is concluded when sufficient theory has emerged from the data. The level of ‘sufficiency’ is best illustrated by Egan’s (2002) description of data saturation being “evident when data collection no longer contributes to elaboration of the phenomenon being investigated” (p.286).

Kumar (2011) advocated that the data saturation point is a highly subjective one, he was of the opinion that the researcher decides on this point in the data collection process. The researcher’s decision to terminate data collection in this present study was not only based on sameness or replication of interviewee’s comments and perspectives, but rather on the consistency of characteristics at a thematic level (Bryant & Charmaz, 2007).

The benefit of Grounded Theory’s theoretical sampling allowed the researcher to systematically select interviewees who were knowledgeable with the research question: this added to the efficacy of reaching the data saturation point. Bryant and Charmaz (2007) concluded that “effective and efficient sampling strategies, which change during the process of data collection and analysis, enable the researcher to complete the task with minimal waste, and without entering any conceptual blind alleys, to produce an excellent grounded theory” (p.243)

The empirical data collection phase was finalised when the interview data no longer provided new insights and achieved data saturation (Saunders et al., 2009). Although Jennings (2010) suggested that when collecting empirical data “the researcher decides when enough participants have been sampled” (p.149); however, it was the data collection process that revealed the point of theoretical saturation for this researcher. The purposive sampling employed in this study provided knowledgeable informants

who could articulate their views and experiences and contribute meaningful data. In addition, the secondary data sources were analysed with the constant comparative method which elicited rich data for the research question of how Crisis Leadership influences Crisis Management readiness.

### **3.5.2 DATA VALIDITY, RELIABILITY AND GENERALISABILITY**

The quality and integrity of an empirical research study can be established with the tests of validity, reliability and to some extent, generalisability, which will be explained in this section. Veal (2006) described Validity as “the extent to which the information collected by the researcher truly reflects the phenomenon being studied” (p.41). Creswell (2009) posited that validity is one of the strengths of qualitative research, since the accuracy of the findings is reflective of the researcher and interviewee’s understanding of the phenomenon. Nevertheless, Yin (2011) suggested one of the key quality control issues of research is the validity of a study and its findings.

Validity strategies were adopted in the current research as recommended by Creswell (2009) to ensure accuracy of the findings and as a quality control imperative. Parry (1998) also recommended multiple data sources in Grounded Theory leadership research to strengthen the research study’s validity.

The validity strategies included firstly, the triangulation of data sources to build thematic concepts by using in-depth interviews, an online survey, as well as internal and external communications. Secondly, the researcher shared drafts of the final thesis with two hotel management colleagues for their feedback and understanding. Thirdly, a published peer-reviewed book chapter (a précis of the research study) was also shared for the accuracy of results with some interview participants and knowledgeable referees. Fourthly, the researcher utilised rich descriptive narrative to express the findings of the study and further add to its validity. Fifthly, the researcher explained any potential bias throughout the study with the researcher’s self-reflection and background information providing an honest and credible account of the research process and how it influenced the findings. Finally, the researcher also endeavoured to highlight any discrepancies or negative information thereby preventing any contradictory evidence, which verified the researcher’s commitment to the study’s validity.



Reliability is defined by Veal (2006) as “the extent to which research findings would be the same if the research were to be repeated at a later date or with a different sample of subjects” (p.41). In the case of this present research design, reliability would be difficult to replicate as this study focused on a contextual phenomenon. However, qualitative researchers can ensure a consistent and reliable approach by systematic documentation of the case study detailing all the steps and processes undertaken (Creswell, 2009). This led the researcher to undertake reliability procedures as used by Creswell (2009) and Gibbs (2007) and included checking transcriptions for mistakes to ensure error-free data. In addition, the researcher maintained a strict process for coding and coding definitions to avoid any deviation from the original coding scheme.

Generalisability was more difficult to apply to this research as it is a feature that is limited in qualitative research (Creswell, 2009). Veal (2006) described generalisability as “the probability that the results of the research findings apply to other subjects, other groups, and other conditions” (p.117). Although the findings of this study may be difficult to generalise beyond this current single case, the systematic data collection and analysis procedures adopted in this study could be applied to other case study organisations for broader theory development (Yin, 2009).

Jennings (2010) suggested the terms ‘reliability’ and ‘validity’ are more appropriate to quantitative studies. In saying that, it does not mean that the rigour of qualitative research is any less. Instead Jennings (2010) suggested alternative tests for qualitative research including trustworthiness, authenticity, and goodness of fit. For the present study, the researcher embraced the traditional concepts of ‘reliability’ and ‘validity’ and as a consequence adopted the strategies described above to address ‘reliability’ and ‘validity’. The next section will explain the data coding process directed by the study’s Grounded Theory approach.

### **3.6 DATA CODING**

This section provides a detailed explanation of the data coding using Grounded Theory methodology. The focus of this section is the researcher’s methods of analysis in generating the study’s theoretical concepts from the empirical data. This process consisted of data coding from a substantive to a theoretical level, while engaging in the constant comparative method throughout. The resultant basic social process (BSP) that emerged comprised of the higher order category’s basic social structural processes

(BSSPs) and the core category's basic social psychological process (BSPP). These findings provide the basis for the following discussion in Chapter Four, Five and Six on the study's contextual theoretical concepts. The data coding process will now be explained.

### 3.6.1 DATA CODING PRELIMINARY ANALYSIS

Upon receipt of the interview transcriptions, the researcher reviewed the transcriber's understanding of the dialogue and corrected any anomalies or misspellings by replaying the audio files. This was especially evident in Thai family names or place names for the transcriber. In the earliest stages of the data analysis the researcher employed a manual system of summarising the interview data into a Word document, with key phrases, words and memorable quotes titled 'Summary and Memo Highlights'. This process provided an opportunity to absorb and organise the first of many iterations of the data analysis.

Saunders et al. (2009) recommended summarising the key points from transcripts by compressing statements into shorter phrases. This allowed the researcher to "become conversant with principal themes that have emerged from the interview" (Saunders et al., 2009, p.491). The researcher returned to this document on numerous occasions to refine and elaborate as thematic categories began to emerge. It also served as an active reference point for follow up items and for seeking further explanation of terminologies. At the same time, the 'Summary and Memo Highlights' became an invaluable tool to establish *what was happening* in the context of this substantive phenomenon.

Qualitative analysis is characterised by the search for emergent themes (Veal, 2006). Although the conceptual framework initially introduced the research problem and potential themes, the search for emergent themes was an inductive process. Veal (2006) acknowledged that both inductive and deductive processes will exist concurrently in qualitative methods of analysis.

The memo section of the summary was regularly updated based on the constant comparison method of Grounded Theory. This process provided the researcher with new insights. For example, when comparing interview statements about the Phuket earthquake it was evident that the unsuccessful hotel evacuation resulted in the necessity of an immediate intensive Crisis Readiness regime. The Phuket hotel's new crisis plan

had not been shared with the corporate office informants, who were under the impression that the Phuket hotel's earthquake evacuation was a successful operation.

This was also true of the researcher's interview memos and observations based on some participants' perceptions of their General Manager (GM). Participants who were previously negative and critical in their comments about their GM's day-to-day management style were more complimentary and trusting of the GM's authority and decision-making during the Red Shirt crisis. This was identified as being attributable to his past experience with a crisis and his decisive, compassionate decision-making style at the time of the crisis.

The researcher's own self reflections from memos during the data collection and analysis also motivated her to understand why the Risk Management (RM) department had not been more assertive in establishing Crisis Readiness plans and systems as their remit. The researcher wrote in a memo in 'Summary and Memo Highlights'; "This is one of the few international hotel companies that does not have a security leader at the corporate office or conduct audits, which in today's environment is irresponsible when hotels are soft targets for terrorism" (p.15). The researcher utilised this memo frame to probe further and explain why RM failed to assume a leadership role in Crisis Readiness preparations.

A manual visualisation assisted the researcher to explore the preliminary thematic categories and uncover *what was happening* in this temporal space. From this schematic display, combined with the frequency of the free nodes, the nodes provided an initial overview of the thematic congruence and initially identified seven themes from the interview data under the headings of; (i) crisis readiness, (ii) crisis management, (iii) state of mind, (iv) crisis leadership strengths, (v) crisis leadership inadequacies, (vi) experiential learning and (vii) leadership cohort and stakeholders.

In addition, triangulation of secondary data including staff emails and announcements, customer communiques, meeting minutes, CNN television interviews, Standard Operating Procedures (SOP's) and manuals, and the free form survey responses highlighted further opportunities to qualitatively explore thematic categories as they developed.

### 3.6.2 FROM SUBSTANTIVE TO THEORETICAL DATA CODING

Data coding typically takes one of two forms, namely substantive and theoretical coding (Glaser, 1978). Grounded Theory utilises substantive coding to demystify the empirical data by initially identifying *what is happening*. Substantive coding is represented by open and selective coding. Whereas theoretical coding takes the data to a more abstract level and uses the substantive coding as hypotheses to conceptualise relationships and generate theory (Kan, 2002).

Computer aided data coding followed the manual analysis. The data were codified with the assistance of NVivo10 (QSR International, 2010), which is considered one of the most popular CAQDAS packages due to its ability to assist and shape data (Veal, 2006). Line-by-line, each word from the interview data were analysed. Subsequently, 296 free nodes were identified to commence the arduous journey of thematic generation. A node is the NVivo terminology which is defined as “A container that lets you gather source content relating to themes, peoples, places, organisations or other areas of interest” (QSR International, p.110). To reassure the rigour of the data analysis, the researcher repeated this process over the following weeks and revised classification with only minimal adjustment to achieve a final total of 303 free nodes.

The free nodes from the open coding phase were then categorised by selective coding to identify parent nodes. Parent nodes are defined by NVivo as: “A node that has child nodes below it in the node hierarchy” (QSR International, p.110). Concurrently the researcher also identified 158 memorable quotes to assist in maximising the strength of an observation or meaning of a developing thematic category, as well as providing pragmatic examples for the study’s findings and conclusions.

The second phase of the data coding process involved an analysis of the free nodes in NVivo10 to thematically categorise and collapse into parent, child and sibling nodes. Appendix 12 displays the parent, child and sibling nodes. Twenty-one (21) parent nodes became representative of the thematic categories from which the study’s lower order theoretical categories were identified.

The researcher was also cognisant of the challenge in micro-coding by being over-zealous in the data coding process and micro-analysing the codes. The concern was that if the empirical data is reduced to the extent that the level of abstraction is disconnected from the original meaning and substantive context, then the study's direction realigns to a quantitative one (Jennings, 2010, Saunders et al., 2009). The researcher therefore employed a coding discipline that sought to describe the meaning of the codes and inductively revealed the emergent themes; hence she was able to conceptualise the data through higher levels of abstraction (Glaser, 1998).

The lower order categories provided the key iteration to categorising and unlocking the data and are described in terms of; Influencing Leadership (Communicating, Decision-making, Visibility, Leading by Example, Motivating Influencers), Active Sense-making (Understanding the Mindset, Emotional Sensitivity, National and Organisational Culture), Managing the Crisis (Responsibility, Strategising, Activating), Preparing for the Unthinkable (Warning Signals, Forward Planning, State of Readiness), Learning from Experience (Experience with Crisis Events, Organisational Learning), Learning Routineness (Confidence Building, Training to be Ready), and Retaining Institutional Memory. The lower order categories' properties will be described in depth in Chapters Four, Five and Six.

### **3.6.3 THEORETICAL CODING: BASIC SOCIAL PROCESSES**

One of the key objectives of this research is to understand the basic social processes (BSPs) in an organisation prior to, and at the time of, a crisis event. BSPs are described by Glaser (1978) as;

“theoretical reflections and summarisations of the patterned, systematic uniformity flows of social life which people go through, and which can be conceptually ‘captured’ and further understood through the construction of BSP theories” (p.100).

A BSP is comprised of two types of process: firstly, a basic social structural process (BSSP) and secondly, a basic social psychological process (BSPP). Glaser (1978) further described the linkage of the two processes where the BSSP is the structure which facilitates the BSPP to flourish. The researcher uncovered these BSPs as the data coding progressed from substantive to theoretical coding.

Since the current research study was focused on understanding the Crisis Leadership phenomenon, the BSP is also considered a Social Process of Leadership or SPL (Parry

& Meindl, 2002). Parry (2002) utilised structural equation modeling to operationalise three higher order category SPLs: Optimising, Resolving Uncertainty, and Enhancing Adaptability. These SPLs were also considered in the development of the BSPs and emergent theory for the present study and are briefly summarised with the following descriptions. First, ‘Optimising’ is when the leader maximises the resources available and makes the best of the situation through three phases, namely surviving, investing or transforming. Second, ‘Resolving Uncertainty’ provides for effective leadership that resolves uncertainty through the leaders’ behaviours and actions. Third, ‘Enhancing Adaptability’ provides for the leader to influence change by enhancing the adaptability of followers and themselves with a number of key strategies such as consistent and clear communications, facilitating positive experiences for change and establishing complementarity of the leader and follower values (Parry & Meindl, 2002). These SPLs were found to be present in the data and their properties were interrelated with the emergent theory.

The data coding flow process then reached the theoretical level. The data were filtered into the lower order categories in the next iteration to establish a deeper interpretation of the two main higher order categories. At this point, theoretical coding took a more prominent role to assist in the development of the theory’s abstract concepts. The filtered higher order categories indicated further thematic congruence and were determined to be representative of (i) Crisis Leadership Influencers and (ii) Experiential Learning. The two theoretical categories that emerged are described as BSSPs, which were supporting processes of the highest order core category.

The final filtering process of theoretical coding uncovered the core category as the BSPP of Empowering Readiness which is central to the BSP and supported by the BSSP in the lower order categories. Figure 3.1 provides a schematic overview of the data coding analysis filter which contributed to a Hierarchy of Abstraction model. The components of each higher order and core category will be explained in the following section.

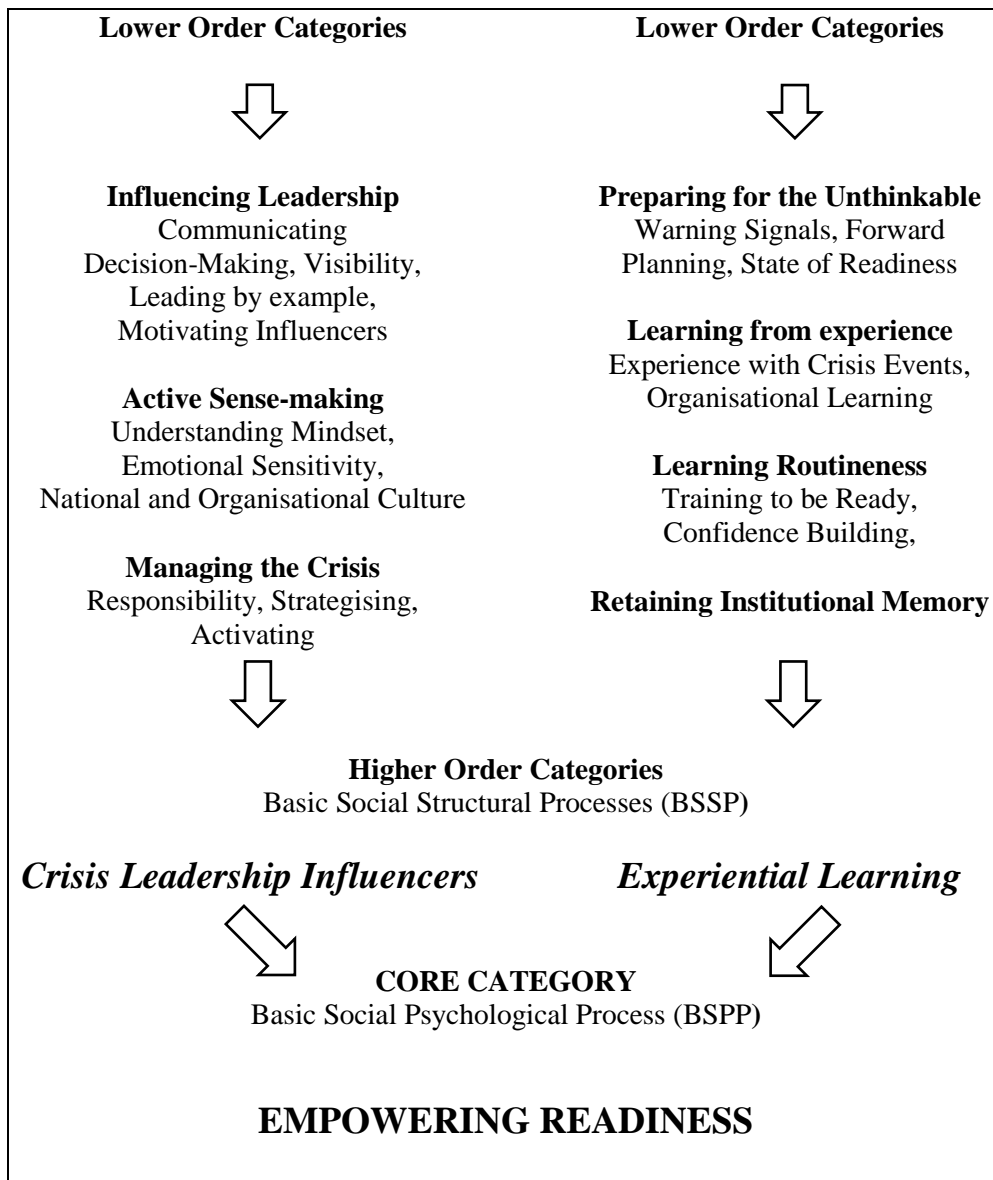


Figure 3.1: Category Filtration to the Basic Social Process

Although the data coding process has been described above as a systematic phased progression, data coding did not follow a strict linear process due to the constant comparison method of Grounded Theory. Instead the researcher was concurrently comparing experiences between interview participants and key informants, while detailing and analysing memos and secondary data sources in order to progress the emergent theory.

The data analysis revealed the higher order core categories as two BSSPs namely Crisis Leadership Influencers and Experiential Learning. The BSSPs provided the social structure for the research problem and supported the emergent theoretical core category, which is the conceptualised BSPP identified as Empowering Readiness.

### **3.6.4 CRISIS LEADERSHIP INFLUENCERS**

Crisis Leadership Influencers is the higher order category that classified the Crisis Leadership variables which influenced the organisation's Crisis Readiness. This category evolved from these lower order categories: Influencing Leadership, Active Sense-making, and Managing the Crisis.

A brief introduction to the lower order categories of Crisis Leadership Influencers is provided in this section with a more detailed explanation in Chapter Four. In short, Influencing Leadership describes the leadership activities and actions that positively influenced the organisation's pre-crisis to crisis recovery phases through actions such as communicating, decision making and visibility. Active Sense-making is the leadership process for understanding the mindset, as well as the organisational and national culture traits that influenced the Crisis Leadership activities and engaged followers.

Whereas, Managing the Crisis contributed to the BSSP of Crisis Leadership Influencers by exploring the areas of leadership strategising and activating crisis initiatives. The lower order categories represented elements of the higher order category through thematic congruence with some shared relating properties. The higher order theoretical category and BSSP described as Crisis Leadership Influencers accounted for Crisis Leadership's actions and the influence on the case study organisation.

### **3.6.5 EXPERIENTIAL LEARNING**

Experiential Learning is also a higher order category and BSSP which resulted from the theoretical coding analysis and will be explained in more detail in Chapter Five. Experiential Learning explained the variation in crisis experience levels of Crisis Leadership and its impact on the Crisis Readiness of the organisation. The lower order categories of Experiential Learning were reflective of the BSSP and included: Preparing for the Unthinkable, Leading from Experience, Learning Routineness, and Retaining Institutional Memory, which are introduced briefly in this section.

Planning for the Unthinkable explained the proactive nature required for effective Crisis Readiness and how any variability of this category influenced the higher order category of Experiential Learning. Leading from Experience identified the Crisis Readiness of leaders with previous experience of crisis events. The strength of the followers' sense of trust and respect was determined by the Crisis Leadership's previous crisis



experience, which added credibility to the Crisis Leadership's directives and actions. Learning Routineness also contributed to the BSSP by explaining leadership's commitment to prepare for a crisis with regular training programmes, manuals, standard operating procedures (SOPs) and the confidence that is instilled with routineness. Finally, Retaining Institutional Memory is a lower order category that explains variations in Experiential Learning through the organisation's commitment to a culture of crisis event debriefing and organisational learning to enact a Crisis Readiness regime. Participants expressed concern about staff turnover and the subsequent loss of institutional memory. Institutional memory loss has been evident as a result of the departure of executives who played key roles in the Crisis Management process of the Red Shirt 2010 crisis. New recruits have had little or no training in managing crisis situations.

The final filtering process for this research study produced the BSPP as the core category which is described as Empowering Readiness. Empowering Readiness is the theme that most reflected the participants' main concern in preparing for, and having the confidence to deal with future crisis events from the data analysis.

### **3.6.6 THE CORE CATEGORY**

The core category emerged from the data analysis as the main theme that identified the overall concern of the participants. Empowering Readiness was the highest order category that explained *How Crisis Leadership influenced Crisis Management Readiness* in the substantive context of the case study organisation, specifically with regard to the Phuket 2012 earthquake. Theoretical completeness was achieved as categories became saturated and the core category accounted for the behaviour that resolved the main concern of the participants (Glaser, 1998).

By employing Grounded Theory's constant comparison method the researcher was alert at all times to the detection of a core category by reconnoitering data backwards and forwards in search of the core variable. One of the key objectives for the researcher in the coding phase was to determine the predominant theme described by Glaser (1978) as "the main concern or problem for the people in the setting, for what sums up in a pattern of behaviour the substance of what is going on in the data, for what is the essence of relevance reflected in the data, for gerunds which bring out process and change" (p.94).

The formulation of a core category in Grounded Theory is based on a set of eight criteria provided by Glaser (1978) and adopted by the researcher. First, the core category was central to the categorising architecture and therefore related to as many categories as possible. This accounted for its contribution to the variation in the study's behaviour patterns. Second, it experienced a high rate of frequency in the data, which explained a stable pattern. Third, saturation of the core category occurred after the lower order categories had been finalised. Fourth, there was a meaningful relationship with other categories, which was realised early and reflected a richness of the data. Fifth, the core category was applicable to formalising development of substantive theory. Sixth, the core category allowed the researcher to carry-through the analysis as it became the key to unlock the final phase of theory generation. Seventh, the core category's relationship to other categories ensured it was completely variable, and eighth, the core category was also a dimension of the problem.

Glaser's (1978) conclusion in relation to the development of the core category development criteria was to warn researchers that they must avoid establishing a core category from other sources that are not grounded in the data. These two sources are sociological interest or the researcher's own personal interest (Kan, 2002) and the use of deductive and logical elaboration. Glaser's warning was attributed to the concern that if core categories are obtained from these sources, the result will be a core category that cannot satisfy the Grounded Theory test of fit, relevance or workability.

Thematic concepts and core categories evolved early in the analysis and mid-way through the formal Phase One interviews. It was evident that saturation was achieved as new categories no longer emerged. The two main findings from this research were the two higher order categories that emerged early in the concurrent data collection and analysis stages of the study. The first finding that developed early was how Crisis Leadership Influencers influenced the organisation's Crisis Readiness and its ability to manage the crisis event. The second finding was based on the crisis experience of leadership, organisational learning and institutional memory retention to develop the concept Experiential Learning and how it impacted the organisation's Crisis Readiness phase. The two lower order categories provided the foundation for the final core category of Empowering Readiness in answer to the main research question of 'How does Crisis Leadership influence Crisis Management readiness in the Thai Hotel Industry?'

Phase Two interviews validated and built upon these findings and contributed to confirmation of the emergent theory. The schematic which described the ‘Category Filtration to the Basic Social Process’ in Figure 3.1 was shared with interview participants from Phase One, and purposive sampling was once again employed to select new participants in Phase Two. Purposive sampling was deemed appropriate to ensure participants would be intimately familiar with the case study organisation in order to elicit rich and meaningful data.

The objective of Phase Two data collection was to tease out additional concepts and seek confirmation of coding categories as the theoretical concept was developing. One of the new Phase Two participants, who specialised in security and risk management, was initially challenged to make comment on the schematic in its presented form due to the two column format. He expressed his concerns both verbally and via an email that he believed the schematic should indicate “a series of dotted lines between the different columns and issues”. This statement provided the researcher with validation that the developing theory with its displayed categories were indeed interrelated and further strengthened by these relationships. The following section outlines the ethical issues related to data collection for this study.

### **3.7 ETHICAL CONSIDERATIONS AND DE-LIMITATIONS OF THE STUDY**

The study took into account ethical considerations, characterised by the general principles as stated by Veal (2006) including: no harm should be caused to the research participants; they would participate freely; and they would participate on the basis of informed consent. It was important to ensure that no harm would be caused to the informants by divulging any of the findings, having them feel embarrassed, or having the potential to lose face in front of their peers. Therefore, informed consent was required (Thomas 2011). Informants signed an agreement stating that they understood the nature of the study and that the data would remain confidential.

Participants were provided with the explanatory information in an understandable, non-technical format. The Explanatory Statement for Participants (refer to Appendix 8) and the Consent Form (refer to Appendix 10) outlined the purpose of the study, the expected benefits, confidentiality and anonymity clauses, the period of time when the data would be held before being destroyed, as well as the researcher’s contact details. These documents have been introduced in Section 3.2.4.

Approval to conduct this research study with the case study organisation was provided through the office of the company's CEO. Individual employees had the freedom to decide if they wished to participate or not. The nature of the consent was understood as implied consent with a clear explanation should they wish to opt out (Ghauri et al., 2005; Thomas, 2011; Veal 2006). The research was approved by the Bond University Ethics Committee prior to proceeding with any data collection and allocated ethics reference number RO1574.

To verify that appropriate protocols of informed consent were employed it is important to note that two interviewees, who were invited to participate, declined to be involved. One potential interviewee was uncomfortable with sharing sensitive information and another was of the belief that her role at the time of the Red Shirt crisis was not senior enough to provide substantive data. They were not therefore involved in any data collection as a result.

In designing the research plan for this study a number of options were considered to enhance the validity and reliability of the study's selected methodological design. The purpose of the study was to generate substantive theory by using Grounded Theory methodologies, which led the researcher to consider the intensive nature of data collection and analysis of the Grounded Theory approach.

The main de-limitation imposed on the study was the selection of a single case organisation with multiple business units and locations, which was deemed sufficient to provide rich and compelling data in a time and cost efficient manner on the substantive contextual frame of reference for this study. Since the researcher had previously worked for the case study organisation access to participants and secondary data was easily granted, whereas access to competitor organisations would have been difficult to obtain. Researcher bias issues were considered at the beginning of the study and have been outlined in Chapter 1, Section 1.7. The final chapter of this thesis will further discuss researcher bias in Limitations of the Study, Section 7.3.

### **3.8 CHAPTER SUMMARY**

The most appropriate research methodology adopted for this study and the key methodological considerations were addressed in this chapter. The Grounded Theory approach was explained in detail as it provided the foundation for the study's research philosophy. The key principles of Grounded Theory were outlined and included the

constant comparative method, theoretical sampling, theoretical coding, theoretical memos and theoretical sorting. While Grounded Theory was deemed most appropriate for the development of substantive theory and to answer the primary research question, criticisms about the Grounded Theory philosophy were also considered and addressed.

This chapter also provided an explanation of the benefits of a single case study approach. The case study organisation consisted of multi-property business units which contributed to the strength of the data. Moreover, data triangulation added to the rigour of the investigation and, in turn, the robustness of the findings. The different types of data collected from the case study organisation included semi-structured in-depth interviews and other secondary data document sources, including an online survey. The quality and integrity of the selected methods has been explained in this chapter including the validity and reliability strategies that were incorporated into the research process. In addition, the generalisability of this study has been considered and may be applied to other case studies for broader theory development.

The chapter has also detailed the data collection and analysis methodologies used based on the Grounded Theory approach. The main purpose of this research was to explore the basic social processes (BSPs) at play and identify substantive theory in the field of crisis leadership and crisis management readiness. Semi-structured interviewing was chosen as the most appropriate technique to identify these BSPs and elicit rich detailed data that revealed experiences, opinions, knowledge, attitudes and perceptions on the research topic.

The interview topics were covered mainly through a series of open-ended questions drawn from previous studies which assisted the researcher to stay focused on the research questions. The interview plan also ensured efficiencies in achieving the point of data saturation when new themes no longer emerged. Theoretical sampling, as prescribed by the Grounded Theory methodology, also directed the researcher to interview appropriate participants who were able to provide the necessary data for efficient interviewing since Phase One interviews were conducted in Bangkok.

The online survey which was employed as a qualitative secondary data source has also been explained in this chapter. The survey was used to augment findings from the primary data source of qualitative interviews. The survey was designed from pre-validated instruments and sought to understand the perceptions of staff with regard to

their organisation's corporate orientation, crisis readiness and crisis leadership competencies. The survey was not intended as a statistically significant research instrument. Instead, the survey was utilised for consistency and provided descriptive frequency statistics to validate the emergent themes. The survey's findings on staff perceptions will be reported in conjunction with the interview findings in Chapters Four, Five and Six of this thesis.

This chapter also introduced how data progressed through the substantive level of coding and progressed to the theoretical level to produce the BSPs and eventually the core category of influence. These themes were reflective of the concerns of the case study organisation participants. Crisis Leadership Influencers and Experiential Learning were the higher order categories conceptualised to reflect the participants concerns with the organisation's state of crisis readiness. The core category then emerged from the higher levels of abstraction utilising the constant comparative method and was identified as Empowering Readiness. Empowering Readiness explained the basic social psychological process that Crisis Leaders require to ensure the organisation's crisis readiness. Chapter Four will describe the findings that explained how Crisis Leadership Influencers emerged to explain the relationships between its lower order categories of Influencing Leadership, Active Sense-making and Managing the Crisis.

In conclusion, Chapter Three has explained the ethical considerations that were taken into account when conducting this study. This chapter also concluded with the study's de-limitations that describe the boundaries that have been established for this research. The following chapters will outline the emergent thematic concepts from the substantive data, commencing with Crisis Leadership Influencers in Chapter Four.

## CHAPTER 4 CRISIS LEADERSHIP INFLUENCERS

### INTRODUCTION

This chapter will outline the findings of Phase One and Phase Two interviews and the secondary data sources, including the online survey results. Thematic concepts emerged as a result of Grounded Theory’s constant comparative method from an early stage of interviews and concurrent data analysis. The research question guiding this study was ‘*How does Crisis Leadership influence Crisis Management Readiness in the Thai hotel industry?*’ The data and its findings to be presented in this chapter will respond directly to this question.

### CONVENTIONS UTILISED FOR REPORTING

In order to maintain the confidentiality of reporting on the findings, and the participant’s anonymity, quotations have not been directly linked to the interviewee listing and have not been labeled. This will also ensure that multiple quotes from one interviewee cannot be linked or identified. The researcher has clearly documented all transcripts and can identify ownership of quotations should this be requested. In addition, the following conventions have been adopted for this study:

- For easy identification quotations have been transcribed directly and have been indented when more than two lines in length, except for when a group of quotes are listed, for example, fire drill comments
- Each quotation is enclosed at the beginning and end with:“....”
- In sections where small talk or irrelevant information to the quote intervenes, the section will be indicated with: .....
- Grammatical errors have been maintained for authenticity but [sic] is used to highlight these errors

The first of the two higher order categories will be discussed in this chapter. To elaborate and discuss the findings, this chapter is presented in three main sections reflecting the categorisation of thematic concepts, their properties and their relationships. The data will be explained as they emerged from the lower order categories to reveal the higher order category of Crisis Leadership Influencers as

previously introduced in Chapter Three. The three lower order categories are Influencing Leadership, Active Sense-making and Managing the Crisis. Crisis Leadership Influencers emerged as one of the Basic Social Structural Processes (BSSPs) of the emergent theory for this thesis.

Crisis Leadership Influencers explained the commonalities of three lower order categories: Influencing Leadership, Active Sense-making and Managing the Crisis. Conversely, each of the lower order categories became the building blocks of the first thematic abstract concept or higher order category, namely Crisis Leadership Influencers. This pillar became the foundation of the first BSSP and was built from securely integrated lower order categories and their interrelated properties. The lower order categories were established through complex relationships from the data, which confirmed that each category influenced the other categories. Crisis Leadership Influencers as a BSSP is presented in Figure 4.1 illustrating the lower order categories and their properties. The relationships within this conceptual framework will be detailed in Section 4.4.

**CRISIS LEADERSHIP INFLUENCERS :  
A Basic Social Structural Process**



Figure 4.1: Crisis Leadership Influencers: A Basic Social Structural Process



Based on Grounded Theory methodology, data analysis utilised interview data and other forms of secondary data including: the online survey, internal and external staff emails, company manuals, advertising and published media sources in relation to the substantive context of the Red Shirt crisis and the case study organisation. Theoretical Coding as explained in Section 3.5 resulted in the categorisation of data and produced the schematic in Figure 4.1 which explained the development of the study's Basic Social Processes (BSPs). The richness of the data indicated relationships that were able to explain the conceptualised research problem and ultimately informed theory generation. The following section provides an explanation of the data's lower order categories which combined to reveal Crisis Leadership Influencers; the first of the two higher order categories.

#### **4.1 INFLUENCING LEADERSHIP**

A CEO's influence on the organisation's performance is deemed to have its highest potential impact in a crisis situation when the organisation's strategy and operating environment are no longer aligned (Yukl, 2010). The extant literature refers to effective Crisis Leadership as being characterised by Transformational Leadership attributes (Hadley et al., 2011; DuBrin, 2013b; Pillai, 2013) including: inspiring followers with positive reinforcement, visibility, and open and honest communication. It was evident from the data analysis that in the lead up to and during the Red Shirt crisis, the leadership role had a strong influencing effect on the organisation and its stakeholders, in particular the staff community. A member of the Bangkok hotel Excom stated in Phase Two interviews that:

“If you're a leader you can't focus into yourself, that's opposite to what a leader is, and during crisis if leaders were thinking about their own safety nobody would be doing anything, they'd be hiding in their home and as leaders you can't do that. You have to be visible, you have to be communicating, you gotta [sic] be there. That's what we got right at that time..... All staff knew someone was taking charge.”

However, it was the Phuket earthquake incident that uncovered the concerns in its most extreme state when one of the key informants revealed the impact of the hotel not being crisis ready:

“In April [2012] we had an earthquake in Indonesia which triggered a tsunami alert for the Andaman region ..... we were very lucky on the day that it happened in the day time, we were lucky it was a weekday, we were lucky that we had people here. What we learnt very quickly is that something we hadn't

anticipated was the human reaction and for many of the staff who were here when the tsunami hit in 2004, they had instinct reactions to run away and we had the situation where over 360 staff literally ran out of the hotel on that day and we were left with probably eight of us who then had to evacuate the guests and move them 3.2 kilometres up the road ..... and so it taught us very quickly that we had to learn how to deal with a situation like this knowing that the human reaction of our staff will probably be, and will continue to be, is to run away.....”

The staff and leadership reactions at the time of the Phuket earthquake reflected an obvious need for a systematic crisis management plan and training for the organisation, which was expressed at various times in the data collection phase. The Corporate Office was not aware of this evacuation debacle and the researcher’s insider perspective and past relationship serendipitously uncovered an important comparative incident for this present study.

In a crisis event, the contextual complexities shape the options available and the decisions that confront leadership. Concurrently, Crisis Leadership behaviours and actions will impact on how followers’ actions are aligned to Crisis Leadership and the Crisis Management strategies implemented. Conger and Toegel (2002) advanced that leaders are shaped by the environment, organisation and individuals, as well as leaders having the ability to influence them. Leadership actions by management at the time of the Red Shirt crisis influenced a number of areas including the staff community, the case study organisation’s business continuity and the future of Thailand’s hotel industry. Conversely, these components also influenced leadership’s vision and goals. The case study organisation’s 2010 Annual Report published with the Stock Exchange of Thailand (and accessed on their website) stated:

“2010 was initially expected to be a strong rebound year for (case study organisation) - as the signs of the global economic recovery were positive especially in the ASPAC region, which fared the GFC better than any other economic bloc. Especially after a challenging year in 2009 following the December 2008 airport closure in Thailand and the deepening global financial crisis, then the storming of the ASEAN Summit in Pattaya in April with the ensuing riots in Bangkok, which discredited Thai tourism and resulted in drastic falls in occupancies and ARR’s throughout the country.

The red shirt protest further worsened the outlook for Thailand in March 2010 when they commenced their 2 month central Bangkok protest site, culminating in the government crackdown of May 19<sup>th</sup>..... During this period (case study organisation) were extremely active in rebuilding confidence in Bangkok through an intensive programme of CEO media interviews, including CNN, and e-communications to the (case study organisation) customer and partner databases.”

In the case of an extreme crisis event, the chaos and complexity of the situation creates a shared sense of uncertainty and unknown. Therefore, managers are challenged to present and articulate a strong, confident and credible strategy for the organisation's future. In describing the CEO's actions a Corporate Office Director stated:

“...we had a good leading person who connected every dot together. That's how I feel, and if anybody missed out, he would track that person and get on action. So I think in a crisis having a good leader is very important connecting everyone together and that's why I don't think we had any problem...”

A Bangkok hotel Excom member was of the opinion in his Phase Two email response that:

“To deal with a crisis in any Company I think one has to first and foremost be able to anticipate one is about to happen, read the signs, evaluate changes and why are there changes, talk to people and make surveys, look for facts and not for rumors.” [sic]

Leadership is defined by Hubbard and Beamish (2011) as; “The ability to develop and articulate a vision of the future for the organisation or a unit of the organisation, to motivate others to buy into that vision and to get it implemented” (p.358).

A number of dimensions characterised the process of Influencing Leadership and included; Communicating, Decision-Making, Visibility, Leading by Example, and Motivating Influencers. The strength of the interrelatedness of these dimensions reinforced the importance of this category to the BSP of Crisis Leadership Influencers. These dimensions are now addressed commencing with Communicating.

#### **4.1.1 COMMUNICATING**

One of the key components of Influencing Leadership is Communicating, which was expressed in both positive and negative terms by the participants. Communicating is defined by the Oxford Dictionary (Stevenson, 2001) as to “share or exchange information” (p.133). The process of Communicating was perceived by the participants as a compelling indicator in the success of the Crisis Management processes. Data analysis revealed that the lack of information-sharing in the lead up to the full blown crisis event created a sense of uncertainty and anxiety in the organisation. A Corporate Office Department Head (DH) interviewee said; “personal safety should be priority and concern for families, but there were no communications from anyone to see where they could be contacted or where they were”. An Excom interviewee from the Phuket resort property said:

“...to me during that time, it’s quite critical, we should have something like a daily update maybe in the morning like in the morning today what’s going on, what’s the update last night, blah, blah, blah. Spot person make sure is there any update so we are aware of that but at that time maybe only certain people know..... during the crisis, there are a lot of assumptions. What’s going on, how about this here, and we don’t know whether it’s true or not.”

Another interviewee from the Corporate Office also stated:

“...there was no information coming out from HR how to act in case of an emergency. Or what to do if something happened while you were at the office or how to communicate if something happened during the night.”

Communication, or lack thereof, was identified with high regularity as one of the major influencing factors in staff and stakeholder perceptions when evaluating leadership performance. For those interview participants who were able to access information directly from the CEO, such as the Director responsible for corporate communications, there was a feeling of confidence and trust in knowing the CEO’s plans and his sharing of information with the unfolding events of the Red Shirt crisis. Moreover, there were similar levels of confidence and trust expressed by the department heads (DHs) in reference to the hotel’s GM, due to daily and regular meetings on how to deal with the crisis on hand.

Conversely, much criticism was directed at the lack of communication emanating from the HR Department. One of the interview participants, along with almost all participants, also expressed the lack of information and updates provided by HR, in short she stated:

“HR sent a message, I think it was a few days earlier, but just very brief that we’ll let you know if you’re going to go home but then there was nothing. They basically shut down. There was nothing.”

Participants referred with regularity to the HR Department’s inability to provide clear and precise directions to the staff population with regard to reporting for duty in light of the expected escalation of violent protests. Another Corporate Office executive interviewee stated:

“In the beginning there was certain communications by HR about that all was calm and should staff choose to stay at home and work to inform their superiors, their supervisors or managers. But there was no preparations in terms of what to do if something suddenly happens when you’re at work, how to react, how communication would happen. So in terms of preparing if something would happen fast, there were no messages going out.”

As a result, the rumours generated from a lack of open and honest communication or concise and clear directives created an even higher level of anxiety within the staff population. The participants did not receive any updates from HR and became reliant on social media, which added to the uncertainty as some of the messages were unable to be verified. From internal emails at the time of the crisis it was evident that the HR department's limited messaging was also confusing, as written in an email on May 17<sup>th</sup>, 2010 by a Corporate DH to the VP:

“Apologies, it's rather tough to understand as the directions have been fragmented. Now HR has sent an email stating that the Corporate Office will be close [sic] on Monday without stating that DH are to report to a satellite office.”

This email thread followed on from a staff member asking on their Blackberry text: “Have u get [sic] any instruction from HR on this matter? Please share.” Therefore, the feelings of frustration, fear and uncertainty were evident when there was inconsistent messaging or lack of communication. Yet when the levels of communication were deemed high, the frustration, fear and uncertainty subsided.

Meanwhile, as detailed in the researcher's “Recollections and Reflections” the head of HR for one of the competitor hotel groups also based in Bangkok explained their communication processes. They had initiated a regular SMS update alert system to all staff, as well as posting updates on the company's internal website during the Red Shirt crisis of 2010. The proactive nature of this company's HR Department was in stark contrast to the passive activity and lack of communication from the case study organisation's HR and its perceived communication inadequacies at a time when staff sought meaningful advice and directions. In Phase One the RM executive from Corporate Office believed more information should be forthcoming from HR and said: “...no-one can make a decision and wait for only one person, you know, and maybe HR should make a decision to protect our employees.”

A Corporate Office DH in Phase Two interviews stated:

“...there was no message delivered. The message came out that nothing is happening only noting at the moment that nothing was happening but the official message was giving the opportunity for staff that felt uncomfortable to not have to come to work. But within the unofficial communication between colleagues, I think there was a sense of worry because at the moment everyone was continuously looking at the Twitter news coming up, looking at the news channel for what was going to happen. So there was an anticipation that it would escalate but otherwise you wouldn't logically look all the time what was happening.”

Another Corporate Office DH stated during Phase One interviews:

“Internally, I don’t recall anything from HR, I don’t think there was a message from HR, I can’t remember, nothing stood out in my mind. . . . . You were hearing different messages from different people so no-one really ... the only way that you knew that something was really going to happen was more the silence if that makes any sense? There was a lot of silence so you’d hear one thing and it would never happen but then total silence and whatever situation ... it was totally different to what we were being told or heard. That’s why I think everyone went on to Twitter because that was the only method of communication that’s not within the company.”

The data exposed the need by the staff community for open and honest communication, which related to the levels of trust felt by the followers for the leader. As described by an interviewee from the corporate office, who was concerned with the threat level of potential violence, the message conveyed by the CEO understated the threat level and she commented:

“The CEO, actually I remember on that night before the general died, said that everything would be OK. That was the message I got. Don’t worry about it; everything will be OK because I questioned whether I should walk home.”

Her return journey from the office to home each evening was on foot, and she was anxious about the military buildup between the office precinct and her home. Her concerns were validated with an escalation of the violence soon after. This caused some distrust and disrespect for the leader’s estimation of the situation given the danger that she felt she had been subjected to. Although she felt there may have been an attempt to reassure her that the situation would not worsen, she would have preferred open and honest communication. She continued to explain:

“On my way home I’m seeing the army being gathered in front of the (international hotel company) and this didn’t look fine to me and obviously it all blew up a few hours later. So maybe that was more to reassure but I don’t think that was the right message. HR sent a message, I think it was a few days earlier, but just very brief that we’ll let you know if you’re going to go home but then there was nothing. They basically shut down. There was nothing.”

Trust is an extremely important component in the relationship between leadership and followers and will influence the level to which followers will follow (Pillai, 2013; Yukl, 2010). However, the CEO’s reassurances may be reflective of the Thai culture and the belief that the situation would not worsen, or that ‘it will all work out in the end’, a view echoed by many of the participants throughout the research study. The National Culture aspects of the data analysis will be detailed in Section 4.2.3.

In support of the need for clear messaging, the Phuket earthquake incident provided the researcher with confirming data with regard to how the lack of prompt and precise communications at the time of a crisis negatively impacted the staff population. Unfortunately, the resultant tsunami sirens spread panic and fear throughout the staff and as a consequence they fled their posts to seek higher ground leaving hotel guests without assistance or direction. As explained by a Phuket hotel Excom in Phase One interviews:

“One thing that we realized we didn’t do well was to get the message out fast enough which is why we’ve implemented this text message system to say to them you have felt an earthquake, you need to be calm and then you need to come to X, Y, Z point because we now have a pre-assembly point which is the back of the house at the loading bay where they come for information and that was one of the hardest things for us knowing that we didn’t handle that well. So they felt the earthquake for the first time in their lives and didn’t know what to do and literally panicked and ran away. The tsunami alarm is loud and scary and horrible and therefore the people that hadn’t run then took to the hills themselves.”

A neighbouring hotel in the resort precinct experienced a similar result and a hotel guest responded on Trip Advisor with the title “Tsunami Warning and Staff Left us Behind” (April 22, 2012). The experience from a guest’s perspective was one of disorganisation and terror. Appendix 13 provides the full Trip Advisor report.

During the tsunami warning, hotel staff departed without any consideration for the guests, who were left behind in a state of panic and despair with no direction or assistance in the evacuation procedures. The normally calm Thai staff who were in panic mode only added to the fear levels of guests. A Phuket hotel Excom described the scene:

“...once the earthquake had been felt, we didn’t get the message out fast enough to our employees that there was no cause for panic and that they were to continue their duties. Because that message couldn’t get out fast enough to the various restaurants, the guy cleaning the cars out the front, so many people to get a message of calm out without running around looking like something was wrong, therefore people were getting phone calls, staff were getting phone calls, people were looking at each other nervously and the cause of alarm was, as I said, because they didn’t know what an earthquake was, they then looked uncomfortable, guests could see the staff looked uncomfortable which meant guests feel uncomfortable.”

The guests who provided the Trip Advisor critique concluded that the hotel needed to address the evacuation procedures. As a result of their disappointing experience from what had been an enjoyable holiday until that point, they departed six days early and

were not prepared to return. The lack of a Crisis Management plan at this property reduced the guest intended repeat and referral factor and as a flow-on, reduced revenue generating opportunities.

One of the most senior managers at the case study organisation's Phuket hotel, and a key informant, described the staff reaction to the earthquake similarly to the Trip Advisor review of the neighbouring hotel. He stated in the interview:

“...guests are so confused where to go, how, there's no such clear so we just say can you just go this way and after that where, what else, how many kilometres”.

Due to this less than satisfactory staff reaction and the impending arrival of a major Chinese back-to-back incentive group of 15,000 delegates, the resort precinct hotels were required to urgently formulate a crisis evacuation plan. As explained in Phase One interviews by the Phuket hotel Excom member:

“Khun (owner's name), who is the former owner of this property, called an investigation to be done by some experts in Singapore who came and interviewed us all and various people and staff and put together quite a great plan for an evacuation if it happens, if we ever need to again.”

Upon reflection and through a debriefing process of the previous day's failed evacuation, the hotel's Excom recognised the need for prompt, clear and precise communication with staff and guests, which would have calmed the situation and allowed for a safe and orderly evacuation. The Phuket hotel Excom member explained:

“What we were able to do was get the guests back at about 8.30 in the evening by bus because (the resort complex) which is where we're located has coaches which they use for staff for transportation to and from home, they therefore reacted with that, and consequently after this event there was a massive investigation done about how we handled it. Our hotel out of the seven seemed to be the one that handled with the best ability even though we probably did fail in some areas.....”

The new Crisis Management Plan developed for the resort complex as a result of the debriefing has incorporated a communication tree and highlighted the previous areas of concern and provided the Excom with a more rigorous plan to address weaknesses and support a more communicative Crisis Management Plan. Communicating is not only about face-to-face communication but also adopting all forms of technology. In a crisis event, the messages need to be sent quickly and employ all communication tools to assist in efficiently distributing the message to the entire staff. The Phuket hotel Excom realised that all staff had multiple mobile phones and the majority had smartphone technology, so they implemented a text message system to direct staff to pre-assembly



points and instructed them to download tsunami and earthquake applications for up to date emergency information. The Phuket hotel Excom member stated:

“They’re OK with earthquakes. Still, the tsunami siren I would say, would make them run away again but we’ve had it since, we had an earthquake and they stood still because they know now it just means the earth moves. We’ve talked to them about the Richter scale, we talked to them about the website, we’ve talked to them about nowadays there’s a link you can have on your iPhone because many people have iPhones, there’s an earthquake iPhone application so people are signed up for that. Yes, they know a lot more and they know how to react I believe.”

During Phase Two data collection in August 2013, there was yet another political demonstration underway and a protest camp once again set up in (name of park), which is located directly opposite the corporate offices and the flagship hotel in Bangkok. Phase Two participants expressed their concerns that HR were once again communicating ineffectively and were unprepared for any potential crisis event. Some informants indicated that the lack of information caused anxiety and panic amongst the staff population as rumours were allowed to intensify unabated as evidenced by an interviewee in Phase One based at the Corporate Office who said:

“...for us we are sitting in our office, we are just talking to each other whether that’s true or not and you really, really want to know more in a call to the person. But again, I don’t know, because we always tried to look at this crisis as not a real crisis because we are in the hospitality industry we don’t want to make people panic so maybe the intention to make everything look OK.”

A Corporate Office DH’s frustration was shared with the researcher by providing a copy of the only HR email communiqué on the possible threat during Phase Two interviews. The email failed to provide any directives or reassurances to staff in the case of an imminent breakdown of civil security as at 8 August 2013 and he stated:

“There were [sic] no action from anyone, not from HR, not from anyone, no announcements, nothing. Even with the current situation right now where we are still having the yellow shirts across in the (name of park), our PR Department sent a few links from Bangkok Post and The Nation to some of us to update us what’s happening. There was no reassurance of what HR was going to do, what happens if the phone lines are cut off, how are we going to communicate, nothing from HR at all.....they should be protecting the expats as well and inviting us to be in contact with our own diplomatic missions, like the Malaysian. Even the Malaysian Embassy sends me SMS messages, they tell me this is the number to call if it gets tough and we’ll come and get you, or if you need help or whatever.”

The same participant shared a United Nations internal staff communiqué of 6 August, 2013 in reference to the same potential crisis threat. The UN email provided detailed

information about preparations and directives in case of an incident and was used to compare and express frustration and disappointment with the case organisation's own lack of communiqués. The lack of clear communications created another wave of uncertainty and doubt within middle management about the capacity of the organisation to deal with a possible crisis eventuality.

Communicating emerged in the data analysis as a highly interrelated category with the lower order data categories of Influencing Leadership as well as being related to all the components of the BSP Crisis Leadership Influencers. Effective Communicating, which is characterised by an articulate and perceived credible delivery, clearly influenced followers in reducing their fear and anxiety and encouraged followers to accept their leaders' decisions and actions. A Bangkok hotel Excom described the performance of that hotel's GM during the Red Shirt crisis:

“As leaders you got to be visible, you got to be communicating, you got to be there. That's what we got right at that time. All staff knew somebody was taking charge.”

The next section will describe Decision-making in more detail and explain its contribution to theory development and its interrelatedness to the categories that made up Influencing Leadership.

#### **4.1.2 DECISION-MAKING**

Decision-making was identified as one of the main components of the lower order category Influencing Leadership as thematic categories began to develop. The data elevated Decision-making to a single category based on its importance to the Crisis Leadership activities and its strength of interrelatedness to the other lower order categories. In a crisis situation, crisis management activation is reliant on how leadership makes decisions and deals with an unfolding crisis situation. The ability to make decisions with a strong sense of conviction and confidence positively influenced the followers' understanding and acceptance of leadership directives and also contributed to their level of trust in the leader.

Some interview participants were critical of the procrastination of the CEO in the lead up to the full scale outbreak of violence and the delays in deciding on staff reporting to

duty, closing the hotel or having an alternative location from which to operate. The Corporate Office RM executive described his thoughts on the CEO's actions:

“I understand that the situation is no-one can decide and don't know what's going to happen next because it never happened around here actually. So the one who should have given the direction should be our CEO or CFO and communicate down to lower level,...”

One of the Bangkok hotel Excom explained his opinion of the decision making efficacy:

“They kept on talking about closing and this is only between the owner (CEO) and the general manager. As (name), my ex-wife or the mother of my son, told me a few times, she cannot believe that the owner would put people in danger just for the sake of keeping the hotel open without making even a revenue.”

In response to the question on decision-making efficiency, specifically in relation to timeliness in the lead up to and during the crisis, a Bangkok Excom explained that; “some of them [staff] said the decision came quite late, why didn't we close the hotel before?” Another Bangkok Excom concurred “I can say we did take too long”. While the RM executive from Corporate Office also agreed; “the process of the decision making I think it's too long.” Although, further into the interview and discussing the potential for political protests again he believed that; “I think for sure they can make a decision quicker than last time I think because now we have the experience.”

One of the interviewees referred to how an international banking organisation, namely Deutsche Bank, relocated its staff to an alternative office location many weeks prior to the escalation of the Red Shirt crisis violence. This was seen as a positive decision and escalated staff welfare as a priority; whereas the case study CEO's indecisiveness was interpreted as lacking in the resolve or foresight to make a similar decision and instead reduced his credibility and trust as a leader. Loyal staff were torn between doing the right thing by the company and reporting to work, while their families were fearful of their attendance at work. The sense of loyalty also contributed to their anxiety about their personal circumstances such as their safety and future work prospects and the company's situation.

Delays in Decision-making had a negative flow-on effect on the prevailing mood of uncertainty in a tense contextual crisis situation. Decision-making is also interrelated to a company's National and Organisational Culture as a reflection of the organisation's adaptive capacity. Adaptive capacity is described by McManus, Seville, Vargo and Brundson (2008) as “a measure of the culture and dynamics of an organisation that

allow it to make decisions in a timely and appropriate manner, both in day-to-day business and also in crises” (p.83). Evaluating Decision-making efficacy based on adaptive capacity considered a number of issues including leadership and Decision-making structures, information sharing and retention, and a company’s flexibility and agility when responding to a crisis.

In a crisis event, staff look to their leadership to guide and direct them through the ‘minefield’ of issues and priorities that challenge and test the organisation. The Phuket hotel GM failed to create an environment of calm and confidence for the staff. By being indecisive, he allowed the situation to deteriorate to the point that they abandoned their posts. The key informant described the urgency that was required to make a decision after the earthquake and her encouragement for him to do so, but the GM wanted to know what the other hotels in the vicinity were doing. Unfortunately, they did not have this information and delayed giving instructions to Department Heads. The pending decision was overtaken by the tsunami sirens “...which therefore meant we didn’t have any decision to make. We just had to go” and they had to evacuate in a less than professional fashion. Another of the Phuket resort’s executives stated:

“I end up seeing the GM running around to go to the beach, to go to this, but in my understanding it’s supposed to be GM stand in one place together with the one person, it’s not necessary to go everywhere. At that time I saw the GM run to this area and going to the restaurants.”

He continued by sharing his concerns that the GM was not providing any clear direction or delegation, this is also related to the following classification with regard to Visibility.

The hotel has since implemented a Crisis Management Plan (CMP) that has been shared and communicated with the staff. The Phuket hotel Excom member who managed the debriefings and training with the GM, provided the CMP with staff SOPs, and evacuation route plans to the researcher in follow up emails after the Phase One interview. It provides a clear road map for Crisis Leadership’s Decision-making processes. As a result of this new Crisis Management Plan, the ability to make more timely and efficient decisions has increased the level of confidence on all levels and the current leadership believes that they will react in a much more positive manner should they experience another crisis event. The Phuket Excom member described the staff reaction after a subsequent earthquake and implementation of training during Phase One interviews:

“We had another big one on the first day that the Amway Chinese Congress was arriving and that was also quite harrowing for the staff but they actually stood still. They knew what it was and didn’t run away and they were OK so it’s one of those experience things and now we’re lucky we’ve had that but prior to that we’ve never sat down and said this is what an earthquake’s going to feel like or we’ve never simulated it. .... we did a campaign of training in the monthly meetings. We attached a little kind of two jellybean men cartoon that we made about what to do in an earthquake and we stuck that to the payslips for a month and we stuck it all over the place so I think we’re cool with that now. I think if we continue to do that, we’ve added it to the orientation program.”

Decision-making is also reliant on information being shared so that leaders can make the most time-efficient decisions. At the time of the Red Shirt crisis and working from the Crisis Command Centre (CCC), another participant stated his frustration about the lack of information dissemination and the difficulties in assessing the situation to make optimal decisions and stated:

“We were trying to operate in the dark; there were so many unknowns and so many uncertainties. I think the thing is good reliable, truthful information never arrived when you needed to make those decisions. So you were always going off a hunch or your best guess, that’s how I can remember feeling.”

In contrast to this, during the Red Shirt crisis event the Bangkok hotel GM regularly held meetings with the hotel’s Excom and shared his Decision-making responsibilities. This allowed the hotel Excom team to discuss, accept and implement the GM’s directives in a time efficient manner. Two of the Bangkok hotel’s Excom members detailed the GM’s consultative Decision-making style, including one Excom member who described the process of sound recommendations from staff being acknowledged and implemented:

“And there was an open dialogue which I think is very important. All Excom members whether it’s the human resource director or the security chief or the chief engineer, all Excoms had a voice and were able to give suggestions and a lot of them were very sound suggestions which helped us. We could have had deaths in the hotel for example, we could have had a bullet coming through the ballroom glass, through the foyer window but fortunately this did not happen.”

Another Bangkok hotel Excom member stated:

“Of course individually we analyse and assess the situation on our side but I felt that because I was also part of the decision making process... I had some ownership on what was going on and I felt that whatever (GM) says isn’t right, but with my own analysis I found that OK, that’s probably the best thing to do, barricading this door, closing there, cutting the barbed wire on the back wall.”

This Decision-Making strategy encouraged joint ownership of the decisions and encouraged support and follow through of these initiatives to prepare and deal with the crisis situation. The extant research has indicated that greater success outcomes for organisations are experienced when crisis preparation and response is managed by a Crisis Management team rather than an individual (Pearson & Clair, 1998).

On the other hand, the corporate CEO was operating in isolation without consultation from his senior management team. It was noted by a Corporate Office DH that the CEO should have heard opinions from all sides; he should have made his decision based on staff input so everyone would get on board and follow:

“...ultimately this should have been a corporate team galvanised into action at that stage and it shouldn’t have been the decisions of one person trying to save (the) hotel, it should have been a wider decision than that.”

Instead most of the Vice President (VP) level management did not report for duty prior to the escalation of violence or to the CCC at the height of the crisis. This resulted in a number of middle management participants suggesting that senior management lacked accountability and ignored their responsibilities in steering the company during the Red Shirt crisis. It also indicated the CEO’s inability to secure the loyalty and commitment of the VP management cohort.

Decision-making is a key factor in Crisis Leadership efficacy and shares strong interrelatedness with the BSSP classification of Crisis Leadership Influencers. It is related to the next property of the current lower order category, which also positively contributed to the interconnectedness of the BSSP. The Grounded Theory method allowed for concurrent data collection and analysis, which illuminated the classifications of Communicating and Decision-making in the formative stages of theoretical conceptualisation. The classification of Visibility also emerged as a strong interrelated factor of the lower order category and will be explained in Section 4.1.3. However, first the results of the online survey with regard to the staff perceptions of the Manager/ Supervisor’s leadership capabilities in decision-making and problem solving will be reported in the next section.

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**(i) ONLINE SURVEY: PERCEPTIONS OF MANAGER/ SUPERVISOR LEADERSHIP CAPABILITIES**

As previously explained, data from the online survey served to evaluate qualitatively the findings from the primary data source. As a follow on from the findings on Decision-making, Section Three of the online survey explored the staff perceptions of their manager or supervisor and utilised statements from the *Multifactor Leadership Questionnaire* (MLQ) relating to two relevant factors, namely Intellectual Stimulation and Inspirational Motivation. These were utilised in order to understand leadership capabilities in a crisis situation. The MLQ questionnaire was developed by Bass (1985) and consists of three leadership concepts: transformational, transactional and laissez-faire.

Two behaviours attributable to transformational leadership were selected for this survey, since transformational leadership is considered to be the most appropriate leadership style to promote positive change in the hotel industry (Blayney & Blotnicky, 2010; Tracey & Hinkin, 1994 & 1996). The behaviours selected were Intellectual Stimulation and Intellectual Motivation and their corresponding MLQ statement items.

Intellectual Stimulation is aimed at encouraging new ideas and challenges staff to question beliefs, values and assumptions so that they may be prepared to address problems in the future (Kan, 2002). Intellectual Motivation is also extremely important especially in times of crises when staff need to overcome fear and anxiety to positively prepare and follow through with the organisation's initiatives in order to mitigate any further negative impact from the crisis.

In addition, Section Three of the online survey also included items from James and Wooten's (2005) crisis leadership competencies in relation to perceptions of trust and decision-making. The Cronbach alpha of .894 indicated the strength of the common factor reliability and consistency in respondent's Leadership-related answers (see Table 4.1).

Table 4.1 displays the frequency of perceptions on leadership. Managers/ Supervisors are seen as "extremely optimistic about the future" (77%), which is an important leadership trait to exhibit during a crisis when anxiety and fear can be at their highest levels. However, it may diminish the ability to think the unthinkable (Mitroff, 2004b)

and reduces the importance of Crisis Readiness in the organisation. The Manager/ Supervisor’s ability to get the employee “to look at problems from many different angles” cannot be considered as one of the strongest ratings (56.8%), but it does reflect a willingness of staff to consider the options available during a crisis event and a stimulating work environment.

Table 4.1: Perceptions of their Manager/ Supervisor

Statement	Mean	% Agree/ Strongly Agree (4+5)	% Disagree/ Strongly Disagree (1+2)	A Cronbach Alpha
<b>MLQ : Intellectual Stimulation</b>				.894
Seeks differing perspectives when solving problems	3.60	64.4%	11%	
Talks optimistically about the future	3.79	<b>77.1%</b>	6.7%	
Suggests new ways of looking at how to complete tasks	3.65	67.8%	10.2%	
Gets me to look at problems from many different angles	3.48	56.8%	11%	
Talks enthusiastically about what needs to be accomplished	3.60	65.3%	11%	
<b>MLQ : Intellectual Motivation</b>				
Expresses confidence that goals will be achieved	3.69	66.9%	6.7%	
Articulates a compelling vision of the future	3.58	60.1%	7.6%	
<b>Crisis Leadership Competencies</b>				
Has my complete trust to make decisions during a crisis	3.52	56.8%	8.5%	
Makes decisions fast and accepts responsibility	3.52	62.7%	14.4%	
Makes decisions without thinking through all possible outcomes.	2.97	29.7%	<b>33.9%</b>	

Scale 1-5 : Strongly Disagree (1) to Strongly Agree (5)

Stand out results are in bold font and are in excess of other scales :

Disagree/ Strongly Disagree 33.9% is more than double other scales. Agree/ Strongly Agree 77.1% is almost 10% higher than other scales

The Intellectual Motivation factors were relatively strong in agreement with 67% for “expressing confidence that goals will be achieved” and 60.1% for “articulates a compelling vision of the future”; which would combine to motivate staff at times of crisis and post-crisis.

While the MLQ results are relatively strong in agreement for Intellectual Stimulation and Motivation, staff indicated with marginally less confidence that they trusted their Manager/ Supervisor to make decisions during a crisis (56.8%). “Making decisions without thinking through all possible outcomes” is reported with the highest level of



disagreement (33.9%), and agreement for this statement is low at 29.7%: therefore, the Manager/ Supervisor is perceived to be weak when considering all options in decision-making. Although they evaluated their manager/ supervisor as being prompt in making decisions and accepting responsibility (62.7%), there was a slight increase in those that disagreed with this statement at 14.4% in comparison to other statements.

Of the 12 free text responses, decision-making efficacy was described as less than effective with the following statement:

“I believe that the company has good intention to take care and provide support to staff during the time of crisis. However, it would be great if the decision making could be made faster and more prompt. The proper analysis on the situation and forecast on the outcome by the designated executives at the early stage and announced the clear direction to the staff would ensure staff confidence and assist staff to have clear direction how should they prepare themselves and to response to the situation.”

In contrast, another free text response provided a different insight to the company’s activities during the red shirt crisis:

“During the political unrest in Bangkok2010, my company reacted well to the situation. Staff’s safety was the main concern so the management had done everything to make sure that all staff was safe.”[sic]

The online survey provided further qualitative insights into the findings on the classification of Decision-making and contributed to the emergent theme of Influencing Leadership. The next section will discuss the role of a leader during a crisis event and their Visibility, which emerged as an interrelated classification to the Communicating and Decision-making themes that have been introduced previously.

### **4.1.3 VISIBILITY**

Visibility is another important component of the lower order category Influencing Leadership and provided stakeholders with an opportunity to visualise leadership in action from which they were able to assess their leader’s performance. It was also closely interrelated to the other lower order categories that made up Influencing Leadership. The notion of Visibility acts to reassure stakeholders that leadership is dealing with the crisis situation and assists in easing the fear and anxiety of the internal and external stakeholders. By having the hotel GM and other Excom visible to the staff and guest community, the level of confidence was heightened. This was echoed by one of the middle manager Directors who said “It’s important for the rank and file staff to

know that we are here and not just disseminating all these instructions from a remote point”.

The data revealed three specific contrasting examples of leadership Visibility and its influence on hotel staff namely: the CEO who was the spokesperson for the company and the country’s crisis-fatigued hotel industry sector in local and international media, the GM of the Bangkok hotel at the Red Shirt battle front-line, and the GM of the Phuket hotel during the failed earthquake evacuation.

The CEO became the spokesperson for the Thai tourism industry as a result of his willingness to answer CNN television network’s ‘World Business Today’ questions during the military crackdown on 19 May and in a follow up interview on 21 May, 2010 with the anchor, Andrew Stevens. This was also backed up with local television news broadcasts and newspaper interviews. His message was calming yet positive that the industry would rebuild from this crisis. He sought to reassure business and leisure travellers that Bangkok and Thailand would again be safe for travel:

“I think a lot of people in Asia, a lot of people in the world have very positive image about Thailand. They know that this situation is something that happened and shall pass. We believe it’s going to take some time maybe a few weeks maybe a few months but we believe the people will come back to Thailand.” (Stevens, CNN, 19 May, 2010).

This broadcast provided a reassuring message to international visitors, but also instilled pride and encouragement to the company’s employees, suppliers and partners.

The CEO was also determined to be on site at the Bangkok hotel every day, despite the security warnings and ongoing military action, to ensure that the skeleton management team staying in house were safe and well. He also made the daily drive to the CCC where he worked from the Boardroom dealing with the Crisis Management issues at hand. By being visible at the hotel, the CEO’s credibility was enhanced. One of the Thai middle management recalled the CEO’s explanation to her that “if he’s here, it’s going to encourage the staff that it’s OK ... because he was here”.

The CEO’s Visibility was applauded by staff to the extent that once the hotel and Corporate Office reopened he was presented with an appreciation book of thank you messages. The presentation was at a staff event celebrating the reopening with a Buddhist ceremony to bless the hotel and Corporate Office of the case study

organisation. The CEO's high level Visibility continued into the recovery phase and another of the Thai senior middle managers was encouraged and proud that when the Bangkok Metropolitan civic department office initiated a clean-up day, the company's CEO was prominently featured for his active participation. This provided the staff community with additional opportunities to visibly confirm a committed and dedicated leader. The CEO engaged staff with these visible opportunities so they would trust, feel reassured and confident to follow his directives in the short term, and embrace his long term vision to rebuild the company and the country's ailing tourism industry.

One of the hotel's DHs was of the opinion that the best companies have very visible CEOs, and he described the case study organisation's CEO's messaging through all media outlets as 'powerful'. He felt that the company's image was improved and fared better than other hotel groups, who refused to participate in media interviews such as with CNN. He said:

"I think that was a great example of using a crisis into an opportunity where the company, (CEO) actually put the company as available for interviews as opposed to just denying or no comments on anything and we were able to talk about the situation and get some PR out of it which is still being talked about. ....Yes, it is believable PR. Because I think at that time people wanted to know, just get information about the situation, the hotel after being shot at, being bombed, being fired at, people wanted to know anything. It was just hunger for information and it was a good move to put the CEO as a spokesperson."

This is in contrast to the fact the hotel's GM was initially approached by CNN for an interview on the Red Shirt crisis; however, secondary data emails referred to his refusal to participate because he did not have confidence in the message they were seeking. He was of the opinion that CNN were negatively and fictitiously broadcasting the situation.

The CEO's decision to participate on CNN also interrelates to both the decision-making process and communication. The Corporate Communications Director consulted with the CEO and encouraged his participation. The decision to actively engage with the media was provided in a speedy time frame. As a consequence, the CEO became a regular spokesperson on the highly influential CNN business news segments even though the original request was declined by the hotel's GM. The email with the subject header "Live Interview with CNN ( URGENT )" from the GM, dated May 18<sup>th</sup>, 2010 stated his refusal to connect with the journalists:

"I did not allow them into the hotel yesterday as they were the ones who said that the sniper came from our building. They wanted to see the rooms that were

damaged and the outside of the hotel I refused and did not give them any information. (the reporter) later emailed me for comment and I did not reply. I recognized the female anchor from US .....at (hotel) entrance yesterday morning as they wanted to sneak into the hotel without permission.”

The hotel business unit leader at the Bangkok hotel was the GM. His Visibility by being on duty in the pre-crisis period and then throughout the violent episode of the crisis contributed to his elevated status as a dedicated leader and the resulting positive data collected on his Crisis Leadership performance. He made the unprecedented move to relocate the daily briefings to the Lobby Lounge from the Executive Boardroom once the hotel had been closed so that staff could attest to his presence. This strategy reassured the staff and guests that he was managing the situation and provided a sense of calm to a high pressure crisis situation.

In contrast, neither the Phuket hotel GM nor the hotel’s Excom were visible at the time of the April 2012 earthquake and subsequent tsunami alarms. The lack of Visibility only added to the confusion and panic of hotel guests and staff. One of the study’s key informants described the scene as being chaotic. The Excom were in a meeting room at the time when they should have been visible to guests and staff providing directions and comfort in a stressful situation. They did not have a dedicated meeting point where the staff could meet and obtain instructions and reassure each other that they would cope with the situation. Leadership’s lack of visibility fuelled fear and anxiety that pervaded the crisis mood of the hotel community at the time.

As a consequence, the resort precinct’s group of hotels (seven hotels) undertook an immediate investigation into the evacuation failure. The case study hotel identified the lack of Visibility as being a major contributing factor to the staff abandoning their post and ignoring their responsibilities. Through their debriefing process and organisational learning they realised that staff couldn’t see their DHs because they were in the Executive Office. They have now designated a meeting point in an open space at the loading bay since they recognised the need to be visible and the Phuket Excom member explained in Phase One interviews:

“...you need to settle your team down, you need to make sure your team is OK and the gathering point was really important that the staff needed to see us, needed to see that we were OK in our face because that would have helped them a lot. Because they couldn’t see us because all department heads were standing in an executive office that therefore they couldn’t see us so the meeting point has now changed to be a very open space which is the loading bay where they will

visibly be able to see us and have that assurance from that face. OK (GM name and executive's name)..... OK, they're not crying, I'm OK, and there is power in numbers....”

The data highlighted the importance of a leader's Visibility in the performance of positive leadership influences. An important interrelated factor with Visibility was the notion of the leader's ability to lead by example. Leading by Example provided visible evidence of a leader's ability to manage the chaotic situation and as a consequence contributed to the level of trust and confidence that allowed followers to follow the leader's actions and strategies. The emergent category of Leading by Example is detailed in the following section.

#### **4.1.4 LEADING BY EXAMPLE**

In the context of an emergency services organisation such as a fire fighting or police service, the leader may be forced to send the team into a dangerous situation. Followers will be more consensual to participating and accepting of the leader's directives when they have seen or are aware of the leader 'Leading by Example'. (Hannah et.al, 2009)

Leading by Example emerged from the participants' data in the earliest phase of data collection and analysis as a leadership influencer and contributed to building the lower order category of Influencing Leadership. The notion of Leading by Example is also interrelated to Visibility, which emerged from the data when participants witnessed positive actions by management. These positive actions reassured followers that leadership were dealing with the situation and they had their followers' best interests in mind.

International hotel establishments are a round-the-clock, three hundred and sixty-five day operation and senior management in many cases live in the hotel. This is especially true during times of uncertainty and possible crisis events. Another one of the Bangkok hotel's Excom recounted the situation of management staff staying in the hotel in the lead up to the crisis and after closing the hotel for eight days. She described the role of management as; “most of the managers sacrificed themselves and its part of our responsibility to lead” to indicate the commitment during an emergency situation, even when their own families would have been worried for their safety and they in turn for their families. She felt that if she asked her staff to report for duty she too had to be

there to look after them. The notion of Leading by Example is inter-related to the leader's sense of responsibility which will be further explained in Section 4.3.1. In the most extreme of hotel terrorism contexts, during the Mumbai hotel attacks in 2008 the GM of the hotel continued to manage the situation as well as the hotel staff and guests, through a three day siege even when his wife and two children had been killed by terrorists (Deshpande & Raina, 2011).

In the case of the Bangkok hotel GM, the level of trust intensified with his actions in the lead up to and during the Red Shirt crisis and during the event. This was a surprising outcome when the participating informants had been previously critical of his management style; yet, when they discussed his Crisis Leadership performance they were extremely complimentary of his Leading by Example at the time of a crisis. The researcher probed this revelation further in Phase Two of the interviews and sought to understand why they previously held a contrary view of the GM's leadership style. They had similar reactions and referred to his management style in day-to-day operations as micro managing and overly detailed centric, where daily briefings could not be considered as 'briefings' in the true sense of succinctness but were 'long-winded' meetings or as some described, 'talk-fests'. In contrast, the GM's detailed centricity was appreciated in the lead up to and during the crisis event, and his common-sense approach was respected without exception with comments like:

“.....his objective was security, having enough food, having a place to sleep for those people that stayed in the hotel and I thought this was very smart and I admired him for being so practical and identifying what is actually important in this kind of situation. It's not important to go out in the car park to check the tulips. You don't need heroes in this kind of situation and he also mentioned that, don't try to be a hero he told the security people. If you don't have protection and you hear shooting do not go out, hide behind a pillar and don't stand in front of the glass. I think this is the fundamental thing to make sure people don't get injured.”

The researcher found this revelation by the GM's Excom members an unanticipated factor for consideration, considering their prior negativity and made a memo note at the time of the interviews that:

“(name of hotel Excom) acknowledged the GM's leadership very positively and yet (researcher) had experienced his past negativity about his superior and the GM's leadership style especially in regard to the way he conducted meetings, yet under siege and in crisis, (name of hotel Excom) was very complimentary. In some ways it reminded me of NY Mayor Giuliani after 9/11, whose popularity was low but grew stronger as a result of the crisis and his leadership”.

Although Rudolph Giuliani's mayoral career was coming to an end in September 2011, the combined global television images of Giuliani taking a strong position against the terrorists and yet showing a compassionate stance towards victims evoked a leader in control and reignited his career as a Crisis Leader (Beirman, 2003; Boin & Hart, 2003; Brockner & James, 2008; James et al., 2011; Jordan-Meier, 2012; Ulmer, 2012). The same has been said of the Queensland Premier Anna Bligh in the 2011 floods which devastated the state's infrastructure and left much of the land mass under water (World Bank, 2012). Bligh too was highly visible, open and honest in her communications, articulate and empathetic for a state in crisis, while displaying a strength of resolve to rebuild the state's infrastructure and encourage 'Queenslanders' to support each other (Jordan-Meier, 2012). The 'mud army' has become synonymous with the rebuilding efforts (Bohensky & Leitch, 2013) of the Queensland public's effort inspired by a Crisis Leadership who was leading with strength and positivity.

The Bangkok hotel GM was also positively recognised by staff for his visible leadership activity while the hotel was subjected to live fire between the military and Red Shirt protesters. The researcher's probing sought to understand hotel management participants changed views of the GM's leadership style from day-to-day operations to preparing for and managing through a crisis. There was a clear perceptual shift from being frustrated by the GM's management style to trusting and respecting his leadership performance as was reflected in this comment;

“...the general manager did a fantastic job of being the example of strength and calm. He stayed on even though it was getting pretty dangerous after an RPG attack, bombs going off everywhere but, yes, he still stayed on.”

When probing one of the Corporate Office DHs on how she would operate differently should she need to face a crisis situation again, she indicated that:

“I would stay more calm for sure and then more focus, what do we have to do and you know we can give instructions to the guests and other staff as well..... even though you are panicking inside but you shouldn't show much because that would make the environment not very good, like a moral support for staff so you have to be strong.”

On the other hand, the most senior VP level managers who failed to interact and lead their departmental constituents could not be considered in the Leading by Example category. It was clear that these leaders failed to prepare and provide guidance and direction to their departmental staff, which led to a comment from one of the interviewees about her absent VP departmental leader: “he was my leader, that's scary”.

Another DH made the comment that if some of the senior leadership did not report for duty then the expectation of their staff reporting to duty was unreasonable:

“There was an absence of leadership.....then why should they be there if the top people aren't providing the inspiration?”

The online survey also uncovered lack of leadership with a free text response that stated:

“A lack of senior support pre, during and post crisis did not contribute favourably.”

Within the Bangkok Hotel's Excom there were differing opinions on how the management team interacted in relation to their assessments of the teamwork. One of the Excom stated:

“I would say the teamwork was better than normal because when things happen like this, or natural disasters, just like when you experience an earthquake what would be the first thing you do? You'd probably call your family, you call your husband, your children, you tell them that you are fine and you sort of grow together much closer because these are your loved ones and I felt a little bit like that's what happened to us as a management team, as an executive committee team, that all those quarrels and animosities that are always existing a little bit between people, disappeared, it totally took back stage. We grew closer together, we were more helpful to each other, we all took over jobs that were actually not our jobs and I think this is a human kind of reaction, a natural reaction and this is what I have experienced here.”

This perspective prompted the researcher to ask this question of the next Excom member in Phase One interviews and her reaction implied that the teamwork had not improved:

“You mean any change after this crisis in a good way? [Researcher: yes] Not really, it's better if it didn't happen. Do you mean when there is trouble people will love each other better, team work getting better, things like that right? I don't think, no, not really, put it that way.”

This was in contrast to the CCC participants, who voiced feelings of pride, responsibility and a sense of a job-well-done and respect for their colleagues, even some time after the event. This will be further explained in Section 4.3.1 on the notion of how Responsibility influenced the CCC participants to Lead by Example.

Leading by Example contributed to the followers' evaluation of their leader's and the team's Crisis Leadership capabilities and was also highly interrelated to the previous properties of the lower order category of Influencing Leadership. This interrelatedness



continued through to the final dimension of Influencing Leadership, namely Motivating Influencers, which is detailed in the following section.

#### **4.1.5 MOTIVATING INFLUENCERS**

The notion of Motivating Influencers is the final property of the lower order category of Influencing Leadership. This concept emerged from the data and revealed how leadership influences followers by motivating them to reduce anxiety, restore calm and confidence and accept Crisis Leadership's directives. Motivating themes were also identified as being interrelated to the other components of Influencing Leadership such as Communicating, Decision-making, Visibility and Leading by Example. Throughout the data collection, it was evident that positive experiences in these categories contributed to motivating staff and engaging them in the pursuit of affirmative outcomes from the crisis situation.

Inspirational actions by leadership are also considered as being a Motivating Influencer and encourage staff to undertake responsibilities outside of their normal day-to-day job description. The CEO was considered to be a courageous leader by going to the closed hotel in the live-fire zone. In an instance recalled by a DH, she described with much admiration; "I remember one day the soldiers had to escort him out because he is [sic] not safe to be in the hotel anymore but he insisted to be here".

She also added that by being at the hotel during such a dangerous episode added to his leadership credibility. The hotel was considered the company's iconic flagship property and therefore it was a strong symbolic statement by the CEO to go into the protest zone to make regular visits while it was closed. This action motivated and inspired the skeleton staff staying in the hotel as well as those at the CCC and contributed to their resolve to be present at the CCC even after curfews were enforced. It also motivated the CCC participants to remain calm and not display fear, even though one of the managers felt a sense of panic when she realised that "as a leader you shouldn't show fear".

In the case of the Corporate Office executives that were motivated to establish and operate the CCC; they each provided through their interview responses their justification to report to the CCC as based on their leader acting in a proactive and positive manner. Their objective was to ensure the company's global operations

platform remained open and the needs and concerns of the internal and external customers were being addressed. One of the DHs working at the CCC felt that their leader inspired them to be working in the offsite location by stating; “if my boss, my leader were here I would be like, why would I be at home”. This was a Motivating Influence to report for duty in a chaotic and sometimes dangerous environment. These DHs were unanimous in their sense of Responsibility to all stakeholders in the knowledge that the company’s survival impacted 8,000 staff, their families, suppliers and business partners. This sense of Responsibility can also be explained as a Motivating Influence in an interrelated relationship with this category and is detailed further in Section 4.3.1 with the quote among others; “the people I worked with had a sense of responsibility. They knew what had to be done.”

The notion of pride was also expressed by other Corporate Office executives and was a Motivating Influence to ensure ‘business as usual’ and to report for duty when other managers left the city for safer locations. Yet another Corporate Office executive, who had introduced the *bunker spirit* term to the CCC, acknowledged in a follow up interview after Phase One that he felt that although the CCC was only a small microcosm of the crisis planning efforts, he felt that they (the group on duty) were driving something worthwhile. The notion of the *bunker spirit* is further explained in the next section on Active Sense-making and strengthens the interrelatedness of the emerging themes building to the BSSP of Crisis Leadership Influencers.

The properties of the lower order category Influencing Leadership are further interrelated to the next category which emerged from data analysis and described Crisis Leadership’s ability to actively make sense of the crisis event. Active Sense-making will be explained in the next section.

## **4.2 ACTIVE SENSE-MAKING**

As the lower order category classifications were developed from the emergent themes it was apparent that categories were interrelated as was the case that effective Decision-making required Active Sense-making. The notion of Active Sense-making is highly interrelated to the categories of Decision-Making and Communicating from Influencing Leadership, as well as the third lower order category of Managing the Crisis. Jackson and Parry (2011) suggest that Sense-making is the essence of leadership which requires

followers to understand the vision, take action and accept risk, as well as initiate change. This can only be achieved with face-to-face contact and delegation. Through Active Sense-making, Crisis Leadership can engage and encourage followers to focus on the issues that require attention on all levels.

The leadership enactment process at the time of a crisis relies on the ability of the leader to critically assess the situation and make time-efficient decisions based on the information at hand. Weick (1988) posited that a less than adequate Sense-making process employed during a crisis will result in the crisis situation deteriorating further. Weick (2010) explained Sense-making as engaging in the process of thinking about disorder, confusion and insecurity, so that decision-making will be efficient and timely. These are themes that also emerged from the data collection and analysis of the Red Shirt crisis and were high priority considerations for Crisis Leaders undertaking their Crisis Management duties.

The CCC team worked closely together on the communication strategies and spearheaded the internal and external communications for the company, as well as setting up a remote global reservations office (Case study organisation's 2010 Annual Report, accessed on company website). This group were instrumental in keeping all stakeholders informed and establishing the recovery marketing strategies, as well as informing the staff community on HR related updates.

Even during the curfew periods a small cohort from the Corporate Office were diligent and reported for duty. One of the long-time Department Heads referred to the 'bunker spirit' that prevailed at that time. The researcher followed up with an additional interview and probed the meaning of this description. He indicated that the CCC felt like a 'bunker' with its classroom seating and everyone working in together which he likened physically to a 'war room' when you are under fire. He explained further that the CCC group were driven out in a mini-bus each day to the site, dressed casually and not in the daily standard suit attire. He felt more of a team spirit at that time than at any other time in his long history with the company, especially since they were dealing with real problems that needed real solutions. He remarked that "it was refreshing in some ways, as a team it tightened some bonds".

However, one of the Bangkok hotel Excom who had stated complete trust in his GM's decision-making in Phase One interviews, shared a conflicting view with the researcher during Phase two interviews in discussing the emergent conceptual theme schematic (Figure 3.1). In essence, he stated that Thai members of the Excom thought the GM was a Red Shirt supporter. They would meet clandestinely after the daily morning briefings to discuss the GMs actions since they were Red Shirt opponents. Therefore, there was some underlying mistrust on a political affiliation level that was not openly expressed previously, yet they were supportive of the GM in his decision-making processes in regard to dealing with the hotel operational issues. They trusted his Crisis Leadership competency, yet they did not trust his political views.

In contrast, the CEO was criticised on a number of occasions for his unwillingness to make decisions or understand the escalating tensions from the Red Shirt protest camp and military, as well as how the staff were feeling. Instead he attempted to portray business as usual. One of the Corporate Office interviewees, who has moved companies since the Red Shirt crisis, felt the CEO was “blind to the severity of the situation.” In Phase One a Bangkok hotel Excom interviewee stated:

“...I'm sure the CEO had his advisers which were most probably the members of the board of directors which are all Thai. But at the end of the day it's the CEO that makes the decision and it came too late. It should have come at least five days earlier.”

He also stated in an email response follow up in Phase Two in his reference to the CEO:

“In thinking back I strongly feel that the owner has been ignorant of the safety for the staff considering life [sic] bullets entered the hotel during many days.”

His comments had become more negative by Phase Two. The data continued to reveal the perception that the CEO lacked understanding of the situation or the level of the staffs' fears and concerns. A Corporate Office non Thai Executive recalled:

“I saw a lot of Thai staff around feeling uncomfortable and worried and especially parents being worried about them travelling to work as the office is just outside where they were camping.”

In Phase Two data collection, a hotel GM from the case study group, who had been based previously in the Corporate Office for six years, emailed his responses to the request for his feedback on the emergent conceptual theme schematic (Figure 3.1) with the following:

“I believe we are prepared for most things. But there is always the people factor and what is planned and tests a hundred times, may not transpire due to the emotional influence of the people involved. We need to further explore in more detail the mindset/culture of our employees and the principles they will fall back upon when a crisis hits. This is further complicated by those who are new and those who have been here decades, those who are baby boomers and the Y generation [sic].”

In exploring the question of what made the participants trust the decisions of leadership, the interviewees responded favourably to leadership during the crisis based on their knowledge of the leader’s past crisis experience and their leader’s ability to frame the crisis through Active Sense-making. In addition, knowledge of a learned experience was also attributed to the followers’ trust in their leaders. This was evident with the Bangkok hotel GM, but to a lesser degree with the CEO and was absent with the Phuket hotel’s GM. Learning from Experience will be discussed in Section 5.2. The next section will explain the categories that contributed to the Active Sense-making by revealing the data findings with regard to Understanding the Mindset, Emotional Sensitivity, National and Organisational Culture.

#### **4.2.1 UNDERSTANDING THE MINDSET**

In addition to the national and cultural influences which are discussed in the following sections of Active Sense-making, leadership also needs to understand the notion of individual and collective mindsets in the context of a crisis. A leader’s ability to understand their follower’s mindset contributes to the concept of Active Sense-making and relates to leadership’s decision-making efficacy (Devitt & Borodzicz, 2008). A leader’s proficiency in assessing their follower’s expectations and reactions at the onset of a potential crisis event will alert them to potential challenges. This allows them to make sense of the situation by understanding the prevailing mindset. This competency was further enhanced with their experience of past crisis events which will be detailed in Learning from Experience in Section 5.2, and having an understanding of the National Culture and Organisational Culture that existed, which will be explained in this Section in 4.2.3 and 4.2.4 respectively.

In the case of this research study, interview data revealed a reticence on the part of leadership to adequately assess the impending crisis. In seeking to understand the prevailing mindset the data identified a recurring theme about the perceived state of complacency that existed in the pre-crisis event period. The collective mindset of the

case study organisation can be best explained by their aversion to taking the lead, preparing for a negative situation or confronting issues to avoid a worsening situation. A Corporate Office DH stated; “it was actually quite dysfunctional at the beginning because really no-one knew what we were doing or what was going to happen.” On the other hand another Corporate Office DH suggested that:

“The higher leadership within the Thai community at our hotel chain did have feelings and were very well connected to the top people in the country, they knew there was some more of this situation to play out, they knew that there would be future trouble. But it just didn’t seem to in the mentality of the company and nothing really filtered down I think to the rank and file so we could take this threat seriously and I think there was a reliance that we would bounce back.”

Another Corporate Office DH interviewee remarked:

“...the senior management role should be more proactive and plan in advance where the mid-management should be the fire fighters. It’s usually the mid-management that gets their hands dirty and has to manage the crisis once it happens.”

The notion of ‘it’s not my responsibility’ or ‘it’s not in my job description’ was a factor that was reported in the interview data and influenced Crisis Leadership activities. When the researcher probed this perception further, some of the managers from the hotels made reference to the GM’s position being solely responsible for Crisis Leadership and therefore it was not their responsibility. It was similar to the data collected from a number of expatriate managers who were of the opinion that the collective nature of Thai staff prevents them from ‘stepping up’ to assume a leadership role that would require them to manage the situation.

This was also explained by a number of expatriate managers that the Asian concept of ‘showing face’ and their fear of being embarrassed by making a mistake or failing is all encompassing. In Phase Two interviews a participant, who was previously employed as a Director at the Corporate Office, provided his responses by email and referred to Thailand’s Buddhist culture influencing by suggesting:

“In the case of Thailand the Buddhist culture is all pervasive, the related lack of willingness of the population to confront or deal with dangerous situations and persons overrides both past experience and the ability to deal with crisis events WITHOUT HELP AND SUPERVISION from a non-Buddhist entity (i.e. expatriate officers).” [sic]

These concepts contributed to the complex collective mindset that existed at a time of great uncertainty and impacted the subsequent Active Sense-making required by crisis leaders.

Although cultural attributes will be addressed in the next sections, it is worthwhile highlighting a Thai tale that encapsulated much of the general staff mindset and their aversion to dealing with crises. This understanding of aversion was brought to light in Phase Two of the data collection. The tale's narrator was a previous Project Manager with the case study organisation who is now a consultant with an Israeli-based security firm. When the researcher probed into why he thought they procrastinated in their planning and implementation processes he undertook to share the tale of a farmer with a leaking tin roof.

The tale described how all through the monsoon months the farmer's roof leaked, and as the rainy season intensified the leak worsened. The farmer knew it needed to be fixed but kept putting it off due to cost and his belief it would get better not worse. His house eventually became a mud bath and everything was ruined. Then the monsoonal rains finished and the sun came out shining. He forgot about the discomfort of the leaking roof and enjoyed the sunshine, until the next rainy season, when the cycle would repeat itself. It was the opinion of the narrator that the case study organisation will ignore the issues that need to be addressed if they are considered too hard to deal with.

Another DH also explained this complacent attitude in terms of Thai people putting their head 'back' into the sand when the 'warning signs' of an impending crisis event were evident. He referred to the lack of debriefing from the Red Shirt crisis and establishing updated Standard Operating Procedures (SOPs):

“I just don't think they have been covered – probably not even now, maybe you'll find out if they have or not. I didn't see any immediate evidence afterwards, there was relief that business was coming back, head back in the sand.”

Karsaklian (2014) described the fatalistic notion of cultural decision-making in a country such as Thailand, which is included in the GLOBE 10 Societal Cluster of South East Asia. South East Asian cultures such as Thailand value harmony and accept that fatalism may explain events, rather than a structured plan or readiness.

With this in mind, the hotel company's leadership needed to understand the mindset before being able to engage staff to 'step up' and work through crisis preparations. Crisis Leadership needed to actively make sense of followers' aversion to dealing with difficult situations so that calm could be restored, confusion reduced and a sense of security assured as quickly as possible. Crisis Leadership Sense-making skills needed to be directed to managing disorder, confusion and insecurity at the onset of the crisis event. They needed to make sense of the situation and provide an informed assessment for the way forward. Crisis Leadership also needed to understand the mindset at the time of the unfolding crisis so that they could learn from the crisis and adopt measures to overcome the mistakes for the future.

This is explained in more detail in Organisational Learning in Section 5.2.2. For example, a leader at the Phuket hotel described her realisation after the failed evacuation that staff had never felt an earthquake before and that they needed to educate them about what happens. There were a series of aftershocks, and the hotel's management spent considerable time in educating staff on how to deal with earthquakes and tsunamis.

In the case of the researcher's former role, the interviewee responses revealed that staff accepted the leader's directives and moved forward by implementing the Crisis Management initiatives as directed by leadership at the time of a crisis. In this role during the Red Shirt crisis the researcher was concerned with staff going to the CCC under duress, especially as one of the DHs had a young family. Also the majority of the Thai Bangkok-based management staff were unsympathetic to the Red Shirt cause and their families were concerned about their safety and security travelling to the CCC location. Nevertheless, they were committed to strategising recovery initiatives and as evidenced previously, the sense of pride was a concept that was harnessed to ensure a seamless ongoing operation in the midst of a crisis event.

Leadership created a safe working environment at the CCC to ease the tension and stress levels. In addition, the use of Twitter was moderated significantly since those managers who relied on this form of communication became agitated and worried about the violent situation. Twitter's statements were difficult to verify and this created undue duress within the CCC team, as highlighted in Communicating in Section 4.1.1. During Phase Two data collection, the manager who was the most active on Twitter expressed



his embarrassment for his reliance on this information source. When the researcher probed further, he explained he has since recognised the need for accurate and timely information in the decision-making process.

Interview data from the CCC group reflected a strong sense of pride and satisfaction in their activities in dealing with the crisis situation. This was due to the trust and confidence in their leader's decisions and capabilities as expressed in their knowledge of the leader's past experience. Clear directives were provided by leadership in an honest and confident manner through regular updates which diffused the apparent fear and panic. As a consequence, calm and confidence was restored into the mindset of the staff at the CCC.

However, many participants indicated when interviewed that delays in the CEO's decision-making moderated the levels of respect and trust between leadership and staff. Therefore, by understanding the mindset and adopting a more visible and communicative approach to staff concerns at the CCC could have influenced a more favourable perception of the CEO during the crisis event. The mindset of the followers is a key dimension in Active Sense-making. The leader's ability to actively make sense of the mindset and make decisions that complemented the welfare of followers increased their performance and improved the organisation's crisis outcomes. In addition to Understanding the Mindset the Crisis Leadership's ability to make sense of the situation also required them to have the capacity to sense the emotional traits and needs of all stakeholders. The following section describes the Emotional Sensitivity capabilities of the Crisis Leadership team with regard to the crisis event

#### **4.2.2 EMOTIONAL SENSITIVITY**

The data revealed the many facets of the emotional 'rollercoaster' during the time of the Red Shirt crisis and the importance of leadership having the ability to be emotionally sensitised to their followers' emotional indicators as explained in Communicating in Section 4.1.1. This concept developed from data regularity in relation to certain negative emotive descriptions that recurred and included emotions such as a sense of fear, insecurity, panic, stress, worry and sadness. This was evidenced in a statement from a Phase One interviewee from the Corporate Office:

“There were talks that the sniper that took out Sadang was nested in the hotel that’s why we were shot at. There were talks that the hotel’s rooms were all full of military personnel ready to pounce on the Red Shirts. So, yes, it was quite scary at that time but we could have been better prepared.”

Whereas the more positive emotive descriptions were harnessed to assist leadership in counteracting negative themes and included for example: pride, spirit and a sense of belonging. These emotive factors were also bound to relationships within the Active Sense-making category and the higher order BSSP of Crisis Leadership Influencers.

Leadership operated in an extremely tense situation with a high level of uncertainty, a lack of preparedness. The confusion and disorder combined to contribute to high stress levels for both leaders and followers. Crises are characterised by stress and can escalate even further unless the stressful factors are mitigated (Weick, 1988). In the context of the Red Shirt crisis, there were some instances of Crisis Leadership which displayed concern for the welfare of staff by employing measures to reduce the fear, insecurity and panic that prevailed. In Phase One interviews a Bangkok hotel Excom explained how they related with staff during the Red Shirt Crisis:

“...communication from the top down to the bottom, we used a lot of memos, we make use of the staff bulletin board, we ask the department heads to do the meeting to the next level and whenever our staff does not feel comfortable, they have the right to come and talk to their superior or to the HR.”

Subsequently they were able to reduce the stress levels of employees to cope with the crisis situation at hand. For example, the CCC was set up where all levels of staff worked together in a classroom devoid of any hierarchical barriers where Crisis Leadership provided encouraging support, positive morale boosters and regular updates and their safety was the first and foremost priority at all times.

As discussed previously, the data reflected the ‘bunker spirit’ or ‘war room’ environment where everyone worked together for the good of the company. The researcher probed one of the CCC staff further to understand why she was prepared to go to the CCC when many other staff stayed at home or had left Bangkok for safer locations. She suggested:

“I feel good. I feel proud to be nominated as one of the team just to ensure business is as usual and, yes, I think working during that time it’s like a team spirit, getting to know colleagues better during the bad times and during the good times so I think we feel more connected.”

The researcher probed further and asked her how she felt about all of the different levels together. Did she feel that the lower level staff shouldn't have been working together? She responded:

“No, no. For me I felt great to be part of the team, to be in the classroom with other staff. I feel great, yes.”

Nevertheless, there were also examples of leadership inaction and the subsequent concerns expressed by staff. For example, the Phuket hotel GM was perceived by his Excom to be panicking when the earthquake occurred and he failed to sense the confusion and fear in the hotel's staff and guest communities as evidenced in quotes provided in Section 4.1.2 on Decision-making by one of the property's Excom members. Another Phuket Excom member stated:

“I said ‘(GM name), we have to make a decision we move or we stand still’ and he was saying things like ‘what’s (neighbouring hotel) doing’, ‘what’s the hotel next door’ doing and ‘what’s (another hotel GM) doing?’ I understand why because these managers need to talk but I didn’t have the information because I hadn’t called them so I said look we have to make a decision for ourselves and at the same time this was happening the alarm sounded which therefore meant we didn’t have any decision to make. We just had to go..... You need to act swiftly and you need to be calm like I needed to say to the department heads, some of them were packing their bags, and I said you need to settle your team down....”

When Phase Two interviews were conducted it was reported that a sense of panic and fear was also building in the Corporate Office based on the ‘warning signs’ of renewed political protests in August 2013. At that time the staff community felt that HR in particular were not showing any care or concern about the staff; this is addressed in more detail in Section 5.1.1 on ‘Warning Signals’. Safety and security issues were revealed as major concerns with high regularity in the data analysis. An example of the sense of fear was expressed by a Bangkok hotel Excom during Phase One interviews:

“.....that’s natural because when people don’t know what’s happening, what roads are closed or where are the checkpoints, where should I avoid, when they don’t know that they get scared and of course their parents get scared, their family gets scared. I know my family didn’t want me to come into the office and I had to make stories like I’m not going to the hotel, we’re going to our other office and then I had to come on Silom Road past three military checkpoints to get to the hotel.....”

Staff were also influenced by the fears of their families, which exacerbated their own negative perception of their CEO's actions, an example of this consequence was stated in Phase One interviews by a Bangkok hotel Excom member:

“I have spoken during that time a lot more with the mother of my son who is now 18. They’re living in Stockholm in Sweden. I also spoke to my mother in Austria. I have never told her the real extent of the problem because it wouldn’t have made sense anyway but what I remember is what the mother of my son, (ex-wife), told me a few times. She does not understand how the owner of the company of the hotel would keep the hotel open so long as to endanger people and basically waiting until the bullets hit the hotel. Now she said that a few times and I think that’s a very good point. So I find that the main decision makers, the people that make the decision whether the hotel closes and evacuates or not, have not really had the safety and security of the staff as a main objective in their decision making.”

The ability to recognise the concerns of staff and their emotional well-being will generate greater levels of goodwill and results in followers managing the tasks at hand and maximising effective solutions for the organisation. Leadership’s ‘Emotional Sensitivity’ includes the capacity to compassionately assess the individual’s environment, which also relates to Understanding the Mindset category previously discussed. For example, the lack of information or instruction from HR contributed to staff anxiety, uncertainty and fear. In Phase One interviews, a Corporate Office executive felt:

“...looking back, I feel that it was handled very carelessly. No initiation or looking ahead or forecasting or planning for eventual things that could happen. Instead it was just defining all the time to the staff nothing is happening somehow in a way to make staff feel that they had to come to work, giving them the option not to come to work but I saw around the Thai staff under me, they were constantly asking is it OK? So it was not giving out a strict message that these are the possibilities, this is what we’re going to do.”

Nevertheless, a Corporate Office DH did acknowledge some communication from the Corporate HR office; “They did send out the occasional notification but really it wasn’t anything solid like guiding people where to go or what to do during a crisis.”

The art of listening also provides a window to the emotional well-being of an individual or a group. One of the Bangkok hotel’s Directors recalled their commitment to staff by listening to their concerns and relaying this to the Excom. This included their staffs’ fears about access to the hotel and returning home when the curfews were imposed, reduced salaries, job losses and voluntary salary cuts as had been experienced the previous year after the yellow shirt airport closures of December 2008. By showing concern and providing open and honest feedback the staff were reassured that their fears were in most cases unfounded. The hotel Director was of the belief that these fears needed to be controlled from an early stage so that the stress levels could be minimised

where possible. This was in contrast to the HR department at the Corporate Office level where little two way communication was apparent.

In addition to Understanding the Mindset and making sense of the Emotional Sensitivity of the crisis participants, leadership was required to make sense of the influence of national culture which subsequently impacted the lower order category of Influencing Leadership and its properties. The category of National Culture will be explained in the next section.

### **4.2.3 NATIONAL CULTURE**

Active Sense-making, as a lower order category, existed because the contextual environment influenced the Crisis Leadership activities and National Culture emerged as an important component of this category, while also being closely integrated with the other lower order categories. The case study organisation managed a global operation with the majority of hotels located in Thailand. Its ‘Thainess’ was used as a unique competitive advantage in its Vision and Mission guiding statements. Throughout the data collection process references to Thai culture were prevalent as the reason for the beliefs and attitudes supporting and influencing the case study organisation.

One of the expatriate Managers was of the opinion that the Thai culture “seeps through the company” and it is what defines the company as well. This observation was repeated throughout the data gathering phase by both the expatriate and Thai national staff as a positive and negative influence on the organisation. Expatriate managers who had lived in Thailand for an extended period of five years or more, referred to the Thai mentality having been absorbed in an osmotic process and impacting their own western perceptions.

‘Thainess’ is also characterised by the Thai people’s belief in Buddhism. One of the Corporate Office Directors described the Thai way of life with the statement:

“Buddhism really plays a big role in our life and whatever happens we forgive and we never thought that somebody’s going to burn buildings for no reason or somebody is just going to shoot the hotel or innocent people just because there was rumour and the soldiers here....”.

During interviews, an expatriate manager suggested that Buddhism is an all pervasive aspect of business in Thailand. The concept of ‘Feng Shui’ also influences the way of life and business in many countries, including Thailand. The Thai aversion to confronting negative issues was also apparent when the researcher, in her capacity as VP Sales and Marketing, sought to prepare for the future death of the much revered King Bhumibol Adulyadej (Handley, 2006). “Although he is a constitutional monarch, King Bhumibol is worshipped and adored as a demi-god here, a semi-supernatural force that binds the nation” (Schiller, 2011).

Discussions on this topic were completely reviled by Thais as it was considered a bad omen to even raise the topic and Thais believe that discussing negative omens only encourages them. The Thai senior Sales and Marketing leaders were not prepared to initiate any contingency plans for such an unimaginable event, yet his health issues and age indicated a shortening life span. For the Thais this is an unthinkable event; so therefore, Preparing for the Unthinkable becomes a major challenge even when there are major business, political and social interruptions expected and reported widely by international media and commentators outside of Thailand. This aversion to avoiding negative situations was further confirmed by an expatriate staff member with her statement: “speaking and bringing up bad things when they don’t happen, can culturally be seen as creating a bad karma”.

The influence of ‘Feng Shui’ was also highlighted by a hotel Excom member’s recount of the goldfish feeding in the gardens of the hotel. He was disappointed that the CEO’s concern for staff welfare was overshadowed with his concern for the goldfish being fed during the hotel shutdown. The goldfish were a symbolic ‘Feng Shui’ representation of the company’s success and assisted in neutralising any negative influences. At the time of the crisis, the Excom member was inspired by the CEO’s ability to think of such a small detail. However, in hindsight, and at the time of the interview more than two years later, the Excom member’s opinion had changed and he has since questioned the role of ‘Feng Shui’ at such a critical moment in the history of the hotel.

Problem-solving and anticipating problems are reflected in Thai’s preference to avoid confrontation and ignore the problem (Holmes, Tangtongtavy & Tomizawa, 2003). As one of the expatriate managers said it’s:

“...a culture where it’s preferred when there is a problem, it’s culturally preferred to look away. So speaking and bringing up bad things when they don’t happen, can culturally be seen as creating bad karma and energy”.

In contrast, a Thai Director compared a relative’s experience in the UK and his British organisation’s systematic readiness for crisis. She expressed the view that Thais are not taking crisis events seriously enough and only address each case as it happens. Instead she referred to the ‘sabai-sabai’ concept, which is translated with one ‘sabai’ to ‘well’, ‘comfortable’ or ‘relaxed’ (Higbie, 1999) when it is repeated it is translated into ‘everything’s chill’ or ‘almost beyond words happy’, the Thai’s ‘heaven on earth’ and illustrates the Thai mentality to life in general with its repetitive usage. The researcher made a memo note that this was a surprising revelation by this Thai manager to recognise their Crisis Management weaknesses. It was particularly poignant since this informant is normally very proud and protective of the Thai culture and heritage as well as being an openly staunch royalist and yellow shirt supporter.

Crisis readiness requires a proactive attitude and being able to make sense of potential threats. However, in the substantive context of the case study organisation there was a significant time delay in preparing for the escalating violent clashes. This was often explained by the interview participants as a complacency that is a characteristic of Thai culture. One of the expatriate DHs described the reaction after the military coup of 2006. He was concerned about the impact on the business and daily life, but his Thai colleagues responded with the attitude:

“...it was very much ‘let’s wait and see what happens’ was the mentality, let’s not worry about anything until we really need to, which I found very surprising actually. We did actually put some things into place so guests weren’t actually worried, but it was more let’s see, let’s not worry people, let’s just see how this pans out which is part a mentality of maybe Thailand, and possibly that company.”

When the researcher probed why the decision to close the hotel during the Red Shirt crisis was perceived by a number of management staff interviewed as being too late because it put staff and guests in danger of a live-fire zone, one of the hotel’s Excom suggested that it has to do with Thai culture. He explained that it is a ‘face’ issue, and they don’t want to be seen as the one giving up and closing a business.

With reference to the Deutsche Bank relocation as mentioned in Section 4.1.2, the Corporate Office interviewee explained that one of the reasons for the delay in relocating the case study organisation was the optimistic outlook of Thais. He believed they held the perception that the situation could not deteriorate and Thais would not resort to violence since it is not in their nature. He stated:

“No-one expected that but I think in the view of Western companies maybe they have a proper SOP manual or standard and they get prepared for an event.....they have a backup site for it and they moved to that backup site immediately.”

During Phase Two interviews when the researcher probed this point further as a follow up to a developing theme, another Thai manager who considered himself more westernised than most stated that the “Thai way is to prepare for the best and expect the best”. He compared this with the Western way which is commonly described as “prepare for the worst and hope for the best”. A number of managers expressed their concern that this attitude towards Crisis Readiness pervades Thai culture and everyday life and therefore the organisation.

Some of the interview participants referred to the Thai ‘greng jai’ whereby the sense of doing the right thing overrides the Thais’ individual decision-making process. The Thai language uses ‘heart words’ that describe emotions or characteristics combining the word ‘jai’ which means heart, spirit or mind. The Thai word for heart takes on a spiritual level to describe feelings and ‘greng jai’ which is a concept that does not translate into English easily. ‘Greng jai’ is described in a number of ways including as a term that conveys indebtedness, or of feeling the need to repay a favour, or a sense of being fearful of causing offence (Holmes, et al., 2003). In this crisis situation, the Thai staff felt indebted to report for duty even when it was not considered safe. Therefore those staff who did not report were viewed as being less than loyal while those who attended were recognised as stars, thereby creating further tensions within the staff population.

The researcher probed the Phuket hotel’s key informant about the differences between Singapore’s strong emergency readiness attitude versus the Thai’s viewpoint. She explained that although they are not ‘negligent’ forward thinking is not in their mentality. She suggested that;

“.... particularly in a natural disaster, they believe that sometimes these things just happen because they’re meant to happen and they have a great reaction



afterwards where they don't sit around and cry about it like some cultures would. They're very much they get up and they get out their broom and they start sweeping and try to do something useful. But, yes, I think they could certainly save themselves from pain and loss and suffering if they had a readiness plan."

The data also indicated that a Western manager would be required to assume a leadership role if Thai managers stepped back from assuming responsibility at such a critical time. One of the Corporate Office DHs noted about the lack of support being given to the Bangkok hotel GM (a non-Thai) by the hotel's Thai Excom team:

"We went down to a meeting one time and I felt sorry for (GM) at that time, I felt he didn't have the team, from his team within his EXCOM, to really deal with the situation apart from maybe probably the farangs (Thai for 'foreigners') that were in place, no one else seemed to be vocal or providing any of the solutions, a tough game actually."

Another Corporate Office executive recalled as the crisis escalated (May 14<sup>th</sup> 2010):

"...the next morning we came in to the office and not one single Thai staff was there. HR hadn't issued a warning or a message that I can recall and it was six westerners in senior management positions that were in the head office and no-one around and the CEO came around asking if we were OK but I cannot remember any notice to say that no-one's coming in for that day, etc."

An international manager undertaking a leadership role in a Thai firm needs to consider the influence of National Culture when the potential for a crisis event is imminent. National culture appears to be interrelated to the other lower order categories and a key thematic concept of Active Sense-making. Since this study is exploring an international hotel company with a focus on its Thai based operations, the Organisational Culture is a highly interrelated dimension within all of the categories in Active Sense-making and will now be explained in the following section.

#### **4.2.4 ORGANISATIONAL CULTURE**

In the lower order category of Active Sense-making, Organisational Culture is also a key concept in understanding how leadership deals with a crisis situation. Organisational Culture has been posited by Weick (2010) to impact the Sense-making of a crisis event especially as the problems intensify. Data analysis of the interview findings revealed a number of concerns that contributed to the category of Organisational Culture and it also identified shared relationships with other Active Sense-making properties. In addition, Organisational Culture was identified to possess a depth of interrelatedness with other categories of Crisis Leadership Influencers.

The case study organisation was perceived by some management that the CEO was managing the company as head of a local business, rather than a multiunit international hotel company. The CEO was described as acting in isolation and not including his management team. Although visible in the sense of media reports and visiting the hotel under siege, he worked at the CCC in a boardroom with his assistant and shared little information in updates. One of the senior Directors acknowledged he was acting out of the right instincts for the company and its stakeholders, but he should have insisted more from the senior VP group and called them together and sought their counsel, support and delegated duties. Instead, the VP cohort were less than diligent in their duties and failed to report to the CCC until instructed to do so by the CEO. This was described by one of the Corporate Office DHs who participated at the CCC:

“There were not many senior management around when that happened at that time. I have to give credit to the GM of the (hotel) at that point of time. He was in-house twenty-four-seven until it was over. (CEO) was around, a couple of senior management staff from sales and marketing were around to lend support and to help manage the crisis in the hotel but apart from that, I think the rest of the Corporate Office disappeared.”

In order to better understand the informants’ perceptions, the researcher probed further in follow up interviews and confirmed that slow decision-making suggested a lack of unity at the VP level. Deeper problems were also evident in the organisation with a distinct cavernous divide of management philosophies in this business. This was supported by an expatriate middle manager who had worked for the company in different roles and described the organisation as having distinctly different management agendas. He described it as a business where the CEO had a vision to grow and expand the business internationally and the finance head, insisted on reducing risk and limiting the developmental expenditure.

The parent company’s organisational structure consisted of a number of divisions which included hotel, development, spa, education and finance (2010 and 2011 Annual Reports for the case study organisation as required by the Stock Exchange of Thailand, accessed from the company website). These divisions operated with a silo mentality, whereby they were only concerned with their own operations. There was limited communications between the divisions or cross fertilisation of ideas and strategies, as observed by the researcher and recorded as a memo on two instances in the “Summary and Memo Highlights” document. A silo mentality is described by Seville (2008) as “cultural and behavioural barriers which can be divisive within and between

organisations, which are most often manifested as communication barriers creating disjointed, disconnected and detrimental ways of working” (p.8). The effects of a silo mentality was also a weakness identified in the Canberra 2003 bushfire emergency agency management and was described by Armstrong (2008) as; “A silo mentality refers to the tendency for organisations to work individually and separately due to functional barriers and hence not work together to achieve peak performance” (p.160).

At the time of the Red Shirt crisis, the silo mentality in the case study organisation diminished the effectiveness of Crisis Management processes. It was observed by one of the senior directors that:

“We never got information, it was a struggle to find out exactly what was happening, departments weren’t talking with each other, hotels weren’t being supported, there was no collusion, no overarching strategy.”

This observation was also supported by another Manager based on the analogy that ‘no man is an island’ when she described:

“...there was an island that basically turned into the company control mechanism or division so there has got to be cohesion. It’s got to be collaboration between everyone.”

The hotel division was the largest division and comprised of the following departments under the leadership of the Senior VP whose area of responsibility included; operations, sales and marketing, food and beverage, engineering and human resources. In 2007 the role of Senior VP was created reporting to the CEO and was held by an experienced hotelier with an extensive career background with one of the world’s leading luxury hotel brands. His remit was to introduce international hotel systems and operations into the case study organisation which was on a massive international development trajectory.

As the group’s global expansion plans developed, the Senior VP appointed key senior positions to support the corporate hotel division’s organisational changes and initiated new processes and systems for hotel group worldwide. His initiatives included a daily morning briefing for all staff to share inspirational lessons each day as well as company information. These briefings were held for all staff at the corporate and hotel level, but were not embraced by other divisions such as Finance, Education, Development or Spa, reinforcing the silo mentality.

The Senior VP was considered by many of the staff community as a high-energy, charismatic, transformational leader who encouraged employee empowerment and innovative thinking throughout the organisation. However, his position became untenable as his relationship with the CEO and the Board weakened, and their support for his strategies and plans became irretrievable by early 2010. As explained in Phase Two interviews in an email response dated August 7<sup>th</sup>, 2013, from an interviewee who had previously worked for the case study organisation at the time of the Red Shirt crisis explaining his perception of the Senior VP's role and subsequent demise:

“This brings up another untackled matter, that is that the owners continually appoint external management (mostly foreigners), who are then not allowed to manage, but merely act as figureheads whilst the ownership continues in its lethargy..... He/she will therefore not allow any external appointees to manage in an efficient and effective manner and will not allow them to make key decisions.”

He continued to add in a follow-up interview on August 10<sup>th</sup>:

Looking back at the history of the company, (CEO) keeps bringing in these very able people like (Senior VP) and then castrates them. Then after a year or two of complete frustration they give up.....(Senior VP) was completely emasculated and, come what may, he could not have been effective.”

The Senior VP's three year contract ended on April 1, 2010 and was not renewed; only a month before the Red Shirt protest camp build-up. In addition to the staff morning briefings, he led regular daily VP briefings, which provided a platform for regular discourse between the senior hotel division management team. These meetings were continued even in his absence with appointed meeting chairs. Upon his departure from the company these briefings ceased and the communication flow became limited in comparison. Irregular weekly meetings were held by the CEO, and these became even more infrequent as the crisis escalated and a Senior VP was not reappointed. This was highlighted by one of the Corporate Office DHs who stated in Phase One interviews:

“In (Senior VP)'s day, I felt there was the VP briefing on a daily basis, or on a frequent basis, and I felt there was a team of VPs at that point. After (Senior VP) left I think we tried to drive a few initiatives but ultimately there wasn't a senior management committee.”

Many of the management staff were aware of the infrequency of senior management meetings and questioned the lack of information and therefore the reliability of the information flow. This lack of information sharing was identified in the data analysis, and the interviewees expressed high levels of frustration and uncertainty as described in the lower order category of Leadership Influencers in Communicating. The ability to

minimise the silo mentality has been identified as a pre-requisite for organisations to overcome crisis situations with a seamless communication flow (McManus et al., 2008; Seville, 2008; Smallman & Weir, 1999; Smith & Fischbacher, 2009).

The case study organisation had a Risk Management (RM) department whose remit was to identify the company's risk of threats as they related to protecting the financial position of the company, rather than a holistic 360 degree approach that encompassed HR, Operations, Sales and Marketing. RM provides a framework for organisations to proactively consider their potential risks and prepare for those possibilities (Seville, 2008). Interview data indicated a lack of respect for the department's role and it indicated a reluctance to address RM's concerns that permeated the middle management levels in particular. A senior DH explained that the RM team would conduct audits and pose theoretical questions and scenarios which were not taken seriously. He stated:

“We actually had the risk management guys, Khun (RM executive), and a couple of other guys, but that was just very superficial, there was no team thing, like a committee. They were asking theoretical questions and we gave theoretical answers and no connection to the real risk. Khun (CEO) had actually looked at risk management but I think it was seen more in terms of protecting the business and the finances of the business, which is obviously important but it really didn't relate to the serious political consequences that we had.”

The researcher probed further with regard to why the RM department's directives and authority were discounted. Some of the respondents referred to their lack of operational expertise and therefore credibility, and even their lack of experience due to their age was considered an influencing factor in the level of respect and credibility for their function. A Bangkok hotel Excom member is quoted on the young age factor in Section 5.2.1 explaining Experience with Crisis Events. A Phuket hotel Excom described her experience with the RM Department in Phase Two interviews with the following:

“Recently we had our risk assessment done by head office which we've never had one from them before. It was really disappointing to look at or to receive what sort of feedback they think is a risk for the property..... the person who conducted the assessment didn't have much experience or from a hotel background..... they weren't really understanding of what a risk for the business could be..... the audit by the finance team is much better.”

As a consequence the lack of support for RM eventuated in a reluctance on the part of staff to participate and their efforts were ignored. This view was also supported by feedback from the GM at the Manila property. Upon reflection of her time at the case study organisation and based on the emerging data, the researcher's memo note on this

subject indicated that the RM department was the ideal channel to drive Crisis Readiness as written:

Memo Note: “There is an absence of leadership even in the risk management (RM) department, since Thailand by its history is a high risk country for political unrest and natural disasters – whilst I am surprised that RM are not driving crisis preparedness and insisting on debriefings, training and updates. Why are RM not taking a leadership role on Crisis Readiness?” (p.15).

One of the interviewees for the present study was a Thai RM senior manager, who explained that he believed Western companies were more prepared. He concluded that the case study organisation was not adequately prepared for the onset of the Red Shirt crisis by stating; “For risk management, we didn’t pass this. We failed for that risk management.” The constant comparison method directed the researcher to consider RM’s attitude as being a reflection of the Thai collectivist nature. As a result, the RM department did not have the resolve, experience or maturity to take responsibility, initiate or lead a Crisis Readiness outlook for the organisation.

Moreover the RM manager did not foresee a companywide buy-in for Crisis Management or RM without a directive from senior leadership or a commitment from top management to undertake Crisis Readiness strategies. This was also supported in Phase Two interviews by a hotel Excom leader who experienced a recent RM audit which did not focus on crisis readiness issues or recommendations; rather, they audited seemingly trivial egg and bread use-by-dates. In comparison to a finance audit during the same period, the Manager felt the RM audit was devoid of any constructive crisis readiness recommendations. The low priority level of Crisis Readiness may also be explained by the exclusion from the hotel’s monthly and quarterly reporting systems or the annual business plan financial considerations. Pearson and Clair (1998) posited that ambivalent RM perceptions by executives will hinder Crisis Management preparations or a prioritisation for Crisis Management practices.

On the other hand, the hotel business units are organised by a strict hierarchical structure with the Excom made up of the Director of the hotel’s functional divisions such as finance, HR, sales and marketing, rooms, food and beverage, under the leadership of the GM. Each hotel also has a Crisis Management Team (CMT) which is made up of the Excom as well as the Security and Communications Directors. These functional divisions cannot operate as silos as was the case of the corporate office, because each division is highly interrelated to each other on a day-to-day operational

basis. Crisis Management teams existed in the hotel organisational structures mainly due to the safety and security implications of managing staff and hotel guests. The Bangkok hotel's hierarchical organisational structure and their CMT was considered a strength in preparing and dealing with the Red Shirt crisis.

Stonehouse and Pemberton (1999) posited that a flatter organisational structure encourages a more conducive flow of communication and knowledge management. While Paraskevas et al. (2013) suggested that the tourism industry is characterised by hierarchical structures which can present challenges to the dissemination of information. Granted, the strength of the success of the Bangkok hotel's crisis preparations and management can be partly attributed to the organisational chart and the hierarchical nature of the management levels. However, data indicated that the GM's Crisis Leadership capabilities were considered to be the main reason for the hotel's success based on his Influencing Leadership including; Communicating, Decision-making, Visibility and Leading by Example, in addition to his prior experience.

In contrast, the Phuket hotel had the same organisational structure as the Bangkok hotel but due to their deficiency in a number of Crisis Leadership factors, the earthquake evacuation uncovered the weaknesses in their Crisis Management capabilities. The Phuket hotel lacked Crisis Readiness due to lack of staff training, no leadership visibility, ineffective communication and slow decision-making. The Organisational Culture and its relationship with the other factors of Crisis Leadership Influencers clearly influenced the Crisis Readiness of this case study organisation.

The following section validates these findings by presenting the online survey results with regard to the case study organisation's staff perceptions on its corporate orientations, which can also be described as organisational culture as explained previously in Section 3.3.3.

**(i) ONLINE SURVEY: PERCEPTIONS OF CORPORATE ORIENTATIONS**

Data from the online survey served to evaluate qualitatively the findings from the primary data source and provide further insights into the case study organisation's Organisational Culture. This section of the survey employed Sheaffer and Mano-Negrin's (2003) questionnaire which was used to investigate a set of common corporate orientations and their effect on crisis preparedness and the organisation's ability to cope in a crisis. The authors based a major part of their study's questionnaire on Richardson's (1995) double-sided competency assessment with the aim to advance "the notion that crisis preparedness is a function of a simultaneous confluence of corporate orientations and strategies that bear on the wider domain of management" (p.575).

Sheaffer and Mano-Negrin (2003) conducted a confirmatory factor analysis (CFA) on the original 30 independent variables from Richardson's (1995) corporate orientations, and by enlisting a principal component analysis (PCA), extrapolated six factors covering 22 of the original 30 variables. These included; Strategy, Human Resource Management (HRM), Structure, Engineering Orientation, and Unlearning. An additional factor was extracted in the CFA model which explained 5.14% of the variance, but because this factor loaded only a single variable, it was excluded from the analysis. Sheaffer and Mano-Negrin (2003) concluded that HRM, Strategy, Structure and Unlearning factors "significantly predicted crisis preparedness" (p.573).

Table 4.2 provides a frequency analysis overview of the staff perceptions with regard to the corporate orientation of the organisation. It is evident that the organisation is considered by the respondents to be a caring organisation for its people (67.7%), although the results indicate that there is some support that they are considered more of a profit-driven organisation (37%).



Table 4.2: Staff Perceptions of Corporate Orientation

Statement	Mean	Agree/ Strongly Agree (4+5) %	Disagree/ Strongly Disagree (1+2) %	$\alpha$ Cronbach Alpha
<b>Strategy</b>				.860
Has vision and goals that are clearly understood	3.75	<b>73.8%</b>	12.3%	
Is a learning organisation which invests in training and learns from errors and successes	3.44	50.7%	12.3%	
Adjusts well to changes in our business, cultural and social environment	3.36	51.6%	16.9%	
<b>HRM</b>				
One that cares for people	3.68	<b>67.7%</b>	9.2%	
Puts people above everything	3.27	36.9%	<b>20%</b>	
Is co-operation oriented	3.51	57.7%	11.5%	
Empowers each unit	3.48	58.4%	13.9%	
<b>Structure</b>				
Our organisational structure is decentralized	2.88	27.7%	<b>36.9%</b>	
Our organisational structure is centralized	3.63	<b>66.9%</b>	11.5%	
Puts profits above everything	3.32	36.9%	13%	
<b>Engineering</b>				
Encourages new ideas	3.55	56.2%	10.8%	
<b>Unlearning</b>				
Often changes our important corporate goals	3.12	36.1%	<b>25.4%</b>	
Once we have reached our business goals we rethink our business strategies	3.52	57.7%	10%	
<b>Additional items of interest</b>				
Has centralised decision-making	3.53	58.5%	13.1%	
Is an exploitive organisation (people-wise)	3.12	36.1%	<b>22.3%</b>	
Places emphasis on how to do things (efficiency above all)	3.51	58.5%	11.5%	

Scale 1-5 : Strongly Disagree (1) to Strongly Agree (5)

The company's vision and goals are clearly understood by the majority of respondents (73.8%); however training and learning (50.7%), as well as being able to adjust to changes in the environment (51.6%) are not considered as strong in the company's

strategic makeup. This could indicate the lack of debriefing and follow up after crisis events as reported during the interview phases. In addition, more than half *agreed* or *strongly agreed* that the company is co-operation oriented (57.7%) and empowers each unit (58.4%). When combined with a positive agreement for encouraging new ideas (56.2%), a fertile landscape is evident for initiating new Crisis Management systems and processes in order to be crisis prepared.

The 16 statements used in Section One of the online survey were based on Sheaffer and Mano-Negrin's (2003) questionnaire instrument, as previously described in Survey Design in Section 3.3.3. The resulting frequency statistics displayed in Table 4.2 are in order of their PCA factor results, including some omitted statement results. The Cronbach alpha of .860 indicated the strength of the common factor reliability and consistency in respondents answers.

The respondents considered their organisational structure as being centralised (66.9%), which provides an opportunity to encourage greater crisis readiness participation and crisis event learning from a central CMT. However, centralisation may ignore the organisation's potential intellectual capital at the time of a crisis (Gruman et al., 2011), and fail to embrace the full spectrum of strategies available to deal with the crisis event. Moreover, the level of disagreement for "*often changes our important goals*" (25.4%) could suggest that the organisation's flexibility and agility to change or unlearn non-performing procedures and practices in times of crisis and post-crisis is limited.

In the free text responses of the survey, three respondents also indicated the case study organisation was more concerned with restoring business and profits than staff welfare as stated below:

"My company hasn't put the benefit of the staff before the guests when it comes to a crisis. The last flooding, for example, clearly showed this. Instead of caring for staff who experienced flooding at home and offered to stay in house as long as the staff were able to help themselves, the company offered to stay in the hotel for only certain period because the company wanted to reserve the rooms for guests." [sic]

"The process of checking in/out, the form and many more that created the curiosity and indefinite announcements, answers and plans had made the staffs felt uncertainty as the hotels and organisation were more targeted in losing revenue rather than losing employees. The organisation was not ready to make the performance for crisis as the main concern was made to keep the businesses." [sic]

“In General i feel that focus in my company is on financial profits with a certain degree of disregard to staff welfare such as a 5 days working week , adequate locker rooms , and other benefits like bonuses.” [sic]

The online survey provided further insights into the case study organisation’s Organisational Culture, and indicated an apparent relationship within Active Sense-making that also influenced the emerging themes of Influencing Leadership in regard to Communicating and Decision-making.

### **4.3 MANAGING THE CRISIS**

In building towards the higher order category and BSSP of Crisis Leadership Influencers, Managing the Crisis was a key concept that emerged from the data categorisation process. It was evident that Managing the Crisis also benefited from a close relationship with the other lower order categories and as a result the data were able to contribute to the study’s theory development. Data analysis revealed the areas of most concern in Managing the Crisis and created the following thematic concepts which became the categories of interest: Responsibility, Strategising and Activating. Throughout the data collection, it was evident that positive experiences in these categories, linking to the categories of Influencing Leadership and Active Sense-making contributed to staff perceptions and evaluations of Crisis Leadership and their Crisis Readiness performance. The sub categories of Responsibility, Strategising and Activating will be explained in more detail in this section.

#### **4.3.1 RESPONSIBILITY**

The concept of a leader’s sense of Responsibility was a factor that emerged from the data analysis as a characteristic of effective Crisis Management. It is also interrelated across all levels of Crisis Leadership Influencers. In Managing a Crisis, the crisis leader was perceived to have assumed a level of Responsibility for the actions and outcomes of the crisis event for the organisation’s stakeholders. This notion has already been introduced earlier in a number of areas including Leading by Example where the feeling of responsibility to set the example for a hotel-based Director was considered an important factor of Crisis Leadership. Assuming Responsibility for the survival of the

business, protecting jobs, and the livelihoods of staff, suppliers and partners was also considered to be very important in the previous section on Motivating Influencers.

The data revealed two contrasting views about the concept of Responsibility; first, that the manager's own view was that his or her role included the responsibility to undertake Crisis Leadership activities and second, the view of the followers that it was the Responsibility of the position that dictated the level of Responsibility required. A Bangkok Excom member stated that at the time of a crisis event in relation to the 2011 floods:

“...the communication always starts with the GM. I'm just going to the flood time, the GM would start giving daily updates to all Excom members with cc corporate office. I wasn't aware at the Red Shirt time but I know at that flood time (GM name) would send a daily update on what the situation is, where the water is up to, where it's expected.”

The data collected from the management staff revealed their acceptance that it was their Responsibility to assume leadership for their departments or division. This was especially true of the hotel's management staff and the following insight is reflective of the general attitude:

“the people I worked with had a sense of responsibility. They knew what had to be done. OK, maybe the staff, we didn't expect them to do much to put their safety at risk but the management knew what had to be done. I know that management put in sacrifices, maybe they shouldn't have, but they did just in order that the hotel would in a sense, function and be safe.”

The notion of pride for assuming Responsibility for the preparation and management of the crisis event was a shared sense of accomplishment for the group working at the CCC. A DH recalled that in her capacity to protect the company's image, she felt proud to go through the Red Shirt crisis knowing that she was responsible for the corporate communications and stated:

“We've been through the worse and we know that every crisis is not just the business it's the people. It's the life of a lot of people that we have to take care of. Every statement we issued it's always the employees' life in our hands, the reputation of the hotels, we're responsible for everybody. If the reputation is bad they might get fired, business might go down so to look in that way I think it's a big responsibility for communication during the crisis. If we didn't do it effectively, it could affect the business and everybody could get affected as well. That's why I feel very proud to be a part of the key leading team to handle the crisis at that time.”

She was mindful of the impact of any negative press on the business future of the company and felt a great sense of pride to be a part of the core CMT at that time.

As a follow on from the initial Phase One interviews, Phase Two data collection revealed a more self-reflective interviewee who himself sought to understand why the Excom group felt a sense of Responsibility. It compelled him to seek out Maslow's (1943) Hierarchy of Needs' to address the researcher's follow up questions. He compared his crisis experience to Maslow's Hierarchical pyramid diagram and was of the opinion that followers were most concerned with the bottom levels of the pyramid, specifically the basic needs and some of the psychological needs.

The 'Basic Needs' include the physiological needs of food, water and shelter, combined with the safety needs of security, stability and freedom from fear. The 'Psychological needs' that were of most importance to the followers included the belonging needs, which express the need to be part of the work group, family and friends. Hackman and Johnson (2009) also integrate Maslow's 'Hierarchy of Needs' into their explanation of how Transformational Leadership goes beyond satisfying the basic needs addressed by Transactional Leadership to satisfy the higher-level needs. This notion of being responsible for the needs of staff was also supported by another hotel Excom member who described the actions of the GM:

“I thought this was the right approach and also safeguarding ourselves, those people that stayed behind in the hotel plus he gave us the opportunity to stay or go.... his objective was security, having enough food, having a place to sleep for those people that stayed in the hotel”.

On the other hand, during the Red Shirt crisis he felt that he and his Excom colleagues were immersed in the top section of the pyramid that encompassed the 'Self-esteem needs', which include the need for achievement, status and recognition, responsibility and respect. Excom were also seeking the pinnacle of the pyramid through the self-actualisation needs of personal growth and fulfilment in 'doing the right thing'. He explained further about how he interpreted Maslow's Hierarchy of needs:

“There's actually a separation between leaders and followers. You know when I was reading this, what came to mind was Maslow's Hierarchy of Needs..... I tried to compare what I see happening, I see a clear separation between leaders having the upper part of the triangle and followers or average staff having the lower part, which is psychological and safety. Like a housekeeper won't care because she has more reason to care about her safety, job safety.

While being in management as leaders we don't have that fear. What actually drives leaders and managers is self-actualisation and actually helping the staff, making sure that the staff have a place to work after the crisis ..... you know it's actually focusing out for leaders in the top half of the triangle. Coming back to Maslow's thing after so long actually answers so many questions about the crisis."

This sense of Responsibility is what drives management as leaders and is a characteristic of hotel Excom roles where the leader refrains from focusing on self, but instead their customer orientation extends to their internal customer, or the staff community and their welfare.

The Phuket hotel's senior manager also expressed a sense of Responsibility for both the staff and guest community and was extremely mindful of the Responsibility that her role entailed. She stated that "it's lonely at the top with so much responsibility". She explained that there are nine managers in their Excom group. However, there are many instances in a round-the-clock three hundred and sixty-five day operation that there may be times only one senior manager is on duty, therefore the Responsibility may be borne by only a few. The failure of their previous crisis plans at the time of the earthquake highlighted the weaknesses in their system. A recent bombing incident in old Phuket town on 1 August, 2013 motivated the hotel's Excom to evaluate their bomb security preparations which she believed were inadequate at that time.

The notion of Responsibility also materialised from the data in terms of the Sales and Marketing managers who saw their role in managing the crisis as being crucial to the survival of the organisation and sustaining the livelihoods of the company's internal and external stakeholders. This is also an interrelated factor with Motivating Influencers and explains why the managers were motivated to lead and risk their own safety to be present at the CCC.

Conversely, data also explained an implied acceptance of the role of the hotel GM which established that the title also encompassed Crisis Leadership traits and therefore he assumed Responsibility for all aspects of the hotel's operations and business results, as well as staff and guest welfare. The GM position provided credibility and influenced followers to trust their Decision-making as reflected by one of the Phuket hotel's Excom:

“...we trust the general manager because we know that the general manager is going to be responsible for any decision in the hotel and that time during the crisis ... I think it's more like position is number one.”

A Bangkok hotel Excom stated:

“We have to trust our superiors, we have to trust our boss, we have to trust that he was put into place because of his experience, of his knowledge, of his character.”

Yet another Bangkok hotel Excom suggested that age was a confirming factor in his trust of the GM's role and responsibility and he said:

“What made me trust him? First of all he was the most senior of our managers. He's been in the hotel business for thirty-five at least maybe forty years. He had the Bali experience. Whatever he told us, I thought it was very well thought through. He didn't shoot out anything before he actually thought about whether this is the right thing for us to do.”

However, there is almost a blind sense of acceptance for the position and its responsibility, the researcher probed further to understand why the position held so much influence and was provided with the explanation that:

“...in a crisis, I may not believe my managers or whatever even though he's close to those persons but at this point I just trust this person because if something happens I know that he's going to be responsible.”

This may also explain the aversion to making decisions as a leader in a stressful situation or their collective nature to avoid standing out as an individual and taking Responsibility. The position of GM was implied by the followers that 'it's their responsibility' in the data.

Data analysis revealed how the Red Shirt crisis was managed by; *who* took responsibility, *how* and *what* strategies were determined and *how* were they activated. These dimensions were highly interrelated and contributed to the lower order category of Managing the Crisis. As a result of the emergent notion of Responsibility, the following section explains Strategising.

#### **4.3.2 STRATEGISING**

Day-to-day decision-making dealing with routine issues is considered to be a methodical regular practice, whereas decisions that may fundamentally affect the viability of the organisation are considered strategic (Duhaime, Stimpert & Chesley,

2012). The ability to strategically plan, prepare and manage a crisis event emerged as an important component of effective Crisis Leadership and was highly interrelated to a number of the properties of Influencing Leadership, in particular Decision-Making and Communicating. In addition Active Sense-making comprising Understanding the Mindset and the National and Organisational Cultures set the scene for Managing the Crisis.

In a high pressure, fast-changing, fluid crisis situation, Crisis Leadership and the CMT are Strategising the most appropriate decisions based on the information at hand. Their aim is to secure the best outcomes, maintain business continuity and recover from the crisis stronger than the competitors. In a crisis situation, strategic action is not reliant on all of the facts since they may be unavailable or difficult to obtain; nevertheless, the Crisis Leadership needs to react with urgency and avoid decision procrastination. Strategising is enacted from strategy, which is defined by Hubbard and Beamish (2011) as “Those decisions that have high medium-term impact on the activities of the organisation, including the analysis leading to the resourcing and implementation of those decisions, to create value for key stakeholders and to outperform competitors” (p.3).

The process of Crisis Management is considered to be a strategic management activity and establishes a framework to assess, initiate and evaluate strategies to deal with a potential crisis event or an unfolding crisis situation. Ritchie’s (2004) “Crisis and Disaster Management: a strategic and holistic framework” previously introduced in Section 2.2.3 titled ‘Crisis Management in Tourism’ explained the strategic management of a crisis. The framework consisted of strategic analysis, strategic direction and choice (decision-making), strategic implementation and control, and finally strategic evaluation.

The interview data revealed a lack of strategic thinking or decision-making on the corporate level, which can be explained to a large degree by the silo mentality of the organisation and the lack of credibility experienced by the RM Department. Without a strategic vision articulated by the organisation’s leadership, the level of proactive Strategising was inadequate for Crisis Management efficacy. As confirmed by one of the Phase Two interviewees:



“There is no management strategy whatsoever. There’s no management strategy in development or risk management or any of the other fields”.

This was also supported by a Corporate Office DH at the time of the crisis who stated:

“There was no strategic discussion as to what happens certainly for example when the King dies. I know you can’t mention that but it’s the big unmentionable. There has to be a strategy for that because there’s going to be some more political unrest and negative – it blows up into a civil war, or whether it’s contained, I don’t know.”

This same executive has moved to a new role in an Australian company since the Red Shirt crisis and compared the level of strategising in his new organisation by explaining:

“There should be SOPs, there should be manuals, it should be as it affects each department, what if one department leader is away who covers that department? These are all the things obviously I find are in place here, we have an emergency response team, we have a disaster recovery afterwards, risk management in terms of the business element and our core principles, what’s our vision, where do we want to be, how do we handle the PR all those sorts of things.”

However, one of the DHs at Corporate Office was actively involved in the crisis Strategising and was proactive in planning the communications plan by preparing a range of statements in advance to deal with a number of scenarios. The Director was of the opinion that a 360 degree view of the situation had been considered with both a best-case and worst-case scenario response prepared. For example, she recalled that they (management) considered:

“What was going to happen if the hotel was utterly attacked badly or what is going to happen if the protest ends quickly, quicker than we thought, so I think we were quite proactive on that.”

Unlike the majority of interviewees, this was the only participant who believed strategies were in place from a public relations viewpoint. However, this also confirms a less than optimal internal communications process and the silo mentality of the organisational culture.

Data analysis highlighted the speed and efficiency of the setup of the CCC, although a Bangkok hotel Excom said; “I know the crisis office that we had was set up haphazardly”. However, it had not been a plan that had been previously considered or shared with the management team, but as one informant suggested “it was something that came alive that didn’t exist”. It was a strategic decision that was deemed a necessary priority to ensure business continuity. The CCC was accepted by the management staff as addressing the organisation’s operating philosophy of ‘business as

usual’, which was a notion repeated throughout the data collection phase when describing the CCC.

Although not planned, the CCC was described for example by one of the Corporate Office executives as:

“It was very effective, super-fast and very organised but there were no signs of a preparation before... this lastminute.com organisation, how it was organised that it actually became seamless.”

The term ‘lastminute.com’ was an internal description used by many of the management staff to describe the company’s lack of planning. Therefore, the speed of Strategising at the pre-crisis and crisis stages also contributed to the sense of respect and acceptance of authority that was directed at the team managing the CCC. It was also described by one of the Corporate Office DHs as:

“...the control tower that became the control focus for the company...the beaming point for people to communicate to and from and everyone was aware that (the CCC) was the new home base until further notice.”

At the same time, secondary data of internal Meeting Minutes confirmed that the Bangkok hotel’s Excom were actively Strategising in the lead up to the height of the violent confrontations through regular Excom briefings. These briefings were held twice daily in the morning and again in the evening with actions minuted and delegated responsibilities agreed upon. The briefings were also used to analyse the situation and discuss options before finalising the strategy to be implemented. This form of Strategising also encouraged ownership of the initiatives discussed and selected at the Excom briefings. This was confirmed by one of the hotel’s Excom who stated:

“....individually we analysed and assessed the situation on our side but I felt that because I was also part of the decision making process... I had some ownership on what was going on.”

In contrast the Phuket hotel’s Excom had not been actively Strategising their Crisis Readiness plans until the failed earthquake evacuation became a crisis ‘wake-up call’ that required a resort precinct wide Crisis Management plan. The seven hotels were under pressure with the imminent arrival of 15,000 Chinese delegates, which forced them to come together and as described by one of the key informants “put our heads together and work out an evacuation route”.

The integrated resort's evacuation plan was included in the secondary data. Once the group of hotels finalised an efficient evacuation, then the Phuket hotel undertook to strategise to ensure its future success through staff education and training, monitoring and evaluating the full range of new Crisis Management initiatives.

However, an issue became evident to the researcher when discussing the Phuket earthquake with an interviewee in Phase One. The discussion raised the question of what would they have done if the Chinese delegation had not been onsite. This caused the researcher to reflect if they would have undertaken such a prompt and extensive enquiry and planning process to improve their evacuation procedures without the pressure and influence of an in-house client.

Strategising at the pre crisis, during, and post crisis phases will influence crisis management efficacy. However, Strategising will only be as effective as the Activating actions that follow. The interrelatedness of these two components further strengthened the category of Managing the Crisis, therefore the emergent theme of Activating will be explained in the next section.

### **4.3.3 ACTIVATING**

In Managing the Crisis, a crisis leader will acknowledge their position by assuming Responsibility for leading followers through the extreme context of a crisis event. In assuming this Responsibility, they will also undertake Strategising activities before they commence Activating on those strategies; therefore, all the components of the dimension of Managing the Crisis share some degree of interconnectedness through the category relationship. The notion of Activating strategies, which have been discussed and strategised within the Excom group or the CCC, displayed the leader's leadership capabilities to the followers. As a consequence, their level of trust and confidence in the leader was positively enhanced.

Crisis Leadership is described by Mitroff (2004a) as more than reacting to the crisis at hand, but requires the implementation of a number of programmes before, during and after a crisis event. He developed a Framework for Crisis Leadership, which dealt with each of these phases and formulated four main factors that influence each of these phases. The four factors consisted of first, 'crisis types' identified the range of crises

that may beset an organisation and for which they should anticipate and prepare, as well as review the crisis portfolio after a crisis event. Second, ‘crisis mechanisms’ includes signal detection capabilities, damage containment, business recovery and crisis learning procedures. Third, ‘crisis systems’ comprises the formation and training of Crisis Management and crisis learning teams that progress through all three phases of the crisis and re-evaluate systems in place. Fourth, ‘crisis stakeholders’ takes into consideration all the groups that need to be considered in the event of a crisis and how each group is differentiated. This framework described the systematic factors that need to be considered in Activating Crisis Leadership and provided a blueprint to direct the necessary actions required to address the situation.

Primary and secondary data collection identified the existence of the Crisis Communication Plan, which was observed to have been activated in the pre-crisis phase. This plan had been compiled in late 2008 with a considerable amount of pressure applied by the divisional head to the Director responsible, and she remarked at the time of Phase One data collection that “luckily I had a leader who has international hotel experience dealing with the crisis who pushed me to finish the crisis plan”. The Crisis Communication Plan provided the group with a blueprint that included signal detection and damage containment strategies and provided an immediate process of Activating as soon as the warning signals were evident that the crisis was in escalation mode. This also reinforced to the followers that the planning process implemented by their leader was invaluable in mitigating the negative impacts of the crisis event.

The organisation’s proactive and creative approach to the negative reports was supported by the leadership role that the company assumed as the industry wide spokesperson. This was reflected in interviewee’s statements such as from a Corporate Office DH:

“...getting out early in to the market really it pushed our message to the community to a certain extent to position (case study organisation) as a leader, within this whole scenario ‘(name of recovery advertising campaign)’ because we were right at the heart of it, it really did help. It almost became spokespeople for the entire industry to a certain extent.” [sic]

Yet another Corporate Office DH also stated the industry leadership role:

“...we managed to put ourselves on CNN and I think it’s good to show that OK even in the middle of the crisis, we still give confidence to our tourists coming in and who already stay in Bangkok just to ensure that OK we took care of our staff the best and I think it’s good for us even though it’s not a good situation to be

published but at least the (case study organisation) name and we ensure the building is on there and that represents us as a leader of Thailand.”

The company’s digital and traditional advertising mediums were designed to reflect the iconic architecture of the flagship hotel and was titled “(recovery advertising plan title),” please refer to Appendix 14. The body copy of the advertisement was also aimed at an emotive attachment to the reader seeking their support to rebuild the tourism economy with the closing paragraph:

“Although (name of hotel) is currently closed to arrivals until May 24<sup>th</sup>, we can assure you that we will be back even stronger than ever and we will rebuild confidence in Thailand’s future. This is (name of company), this is the magic of Thailand.”

This advertisement was also translated into Thai and Japanese and was aimed at reassuring the internal stakeholders of the staff population as well as the external stakeholders, including clients, guests, suppliers, tourism partners and the general public. The data revealed a consensus of opinion on how this conveyed a positive message to the company’s stakeholders, which was best expressed by one of the Corporate Office DHs in stating; “we’re taking care and we are very understanding of what we are going through and as a representative of Thailand we need to be strong”. Another Corporate Office DH also supported this opinion on the case study organisation’s positive messaging with the observation in Phase One interviews that:

“I think leadership was strong, it was exceptionally strong. .... I think probably confident knowing that there’s a group of people that were all banding together to be able to continue business, not showing the face of the world that we’ve just run away whereas other companies didn’t have any voice out there or if they did they started copying what (case study organisation) were doing. And it showed it’s rallying together to move forward, to keep it going.”

Secondary data also reflected the positive message with examples from email communications such as from a PATA member to the CEO that stated:

“Sawsdee Krup. Just wanted to let you know that I just heard you on CNN. Very effective message. I hope that people heard your message that we need their support.” Email dated 21 May, 2010.

In contrast, the lack of Activating crisis mechanisms or crisis systems described by Mitroff (2004a) reduced the perceived leadership capabilities of the Phuket hotel Excom by the staff community; in particular, the GM who was described as “running around” rather than leading. This was expressed in the interview data through the Excoms’ lack of timely decision-making, lack of communication, lack of visibility or their inability to

adopt Active Sense-making which ultimately influenced the absence of Activating initiatives.

The lack of Activating Crisis Management plans at the time of the 2012 Phuket earthquake resulted in the Chinese back-to-back incentive management team's demands to rectify their failure and provide a safe and secure environment immediately. These concerns were also reflected in the guest travel blogs on Trip Advisor as detailed in Section 4.1.1 on Communicating. This also reflected the interrelatedness of the lower order categories and their contribution to the higher order category of Crisis Leadership Influencers.

#### **4.4 CRISIS LEADERSHIP INFLUENCERS – THE BSSP**

In conclusion Crisis Leadership Influencers is comprised of integrated lower order categories which contribute to this recurring thematic concept. The case study examples provided in this section have provided the substantive context upon which the near-core category has been conceptualised. Instead of revealing effective Crisis Leadership behaviours the participants mainly focused on incidents in which they or their leaders' ability to lead was reduced. Crisis Leadership success outcomes were also shared and provided critical examples to substantiate best practices.

The relationships between the lower order categories were complex and each of these categories were influenced by the other. In summary, the interrelatedness is explained with all-encompassing circular structures where the relationships circulated in a non-linear dynamic process in the context of an intense high pressure crisis situation. Analogically it can be described as a group or team of people formed in a circle where they can see each other and interact with each other. It also explains that each component is important to the success of the other. The conceptual framework which was introduced at the beginning of this chapter (Figure 4.1) is repeated in this section to summarise the relationships and interconnectedness that was at play.

## CRISIS LEADERSHIP INFLUENCERS : A Basic Social Structural Process

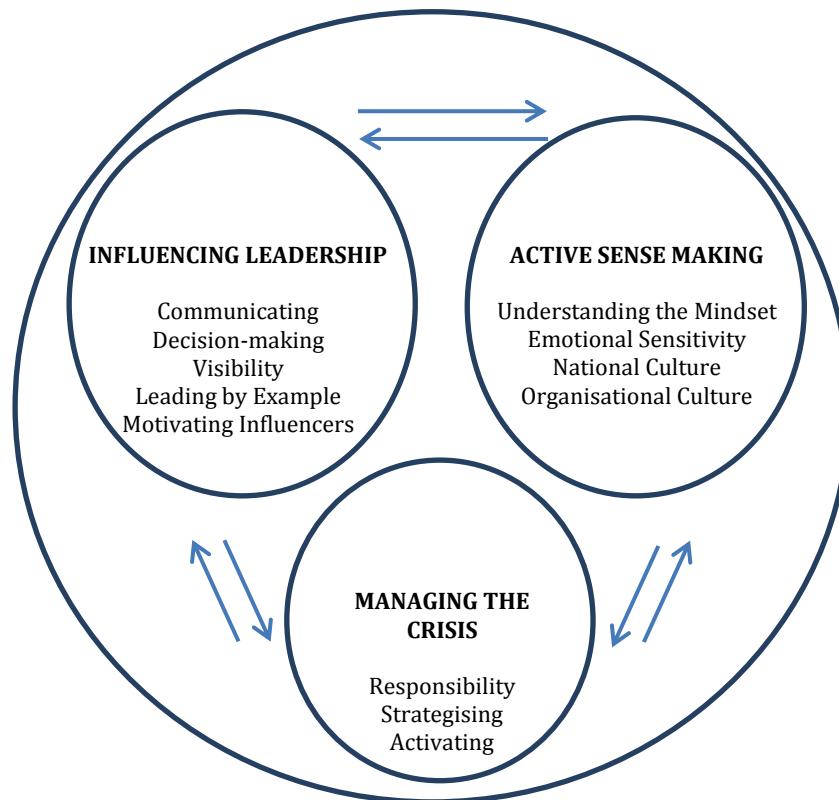


Figure 4.1: Crisis Leadership Influencers: A Basic Social Structural Process

Reciprocal relationships were formed between each of the three lower order categories; Influencing Leadership, Active Sense-making and Managing the Crisis. The properties of each category clarified the main characteristics of each dimension and provided a rich, in-depth description of how Crisis Leadership Influencers emerged as a Basic Social Structural Process for theory development. The reciprocal relationships in Figure 4.1 describe the near-core category social process of Crisis Leadership Influencers as follows:

- Influencing Leadership’s dimensions explained the variations in Active Sense-making and how the leader’s influencing actions contributed to making the organisation crisis-ready by considering the dimensions that incorporate Active Sense-making.
- Conversely Active Sense-making’s properties contribute to Influencing Leadership’s Crisis Leadership efficacies with enhanced sensitivities that allow management to make sense of the situation with greater clarity.

- Influencing Leadership's dimensions also explained variations in how management undertook their role in Managing the Crisis.
- Managing the Crisis actions were interrelated to the properties of Influencing Leadership and explained variations to how management actions enhanced or inhibited the success outcomes of Crisis Leadership.
- At the same time, Managing the Crisis outcomes were related to the ability of management to make sense of the situation and therefore Active Sense-making also contributed to how the crisis was managed.
- Finally, Active Sense-making was also influenced by the dimensions of Managing the Crisis in that the crisis leader's actions influenced, to varying degrees, the followers' perceptions, their mindset, emotions and the cultural aspects of the organisation.

Crisis Leadership Influencers partially explained issues related to the organisation's crisis readiness. Therefore as Grounded Theory stipulates, the continued analysis of data through constant comparison encouraged further thematic conceptual development. It became apparent that there were additional factors that influenced the crisis readiness of the case study organisation. Effective crisis leadership could not exist without preparation, training or using lessons learnt from past experience. This achieved conceptual categories that led to another higher-order category which is described as Experiential Learning. The Grounded Theory approach identified the importance of learning from past crises to ensure crisis-readiness, which will be explained further in Chapter Five.

## **4.5 CHAPTER SUMMARY**

The 2010 Red Shirt Crisis highlighted the strong influencing effect of the leadership role on the organisation and its stakeholders. Data revealed the complacencies that existed and illuminated the concerns of Crisis Leadership performance at all stages of the crisis event. Although the focus of this study was the pre-crisis phase and the state of crisis readiness, the actions of management when the crisis event escalated reflected



on their state of ‘crisis un-readiness’ and contributed significantly to revealing patterns and behaviours that impacted on the group.

However, the 2012 Phuket earthquake provided a contrasting crisis leadership experience for one of the organisation’s hotels and revealed a rich source of data to consider in the quest to answer the research question; ‘*How does Crisis Leadership influence Crisis Management Readiness in the Thai hotel industry?*’. The Grounded Theory methodology directed the researcher to probe into this phenomenon further through the constant comparative method. Data uncovered a crisis event where the reactions of management and staff required a major review of its crisis management practices, as well as the leadership role in maintaining calm and restoring order. The Phuket earthquake provided a contrasting exemplar to that of the corporate head office and the Bangkok hotel, and became a key opportunity to better understand crisis leadership behaviours and created crisis management readiness best practices.

The lower order categories of Influencing Leadership, Active Sense-making and Managing the Crisis combine to explain the BSSP of Crisis Leadership Influencers. The properties of each of these categories and their dimensions were examined for their interconnectedness and these relationships contributed to the higher levels of abstraction as directed by theoretical coding. The researcher’s theoretical sensitivity also contributed to stimulating abstract theoretical concepts as the substantive theoretical base developed.

In summary, examples were provided of Influencing Leadership with open and honest communication, regular communications, confident and decisive decision-making, visible leadership, leading by example and motivating actions. Active Sense-making was illustrated with examples of understanding the mindset, emotional sensitivities, national and organisational culture. The dimensions of Managing the Crisis were also explained using examples of management actions of responsibility, strategising and activating. This data assisted in illustrating the interrelatedness of these categories in understanding *how* crisis leadership influences crisis management readiness. Deficiencies in these factors also illuminated the concerns and the opportunities to improve crisis readiness strategies.

The following chapter will now describe the findings that explained Experiential Learning which became the second of the Basic Social Structural Processes (BSSPs) for this thesis. Experiential Learning established the abstract level higher order category to explain the relationships between its lower order categories of Preparing for the Unthinkable, Learning from Experience and Learning Routineness. Chapter Five will also explain the moderating influence of Retaining Institutional Memory.

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## CHAPTER 5 EXPERIENTIAL LEARNING

### INTRODUCTION

This chapter will continue to outline the findings of the Phase One and Phase Two interviews, together with the findings from secondary data sources. The research question guiding this study was ‘*How does Crisis Leadership influence Crisis Management Readiness in the Thai hotel industry?*’ The data and the findings presented in this chapter will respond directly to this question.

To elaborate and discuss the findings, this chapter is presented in four main sections depicting the categorisation of the thematic concepts, their properties and their relationships. This chapter will focus on the higher order category of Experiential Learning, which is comprised of three lower order categories that influenced Crisis Leadership efficacy. The three lower order categories are Preparing for the Unthinkable, Learning from Experience and Learning Routineness. In addition, the data revealed the moderating influence of Retaining Institutional Memory. Experiential Learning became the second of the Basic Social Structural Processes (BSSPs) of the emergent theory for this study and represents a major theme associated with the Basic Social Psychological Process (BSPP) that is Empowering Readiness. Experiential Learning was also found to be interrelated to Crisis Leadership Influencers as described in Chapter Four.

Experiential learning developed as a higher order category at the mid-stage in data gathering. It gathered momentum after the catalytic Phuket earthquake event was brought to life as an illuminating example of its impact. From this point, the data collection combined follow-up interviews to clarify the Phuket hotel’s new training and educational programmes and the researcher probed further into subsequent interviews about this developing concept. Experiential Learning was identified as a BSSP from which four dimensions evolved: Preparing for the Unthinkable, Learning from Experience, Learning Routineness and Retaining Institutional Memory. Figure 5.1 illustrates the properties and dimensions of this BSSP that is Experiential Learning. The moderating influence of Retaining Institutional Memory on the lower order categories of Experiential Learning is illustrated in this diagram. The relationships within the conceptual framework of Figure 5.1 will be detailed in Section 5.5.

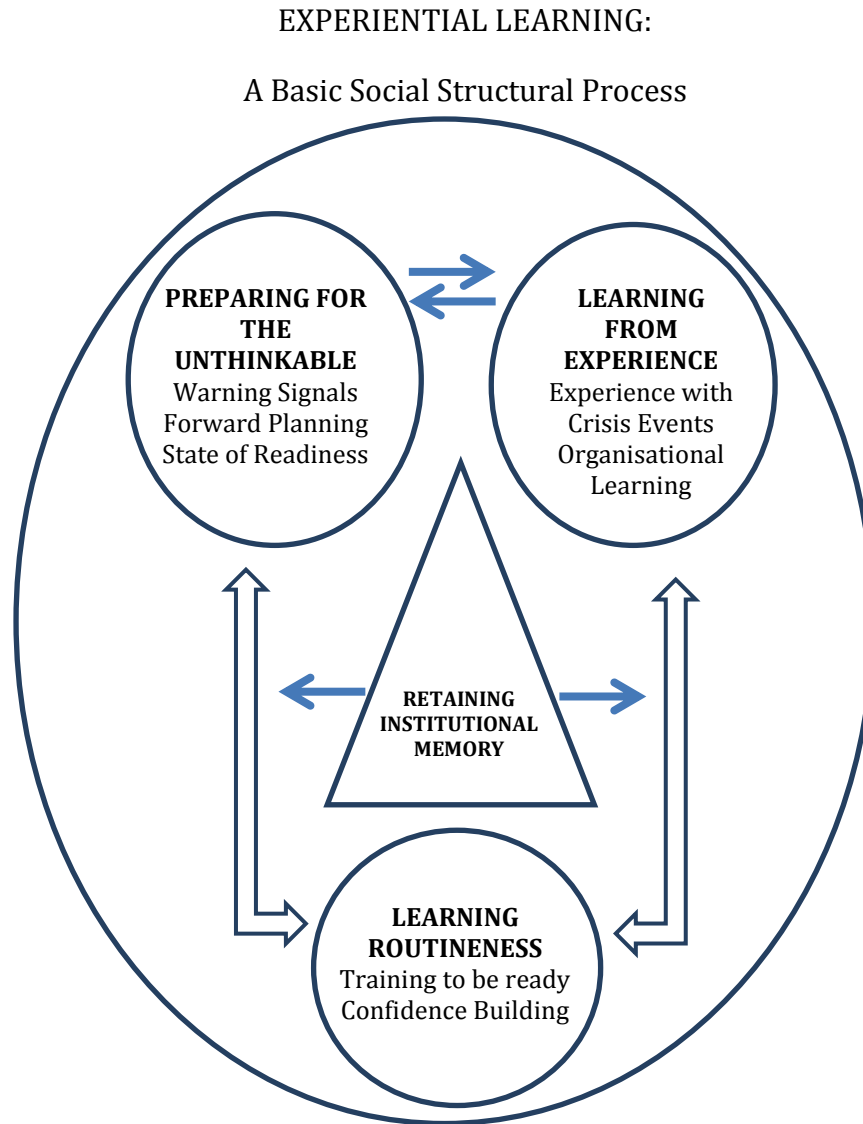


Figure 5.1 Experiential Learning: A Basic Social Structural Process

A crisis event provides a cognitive opportunity to learn from the experience and through the notion of Experiential Learning contributes and builds upon both the individual's memory and the organisation's institutional memory for any future crisis events. Experiential Learning is the way in which experiences are processed: in particular, critical thinking is shaped from reflections of past experiences and provides the intuitive skills to address the current situation. As described by Saddington (1992), "Experiential learning is a process in which an experience is reflected upon and then translated into concepts which in turn become guidelines for new experiences" (p.44). The ability of leadership to retain the learned experience and adapt to further crises also instils a level

of confidence and trust in the followers who are looking to their leaders for guidance and solutions (Boin & Hart, 2003).

Lessons learnt will not be in vain if they are incorporated into the organisations' Crisis Management systems, processes, and training and development programmes across all levels of the organisation. Borodzicz and van Haperen (2003) posited that in an experiential learning environment self-reflection also becomes an important component towards building on lessons learnt and requires an organisational culture that encourages and supports a holistic approach to learning.

The following descriptions provide an insight into how the data revealed the nature of these dimensions and relationships of Experiential Learning. Preparing for the Unthinkable is the first lower order category to be discussed in the next section.

## **5.1 PREPARING FOR THE UNTHINKABLE**

The data from the present research study reflected the company's reticence to plan for the inevitable, let alone the unthinkable. It is the data on National and Organisational Culture that identified a culture of planning avoidance and unwillingness to learn, which is interrelated to other Crisis Leadership Influencers as well as the various dimensions of the second higher order category of Experiential Learning. One of the non-Thai Corporate Office executives pointed out:

“...at that point in time I lived in Thailand for four years, it's somehow almost part of the culture, the reaction. I come from a country where a small thing gets taken extremely seriously. They would close the schools; they would close everything if large demonstrations like this would come up. So therefore I'm more sunk into more of the Thai mentality that was this is OK, nothing's going to happen. I'm not going to stress about something that hasn't happened yet. That I think was the kind of consensus feeling.”

A Bangkok hotel Excom member felt that the preparation phase could have been better handled by:

“Taking it seriously definitely and acting faster..... There was no talk prior to that. If we had to close down the hotel, what do we do? If we had to close down the office, what do we do with our reservations, what do we do with operators, what do we do with our land?..... if we expected the worse, we would have been much better prepared and we were really lucky that the hotel wasn't stormed.”

Mitroff's (2004a) monograph posited that unthinkable events are often ignored by traditional risk management practices. Since they are characterised by low probability and high consequences their existence requires a commitment by the organisation to systematically prepare for the unthinkable. In addition to the first phase of interviews, Phase Two interviews provided a new source of rich data through the purposive sampling methodology, whereby new interviewees were selected based on their knowledge of the case study organisation. The researcher sought confirmation of emergent theory and presented the schematic describing the 'Category Filtration to the Basic Social Process' in Figure 3.1 to Phase Two participants.

In response, one of the interviewees related the 'Black Swan' theory as a possible explanation for the lack of planning by the case study organisation. The lack of planning was identified as a major concern from the data. He described 'The Black Swan' theory from the book of the same name by Taleb (2007) as the theory of improbable events that cause huge consequences, such as the World Trade Centre 911 tragedy which is considered an extreme outlier of possible events yet caused massive consequences. Taleb (2007) defined a Black Swan event in summary as 'a rarity, extreme impact and retrospective predictability' (p.xxii) and he posited that we can adjust to the existence of Black Swan events and be better prepared to manage them. The Black Swan notion was conceptualised by Taleb from the realisation that the improbable can exist based on the scientific community's discovery in 1790 that not all swans were white. Previously, it had been considered a high improbability that there were black swans.

When the researcher probed the informant's understanding of this theory and how it was analysed with the case study organisation, he also referenced Taleb's (2007) narrative and the story of the captain of the Titanic. He explained that the Titanic's captain was appointed to captain the world's greatest unsinkable ship due to his unblemished record of marine safety. However, the world's greatest unsinkable ship with the world's best captain of the time was unable to prevent or manage the tragic outcome. The world's greatest unsinkable ship did not have enough life rafts for all its passengers and crew, it was never considered necessary because it was considered to be unsinkable. In relating this to Taleb's Black Swan theory, the informant posited that the case study organisation lacked the discipline to foresee or prepare for crisis events and assumed an attitude that 'it won't happen to us', a concern that was exposed with high repetition through the data

analysis, as evidenced in quotations in regard to the previous sections on Understanding the Mindset Section 4.2.1, and National Culture Section 4.2.3, and as components of the theme Active Sense-making. One of the Corporate Office DHs described the CEO’s avoidance in making decisions as:

“I think there was some hesitation for him I think. He’s not sure. Like before the Red Shirt happened, I think he thought that it’s not going to be this bad. I think it’s not what he expected so even though we prepared for the worst, he still hoped for the best. So hoping for the best may result in some of the delay in decision making I think.”

In response to the researcher asking a Bangkok Hotel DH to describe how the company responded to the threat of a political crisis, he was perplexed that the threat seemed to have been ignored even though they had crisis management systems in place:

“I wasn’t so much involved in the systems and the SOPs but I knew at that time that we had one somewhere. We had a crisis manual. We even had a system of risk management where the hotel, the Excom, met every month to discuss all sorts of different risk factors and how to better prepare for it.

However, interestingly, the Red Shirt crisis was not discussed in detail so it was, looking back now, it was kind of like why didn’t we discuss it and why didn’t we better prepare for it. We had crisis manuals for fire, for floods I believe in the hotel but not of having the hotel under siege and not being able to get to and from the hotel. So it was quite perplexing why that didn’t go around.”

Ulmer (2012) also referred to Taleb’s (Second Ed., 2010) analogous Black Swan theory by describing how leadership often perceive crises as rare abnormal events and therefore believe they are too exceptional to be concerned about or prepared. The organisation is focused on day-to-day operations with little consideration for the potential crises, however, Ulmer (2012) argued that: “By considering, planning and preparing for crises, organisations are better able to consider not just the urgent day-to-day operations but also the scenarios that are outside of the norm” (p.533).

By Preparing for the Unthinkable or a Black Swan event, an organisation can reduce the negative effects by actively making sense of the Warning Signals, strategising and activating Forward Planning, and creating a State of Readiness. The first of these dimensions, Warning Signals will be explained in the next section.

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### 5.1.1 WARNING SIGNALS

Warning Signals are the indicators or signals that prompt management to assess the situation and initiate appropriate counter measures to alleviate or mitigate any possible negative crisis developments (Mitroff, 2004b). A Warning Signal in the case of natural disasters can be heavy rainfall, rising water levels and therefore the potential for flooding. In Thailand’s case, a political crisis Warning Signal was the build-up of mass protests against the ruling government. A terrorist event Warning Signal can be identified by national security agencies’ threat levels. Warning Signals can be apparent to all levels in the community, or be indicators that may only be recognisable by a few. When Warning Signals are ignored or the organisation is caught unaware due to its lack of signal detectors then the negative impacts can be extremely harmful (Pearson & Clair, 1998).

The company’s Crisis Communication Plan (Case Study Organisation, 2008) described the role of the PR executive at hotel level and corporate head office as being:

“to recognise the danger signals that might lead to an unfavourable situation in the company. One must be on the alert for an event or a series of events that could jeopardise the organisation’s reputation, its financial stability, its position in the industry, or its role in the community.” (p.3)

Warning Signals are related to Active Sense-making and require a situational assessment be undertaken by leadership to mitigate any negative impacts or even seek new business opportunities. When those indicators were obvious to the staff community and leadership ignored the signals, then they were considered by staff to have failed in their duty of care. The data revealed a high level of uncertainty in the pre-crisis event stages, which fuelled the fear and anxiety experienced by the staff community. The interrelatedness of this factor affected the leaderships’ Decision-making and influenced the level of trust and respect that followers retained for the leadership role. One of the key informants suggested that the airport closures of November-December 2008 were a ‘wake-up’ call and that “we all knew at that stage there was more to come through”. One of the hotel’s Excom recalled the lead up to the hotel being under siege:

“When the crisis was brewing before the hotel was put under siege – under siege is quite a negative word [researcher: *it was*] It was but if you weren’t in the hotel at that time you couldn’t imagine walls of bamboo spears just metres away from the hotel but that was how it was. As the crisis was growing, I felt that the hotel management was more on a ‘they wouldn’t come this way’, they would



stay at the Hyatt intersection and we would more or less be safe. ....so when they came over to the intersection that's when we really felt it's bad. That's when we started to have, if I remember correctly, that day we started to have our Excom stay in-house. We had a high level management person staying in-house twenty four hours. So that was exactly when the hotel woke up. I like to use the words 'woke up'."

Although, another hotel Excom member felt the hotel was aware of the threat and had started preparing by describing the situation in a different light:

".... this conflict was taking such a long time and building up actually from a small little camp in a park by a few hundred people, adding to it every day more and more people, we actually had a lot of time to sit down and discuss and follow the media, everything was covered on Thai TV later on as it became bigger. .... We were told they're on full standby so we knew in a way that the army was there. We felt quite protected. We had meetings every day with our executive committee with the general manager, we talked about possibilities. .... So we were aware of the threat, we also realized that the threat is becoming more and more serious."

The 'wait-and-see' attitude that prevailed in the case study organisation contributed to the unease, anxiety and uncertainty of the staff community in the pre event phase of the 2010 Red Shirt crisis. In 2009, the case study organisation implemented mandatory leave-without-pay for six months reducing management and staff salaries by twenty-five percent. The leave-without-pay was introduced after substantial business level decreases resulted from the airport closures in December 2008. The new political protests created tension and uncertainty in the staff community that leave-without-pay may need to be implemented once again.

It was evident in the Phase Two follow up interviews that the new round of political protests in Thailand in August 2013 once again created a level of fear within the community. The lack of response to the Warning Signals had staff concerned about their own personal safety and the business continuity. This prompted one of the informants to share his concerns making a comparison between the UN's staff alerts, compared to the lack of advice from the case study organisation's HR department. He also made reference to the fact that his Embassy was providing updates and yet his own organisation has failed in their duty of care towards his welfare or that of other expatriate managers. He stated:

"I think there should be more HR announcements internally as well to update the staff of what's happening and what action should be taken, what are the do and don'ts during the crisis which we saw very little of actually in our company."

The researcher was contacted on July 8, 2013 by email by a Senior VP of the case study organisation with a request for financial Crisis Management advice. He was aware of this research study being undertaken on his organisation. It is also important to note that this key leadership position was not a part of the management team in 2010 and he had therefore not experienced the Red Shirt crisis event. He requested in the email for the following advice to prepare for a possible political crisis event:

“Our concern is that...as in 2010 we faced this situation of Red Shirt in Bangkok and luckily it did not turn much worst for us then. And now if we see what is going on in Turkey and also in Egypt...we can see that we do live in a very challenging time. So the advices I am seeking from you is...if there is a ‘political problem’ in Thailand, similar to what happened as in 2010...but instead of for a couple of month...what happens if this last for a year or two. Then what we should do to prepare now so that we will have less financial damage and problems. If we have ‘political problem’ and Thailand is closed off or with so little tourist...then what will be the situation and what should we do now to prepare ourselves...? Would be appreciated if you could provide me an idea of your advice.” [sic]

Therefore it was evident that ‘Warning Signals’ were apparent from the most recent 2013 protests but leadership failed to reassure the staff community or key stakeholders that they were prepared for a crisis. The researcher probed Phase Two follow up interviewees to seek clarification about the mood within the staff community and tease out their concerns about the potential new political crisis on the horizon. The Bangkok hotel had received significant cancellations and booking patterns had decreased with the build-up of the August 2013 political protests as clients relocated to alternative hotels away from the potential danger zone. The data overwhelmingly indicated that the organisation is not prepared should a crisis situation eventuate with comments from the interviews that included a Bangkok hotel Excom member:

“So, no, there has not been in my view neither any talk or action plan or financial funds made available or some kind of master plan if there’s a next crisis to be better prepared.”

A Corporate Office executive was of the opinion that should a crisis event occur:

“The same thing would happen again. There would be one natural leader will stand up and again shoot off in pronto crisis management. To be honest, it slowly died out like with the trend of the media talking about it, and so did it die inside (case study organisation) as well and now it’s just spoken of, you know, not officially inside the company except for you doing your PhD in it, if anybody wants to read the results.”

Since the email request for advice from the Senior VP mentioned above, an email communication from a Corporate Office DH to the researcher also indicated that from

July to November of 2013 little had been done to mobilise any form of crisis management planning. He was seeking the actual document and requested from the researcher:

“We are wanting to review and revamp your (case study organisation) crisis management manual, but can’t find it. Would you happen I [sic] have yours still somewhere, please.” Email dated 15 November, 2013.

Although, the current GM of the Bangkok hotel, who is a new GM since the 2010 Red Shirt crisis event, is of the opinion that the CMT and plans are in place. The majority of informants in the Phase Two interviews, similarly to Phase One interviews, expressed their concerns that Warning Signals are being ignored by the organisation’s senior leadership group.

### **5.1.2 FORWARD PLANNING**

Proactive crisis planning has been shown to advantage an organisation in managing a crisis and is a proven success factor in Crisis Management efficacy, in comparison to a company that fails to plan. Jaques (2007) stated: “If senior management is not committed to planning it will not happen” (p.152). Although it is not possible to identify all unthinkable acts that could cause damage to an organisation, the Crisis Management Team should identify a range of possibilities and create a framework of procedures to manage the potential threats. This will provide a tool kit for Crisis Leadership and instil a higher level of confidence within the Crisis Management team to deal with a crisis event (Mitroff, 2004b) and provide followers with the assurance that their leaders are in control of the situation. Lagadec (1993) on the other hand focused on the organisational structures and posited that; “the ability to deal with a crisis situation is largely dependent on the structures that have been developed before chaos arrives” (p.54).

Santana (2004) argued that Crisis Management is only a peripheral activity in an organisation’s day-to-day operations. He argued that managers are unprepared to deal with a crisis in not only the technical but also the psychological and emotional aspects. Forward planning will only occur when hotel organisations recognise that the global travel environment is more volatile than ever before (Wilks, Pendergast and Leggat, 2006); thus, they need to prepare for the unthinkable.

In the context of the present research study, the interview data suggested that senior management were concerned with the myopic view of day-to-day operations and implementing the most cost effective initiatives to meet the annual budgetary goals of business. Data indicated that Crisis Management Forward Planning was not a priority for the organisation’s leaders. As suggested by a Bangkok Hotel Excom member:

“... of course we had meetings on crisis management. We have a crisis management team, we have the manual and of course if you had a manual that is 60 pages long and you have a meeting, even if you have it once a week for one hour, will this really make you ready for a crisis – I don’t think so. And in practice in a hotel operation, a busy hotel operation, crisis management meeting would not be on the top agenda, let’s put it this way.

The top agenda nowadays is always business. It’s sales, it’s staff issues, it’s purchasing issues, it’s renovation issues, it’s budget issues, crisis management because it is a big subject is always put a little bit on the back shelf I must say unless it is shrunk down to a couple of pages. But how can you cover a big area of potential problems coming up in five pages? You cannot do that either, impossible.”

They were under pressure to claw back the losses of the previous years of crises events, including the military coup in 2006, the yellow shirt airport closures in 2008, the red shirt ASEAN clashes of 2009, as well as the Global Financial Crisis (GFC) and H1N1 pandemic fears. These events reduced the company’s profits and stifled business growth (case study organisation’s 2010 Annual Report); as a consequence staff annual bonuses were reduced.

The 2010 Red Shirt crisis created tension and unease in the staff community. They were concerned that mandatory leave without pay may need to be implemented once again as it had been after the airport closures of 2008. Moreover, the hotel industry is characterised by a reliance on short term annual goals rather than a long term outlook of three, five or ten year plans. This was clearly evident in the case study organisation where the CEO and senior management VP group did not operate with a formal, or even an informal, strategic plan which encompassed all of the company’s divisions as previously discussed in the section titled Strategising, Section 4.3.2. One of the Directors at the Corporate Office suggested that:

“They should be spearheading this, reminding the other senior management where resources can be found in case of a crisis management. Maybe have regular meetings once every ... quarterly, a brief on it and if we are lucky enough to be pre-warned of a forthcoming crisis, be prepared for it way in advance and this is again where I think PR plays a very, very big part because

they can always turn it into something very positive for the company, not always a crisis should have a negative impact on a company.”

In the pre-crisis phase of the Red Shirt crisis, there was no CMT in the corporate head office so the ability to plan and manage the crisis was immediately perceived as a weakness. This added to the confusion, fear and anxiety that built up within the staff population as the violence escalated. The failure on the part of senior leaders to communicate effectively, make prompt decisions, actively making sense of the situation and the inability to understand the mindsets of the participants contributed to the high levels of uncertainty being experienced at that time. The data identified the lack of Forward Planning and its interrelatedness to the dimensions described in the higher order category of Crisis Leadership Influencers.

In comparison to the Corporate Office, the Bangkok hotel’s Crisis Management Team met regularly, the Excom members were active in the decision-making process, the HR Director was proactive in addressing the staff concerns, and the GM’s leadership capabilities were all factors that ensured their Forward Planning reduced the uncertainty of the extreme context in which they were operating. Their Forward Planning also encompassed scenario planning in order to assess a range of possibilities and outcomes, while at the same time preparing contingency plans. A Bangkok hotel Excom member explained in Phase One interviews:

“With the key person, we meet in person in the room, we set up the room and we have the necessary equipment like a torch, the mask, walkie-talkie because we were thinking at that time if communication was cut off, you can use this, and first aid box in our regular meeting room and every time we set a quick meeting, everyone came to the designated place. So this is at the key person level, they have to get involved in the decision making like do we close the bookings, do we continue, how should we assign the other side of the building because when they see the light they will shoot our building.....

Talking about another level of the staff, we have to rely partly in the daily briefing of the department heads, the managers concerned, to their respective staff, we made use of the email system, we made use of the staff bulletin board as we mentioned earlier. And also in action we coordinated with the telephone network system at the time, we use the DTAC system. We coordinated with them because if we have to text to our staff that they don’t have to come – mass SMS – and we can do this through the computer system. So from HR perspective, I have to test the system because at the time we have to update all the mobile phone numbers and I think at that time it’s only four or six people for the entire hotel that does not have a mobile phone.”

Secondary data that included Minutes of Meetings held at the Bangkok Hotel in the crisis incubation stages indicated risk scenario discourse, with delegation of responsibilities to the hotel’s Excom and corporate head office management. The data presented a business unit that was recognised as effective in garnering follower support based on confidence and trust in leadership’s Forward Planning actions. For example, one of the meeting attendees was minuted as recommending guests to be familiarised with evacuation procedures:

“(Hotel Excom) suggested that someone should walk through the evacuation rooms with them, show them where to meet, which elevator to take, etc. in order to prepare them in case they need to evacuate. It is important to show them that all our staff are very confident in what they are doing in case of evacuation.”

(14 May 2010, Minutes of Early Bird Meeting)

A Corporate Office DH felt the hotel management performed well in face of the crisis event:

“I must say I was proud of the staff in this hotel, at (Bangkok hotel), they stood firm. Nobody deserted the post. They are very dedicated; that much I have to say about them actually.”

On the other hand, the Phuket hotel also had a CMT, which they believed combined with their Forward Planning had set them up for success should a crisis event occur. However, data analysis of interview responses and online guest feedback secondary data produced a different picture. Even with an established Crisis Management Team and a level of Forward Planning, the lack of Crisis Leadership dimensions identified in Crisis Leadership Influencers resulted in a disorganised crisis situation with no visible leadership. It was clear that even with the existence of a Crisis Management Team and Forward Planning; the organisation did not cope with the staff evacuation and abandoning guests. The hotel’s key informant stated:

“I always thought we would be ready for it but knowing what the human reaction was after what happened, the fact that the staff just ran, it was quite jarring to us and we didn’t do things perfectly that day.”

The Phuket hotel used this failure to learn, re-educate and adopt a business unit wide systematic organisational learning approach. The steps that have been employed will be detailed further in the interrelated lower order categories from Experiential Learning including; Learning from Experience, Learning Routineness and Retaining Institutional Memory.

It was during Phase One data gathering that the strength of the core category and BSPP of Empowering Readiness began to emerge. It was confirmed with the Phuket hotel's failed response, and their subsequent evaluation and implementation of new Crisis Management procedures. The emergent theory reflected the statement by the key informant: "I feel we're empowered more than we were because we have information, we've shared that knowledge and we've put it into practice." Whereas, the data indicated that the senior management team at the corporate head office had not implemented any Forward Planning; except for the Crisis Communications Plan and the Operational Crisis Manual. During Phase Two of the data collection, it was obvious that the notion of Crisis Management Forward Planning still remained a low priority and contributed to respondents fearing the worst and feeling unprepared for future crises events. Therefore the State of Readiness was identified as a major concern for respondents in both Phase One and Two of the data collection and will be discussed in the next section.

### **5.1.3 STATE OF READINESS**

The notion of Readiness was classified as a dimension of the lower order category of Preparing for the Unthinkable, and the researcher sought to understand the perceived State of Readiness from within the organisation. The State of Readiness occurs when Forward Planning has been implemented with the set-up of initiatives such as a Crisis Manual, Crisis Management Teams or Committees, training or equipment, and the organisation and its members feel that they will be able to cope with a crisis event as a result of their Forward Planning. The extant literature indicated that few companies are prepared to face a significant crisis event (Carmeli & Schaubroeck, 2008; Grant & Mack, 2004) and prolong the crisis due to their unpreparedness. High Reliability Organisations (HRO) such as emergency services and the armed forces are regarded as well trained and characterised by the highest levels of readiness for extreme events (Hannah et al., 2009; McConnell & Drennan, 2006; Paraskevas et al., 2013).

In contrast Hannah et al. (2009) suggested naive organisations such as hotels suffer from the naivety that 'it won't happen to us' and therefore do not allocate the funds for training or the resources to prepare for the unthinkable or even to ensure a State of Readiness exists. The naivety of the organisation hinders its ability to foresee the Warning Signals and Manage the Crisis. This contributed to increasing levels of

uncertainty and anxiety in the staff community during the Red Shirt crisis incubation period.

The data overwhelmingly suggested that the Corporate Office of the case study organisation is far from ready to deal with a crisis event and their State of Readiness is considered less than adequate. One of the Corporate Office DHs stated at the time of renewed political protests in November 2012 and in Phase One interviews:

“In all honesty I think the same thing would just repeat itself because if there were going to be any changes that I can see, we would have had meetings and planning and putting a committee together already by now”.

This was also confirmed by another Corporate Office executive:

“.....they kept on talking about safety, security and safety and still I feel after the Red Shirt if it will happen again tomorrow, the only thing we can lean on if we have someone strong to take the lead and re-invent the wheel of what happened last time, as there is nothing planned. I would not know what my role is if something happened. As in charge of my department, I have no instructions what my role is. We only have fire evacuation drills.”

In addition, a Corporate Office DH responded to the question about the potential for political demonstrations in November 2012, more than two years after the Red Shirt crisis and the case study organisation’s readiness by stating:

“There has to be a committee represented by at least one division from each department or each division..... No, it doesn’t exist and they should be on call 24 hours. Each of them should have contact information of each other and staff from their own division as well.”

The lack of a Crisis Committee was reconfirmed by most of the informants with a similar understanding that it did not exist and therefore they felt that the company was unprepared. When asked to validate the study’s thematic development, a Bangkok hotel Excom stated, in response to the question specifically on if he felt his organisation was crisis-ready:

“No crisis team with new instructions has been formed as far as I know, though there is a Risk Assessment team existing, with manuals that might be good for Europe or America but I see no tailor made action that would suit a Thai situation.” [sic] Email dated 24 August, 2013.

However, a Corporate DH in Phase Two indicated that there is a Safety Committee, comprising RM, Engineering, Food and Beverage, reporting to the VP Operations. He argued that this is considered to be a Crisis Committee, although he acknowledged that the key divisions required in a crisis situation of HR and Sales and Marketing are not



included in the Safety Committee. The data indicated there is an obvious breakdown in communication about the existence of this committee or knowledge about its responsibilities and scope of inclusiveness across all functional divisions.

In comparing the case study organisation with another international hotel group that shared the mixed use development site, one of the Phuket interviewees recognised the state of readiness of the neighbouring hotel group in regard to their crisis readiness practices and stated:

“They have a dedicated risk assessment guy, for lack of a better word, who’s based in Singapore head office, the (international hotel group), and he actually went and reviewed all the (international hotel group) properties including the ones ... they have three in the Maldives, and literally all the ones that were affected by this earthquake. So I think there was Maldives, India, Sri Lanka, Thailand and Bintan. He therefore included all Laguna properties but also the (international hotel group) ones and he assessed how each of them responded and it was very well done and I can see they had a great commitment to keeping to their readiness for that sort of event.”

At the same time, the participants’ self-reflection about the State of Readiness indicated that they felt that they were not ready should a crisis event occur. For example, a Bangkok hotel Excom member recalled the importance of the client and guest databases during the Red Shirt crisis and the challenges with the lack of data cleanliness for communication efficacy. However, day-to-day operational concerns have taken precedence and she is concerned that this communication aspect will be even worse some two and a half years later. There is no sense of task routineness in updating this extremely valuable tool and resource, which is one of the indicators for State of Readiness in the case study organisation. Task routineness will be further detailed in Section 5.3.

On the other hand, the Phuket hotel’s State of Readiness is considered at a much improved level as a result of the reviews and the new Crisis Management plan. The Excom key informant believed that the preparation, training and new initiatives, such as mandatory staff orientation, pay slip reminders, smartphone tsunami and earthquake warning applications, practice simulations, as well as an expanded Emergency Response Team (ERT) and First Aid Support Team (FAST) have combined to create a better informed and more confident staff community. They have also set up the Emergency Response Room with better equipment and more resources than prior to the earthquake,

with items such as for example, water, non-perishable dry food, walkie-talkies, raincoats and plastic shoes.

In the company's head office, the Corporate Director of Engineering is responsible to ensure fire and life safety (FLS) systems are operating on the hotel level. Although FLS systems are a legal prerequisite of a hotel operation based on local safety regulations and international travel operator standards, he explained in Phase Two interviews that many of the systems at the Thai based hotels were inoperable, as well as at the Manila and Dubai hotels. He had spent the past two years certifying and educating the hotels about their responsibilities and is confident that they can minimise asset damage as well as ensure staff and guest safety should a fire incident occur. This State of Readiness in FLS systems is monitored by the Corporate Director and it is through a strict protocol of standards, audits and training that ensures compliance.

As explained previously in the section on Warning Signals, a Senior VP and the RM team detected signs of further political unrest and had taken some steps to prepare; however, when the researcher sought the opinion of the Senior VP on the State of Readiness. He wrote in an email dated 5 August, 2013, more than three years after the Red Shirt crisis:

“We had RMC (Risk Management Committee) meeting on last Monday (29JUL13), chaired by Khun (CEO). What Khun (CEO) mentioned and was worried very much is about financial management if we had political crisis, like red shirt last 2 years, and had to close our major hotels in Thailand for long period i.e. 6-12 months. Many questions and homeworks were raised and asked by Khun (CEO) for RMC to find the best solution and preparation for Corporate side.

For the time being our RMC had done the plan to handle the crisis and presented to Khun (CEO) and it seems okay to Khun (CEO) for the moment. However your kind advice/ recommendation, for some bullet points, are more than welcome and would be greatly appreciated.” [sic]

The researcher followed up with a telephone call the following week with the Senior VP. He explained the above email that he did not feel confident that they were ready and identified some initiatives that he believed would counteract his concerns. For example, he believed that they needed to establish a Crisis Management team so that everyone will know *who* is doing what and *what* their roles and responsibilities will be should the political protests escalate. This reflects his uncertainty about how the organisation will handle the situation, especially since he was not a part of the organisation during the

Red Shirt crisis. In addition, he felt that they needed to implement training and simulation exercises to prepare staff for the ‘unthinkable’.

Budgetary inadequacies were also identified as a barrier to creating a State of Readiness and this theme was repeated by a number of informants who felt the pressure to restore business levels after the crisis event precluded any form of formalised learning. As highlighted by a Bangkok hotel Excom member:

“To be very honest with you, there has not been any additional resources in terms of hardware, in terms of software like surveillance cameras, in terms of extra protection for the hotel like fencing, in terms of a wire fence that our own security could use to protect our property, in terms of a real serious training for not only the Excom but the general staff which are the ones that actually are most at risk because they are the frontline and because they come and go to work every day.”

In response to one of the interview questions; *Is there a budget or resources in place for another crisis event?* A member of the RM department responded that:

“I don’t think they have a budget just an ad hoc event perhaps like when they come to talk to like a board. Like last time the flood is coming and we don’t know the situation here in (hotel), it’s just that the water will come. Do you know our CEO just talked to the board that we need a boat, something to prepare for the flood – no budget before or set, I suppose.”

The lack of budget readiness or allocation was also noted by another Bangkok hotel Excom member who responded to the budget question:

“Not specifically for the crisis or any crisis but at that time, of course, when they were already on our front door, we had to pull in resources from somewhere. I’m not too familiar with the financial part of that but I didn’t feel that there was any specific monetary budget set aside, no.”

A Phuket Excom member related the issue of a complimentary dinner provided to all guests after the earthquake evacuation of 2012 as an example of non-budgeted items for crisis events:

“.....after we send them back to the hotel, the hotel give free food for all guests. It just came up, it’s not our form, it’s nothing to do with the hotel but it was just a courtesy to all the guests to make them calm down but I don’t think we have this budget. It’s like maybe we put it under miscellaneous but I don’t think we put this is a budget for crisis, whether we use it or we don’t use it, but we have to put it aside. So I don’t think we really have ... I’m not saying we don’t take this seriously but maybe we just say oh if this has happened, we do it.”[sic]

In addition, one of the informants explained that although middle management actively recommended security and risk management initiatives, the CEO and Board did not

comprehend the financial versus risk ratio and rejected these initiatives due to budget constraints. A financial commitment for initiating Crisis Management practices as a result of learning from the crisis would also encourage a greater level of confidence, respect and trust within the staff community that the organisation is prepared to deal with any potential crises.

The budget constraint theme prompted the researcher to return to the Phuket hotel Excom and follow up on Phase One (November 2012) data that revealed a new Public Address (PA) System was to be installed the following month. Following Phase Two interviews, the researcher sought clarification on the PA installation and was advised that this initiative has been postponed until the 2014 budget. Confirmation was provided to the researcher as per the email response on 1 September, 2013 that stated:

“Re PA: this was postponed until 2014, however (FLS Manager) is here to check what progress we have made as we have down [sic] a lot of work to improve the former fire system”.

This was an initiative that was identified after the April 2012 earthquake as an urgent resource required to assist in better managing a crisis situation, especially in a resort property with an expansive layout and where the communication process at the time of the crisis was identified as inadequate. Therefore, the budget dilemma has reduced the State of Readiness for the Phuket property and as a consequence negatively influenced the interrelated components of Experiential Learning and the Crisis Leadership Influencers, in particular Communicating, Decision-making, Visibility, and Managing the Crisis.

These findings are also validated by the online survey results that suggest staff perceive the organisation’s state of crisis readiness is below expectations of the staff due to a lack of training despite an obvious willingness of staff to learn and be crisis ready. Section 5.1.3.1 will explain the online survey results with regard to staff perceptions about Crisis Readiness.

#### **5.1.3.1 ONLINE SURVEY: PERCEPTIONS OF CRISIS READINESS**

This section explains the findings of the survey designed to elicit staff perceptions about their company’s crisis management readiness. These findings validate the emergent theoretical concepts. The survey statements were based predominantly on the work of

Rousaki and Alcott’s (2006) study combined with some additional statements from the aforementioned Sheaffer and Manno-Negrin (2003) study.

Rousaki and Alcott (2006) based their questionnaire instrument on Reilly’s (1987) empirical evidence of Crisis Readiness, which reflected three dimensions. The survey for this study used the resulting component on internal functionality, which was operationalised as a subscale into Section Two of the survey. The factor analysis resulted in the Crisis Readiness scale loading the organisation’s internal functionality as Factor 1 and supported Rousaki and Alcott’s (2006) hypothesis that the perceived Crisis Readiness “increases as long as they believe in their organisation’s internal functionality” (p.35). This factor explained 32.4% of the variance.

Section Two also included five statements from Sheaffer and Manno-Negrin’s (2003) crisis management subscale, which were of a similar vein to the crisis management readiness set of statements and were designed to gauge how crisis prepared or prone their participants were in terms of crisis management. The Cronbach alpha of .867 indicated the strength of the common factor reliability and consistency in the respondents’ answers.

#### **(i) INTERNAL FUNCTIONALITY**

Table 5.2 indicated from the online survey’s frequency analysis that a large proportion of the staff disagreed (37.9%) that all members are trained to handle a crisis situation (only 28.6% agreed), or are well informed about the resources or tools available in the company should a crisis occur (35% disagreed to being well informed). This reflects a negative perception about Crisis Readiness within the organisation. The statement that the organisation will recover quickly after a crisis situation indicates strong agreement (42%) and may explain the attitude that was prevalent in the primary data, that the case study organisation would ‘bounce back’ easily and therefore there was not an urgency for Crisis Readiness.

In comparison to the first section on Corporate Orientation, the mean scores are lower with less agreement for the statements on Crisis Management internal functionality. This would indicate staff support for the notion that there is a lack of Crisis Management readiness.

Even though almost half of the respondents (45.4%) acknowledged the organisation has Crisis Management plan training on an annual basis, there is still more than one quarter of respondents (26.9%) who did not agree with this statement. This indicated that Crisis Management plan training is not provided systematically throughout the company. There is also a lack of consensus or significant difference with regard to the belief that the organisation views Crisis Management readiness as a corporate goal priority, as only 39.5% agreed with it being a corporate goal priority while 25.2% disagreed.

Table 5.2: Perceptions of Crisis Management Readiness

Statement	Mean	% Agree/ Strongly Agree (4+5)	% Disagree/ Strongly Disagree (1+2)	$\alpha$ Cronbach Alpha
<b>Internal Functionality</b>				.867
I have easy accessibility to crisis management resources	3.03	37%	27.7%	
My organisation has adequate budget in its strategic plan in case of a crisis situation	3.15	39.5%	22.6%	
My organisation has crisis management plan training on an annual basis	3.15	45.4%	26.9%	
I am well informed about the resources and tools allocated for crisis management	3.03	43.7%	35%	
My organisation views crisis management readiness as a corporate goal priority	3.09	39.5%	25.2%	
All members of my organisation are trained to handle a crisis situation	2.82	28.6%	37.9%	
My organisation will recover quickly after a crisis situation	3.25	42%	15.2%	
<b>Crisis Readiness</b>				
Crisis management preparations are a luxury we cannot afford	2.74	15.9%	37%	
Since we are big enough, the probability of survival after a crisis is high	3.19	42%	19.3%	
Crises have only negative impacts on my company	2.75	21.9%	42.9%	
It is sufficient to take action once the crisis has occurred	2.97	39.5%	33.6%	
It is impossible to prepare for a crisis since they are unpredictable	2.56	22%	49.5%	

Scale 1-5 : Strongly Disagree (1) to Strongly Agree (5)

A lack of Crisis Management training and therefore Crisis Readiness was also described in the survey’s free text responses from two different respondents:

“A lack of data, training and crisis readiness contributed to a sluggish address of the issue. Had we been better prepared through training and clear documentation we would have been able to handle the issue in a more positive fashion.”

“There should be an SOP on crisis management”

## **(ii) CRISIS READINESS**

The Crisis Readiness statements provided even more useful insights as illustrated in Table 5.2 above. These results reflect that 37% of the respondents disagreed with the statement: “crisis preparations are a luxury we cannot afford”. This indicated that staff are aware of the importance of crisis preparations and understand the need for incorporating them into the organisation’s strategic and operational activities. In addition, there were high levels of disagreement to the statement that “crises have only negative impacts on the company” (42.9%). As a result there appears to be an opportunity for the organisation to learn from crisis experiences and rebuild the company with improvements and create new best practices.

Furthermore, there appears to be some consensus that since the organisation “is big enough, the probability of survival after a crisis is high” (42% agreed), which may contribute to the complacency for crisis readiness and lack of crisis preparation. Finally, the majority of respondents disagreed that “It is impossible to prepare for a crisis since they are unpredictable” (49.5%), and this reflects a willingness of staff to participate more readily in Crisis Management training and preparations.

However, the survey revealed some respondents who felt the company was adequately prepared and two respondents stated in the free text responses:

“During the political crisis in Bangkok. Our organisation located in central of the city, where exactly the political crisis began around 3-4 years ago but our organisation had immediate plan and continually operation.” [sic]

“Since the crisis in April 2012, we are 100% more ready for the event when it happens again, however the human [sic] reaction is not possible to predict.”

The online survey provided further qualitative insights into the findings on the classification of the State of Readiness and contributed to the emergent higher order category of Experiential Learning. The next section will discuss Learning from

Experience, which emerged as an interrelated lower order category of Experiential Learning due to its influence on Crisis Readiness efficacy.

## 5.2 LEARNING FROM EXPERIENCE

The BSSP of Experiential Learning is built upon a number of key categories including Learning from Experience which was identified as a major contributing influence on Preparing for the Unthinkable, Learning Routineness and Retaining Institutional Memory. These categories reflected a relationship with the first BSSP, Crisis Leadership Influencers. The classification of Learning from Experience emerged from the data gathering and analysis with the frequency of follower trust and acceptance based on the leader's learned experiences as a Crisis Leadership competency. Moreover, the Phuket earthquake internal review provided an example of Learning from Experience to establish best practice processes. The category of Learning from Experience provided evidence that learning from a crisis can help an organisation develop precautionary norms which generate a greater resilience to crisis events in the future (Smith & Elliott, 2007).

The ability to detect crisis Warning Signals, refined and enhanced by the learned experience of the past, enables leadership to identify vulnerabilities, engage in rapid and wise decision-making, take informed action and encourage learning that promotes positive change. Learning from Experience establishes a systematic approach to Crisis Management based on past experiences and encourages strengthening bonds of trust and respect from the key stakeholders of the organisation, staff, clients and partners, as they view leadership with higher levels of confidence. Data analysis of staff responses suggested a high level of trust and confidence is placed in leadership when their past crisis experience is evident in their decision making. For example, a leader's SARS experience and her crisis communication initiatives encouraged a sense of credibility with her follower group. In Phase One interviews a Corporate Office DH explained:

“...But overall I think we did the best we could because for me it was the first time of a crisis.... it might be like SARS and all that stuff and luckily I had a leader who has international hotel experience dealing with the crisis who pushed me to finish the crisis plan. I was frustrated for just a week. I had so many things to do but I knew it was very important. Even I look back at the crisis plan myself and say OK...”



The category describing Learning from Experience encompassed two main dimensions: Experience with Crisis Events and Organisational Learning, which will be described in the following sections.

### 5.2.1 EXPERIENCE WITH CRISIS EVENTS

Management who have Experience with Crisis Events have a heightened awareness of the situation, which is suggested by one of the hotel GMs of the case study organisation as being “latent or even subconscious” as will be elaborated upon further in this section. Leaders who have experienced a crisis incident are more agile to react quickly to a new crisis than those who are experiencing it for the first time. The findings from the present study also reflected the notion that leaders with crisis experience are considered to be better prepared to manage a crisis, as explained by a Bangkok hotel Excom member:

“For a lot of us who didn’t have much experience handling crises, we felt that, you know, well he kinda [sic] knew what to do and that was quite important to us as department heads.”

They have learned lessons from the past and can avoid past mistakes; therefore, they are able to react faster. They were believed to be less confused or shocked when faced with a crisis situation, which allowed them to analyse the situation and activate counter measures more time-efficiently than non-experienced leaders. They also expressed clear and believable messages when speaking from a learned experience viewpoint. A leader who has experienced a crisis event is better equipped to handle the fast-changing crisis landscape. Moreover, exposure to a previous crisis enhances the adaptability of the leader to deal with different situations (Parry, 1999).

Data classified under ‘experience’ and ‘experience learned’ developed compelling evidence for the fact that followers’ levels of trust and confidence in their leader who had previous Experience with Crisis Events was stronger than for leaders without experience. When the researcher probed into understanding why staff trusted their leader, respondents referred to their past crisis experiences. Followers were confident that their leader’s Experience with Crisis Events would mean that they could manage the situation in a more efficient way than a leader without any crisis experience as described in Managing The Crisis in Section 4.3. The followers’ willingness to follow directives was based on their assessment of the leader’s credible past experience and ability to minimise risk and negative outcomes. The Bangkok GM was deemed a

credible crisis leader for his *Experience with Crisis Events*, specifically with his experience as a GM at the time of the Bali bombing in 2002, as explained by one of the Bangkok hotel Excom:

“....we had a general manager that went through the Bali bombings and he had a lot of experience. He had a lot of very good advice, for example, like stocking up food, like always emphasizing on taking care of our safety first and of the guests’ safety and he was then also intelligent enough to stop the bookings for the safety of any person that still wants to come here.”

In contrast, the effects of the Phuket earthquake had not been experienced in the lifetime of the hotel; therefore, the fear and panic that it caused was attributed to the previous retained memories of the devastating 2004 Boxing Day tsunami. Furthermore, the hotel’s GM and senior expatriate leaders had not been in Phuket during the 2004 tsunami crisis; as a consequence they were not proficient in actively sensing the extreme levels of fear and anxiety within the staff and guest population alike. In learning from this experience, the hotel Excom took the panicked staff reaction into consideration and built upon the 2012 experience to retrain and re-educate the staff population about specific earthquake evacuation strategies in conjunction with their tsunami training. The Crisis Management team are confident that the perceived levels of fearfulness have been reduced as a result of their experience, a sense of familiarity and the organisational learning processes employed to prepare for similar future crisis events.

“The tsunami alarm is loud and scary and horrible and therefore the people that hadn’t run then took to the hills themselves. I think part of it was we’ve now spent a lot more time about educating them on what an earthquake is, they’ve felt it first hand and we had the aftershocks for one month afterwards so they felt them regularly.”

In acknowledging their incompetencies, the Phuket hotel’s senior management solicited feedback from all stakeholders and have since established a CP that has empowered staff to react with confidence and professionalism. The sharing of information has given the staff community the knowledge to deal with future crisis events in a confident and systematic approach. Hence avoiding negative customer feedback while increasing repeat business. In answer to the researcher’s question, ‘what makes you feel you’ve got everything in place (for a crisis event)?’ the hotel’s key informant was of the opinion that “we’ve learnt a lot more and obviously this knowledge has to be practiced and we’re pretty committed to that so I think for that we’re ready”. The Phuket hotel Excom member also added:

“I think that not to be afraid to talk about it even when you do things not well. We had to accept the fault of what we did in that event and accept that we were

very fortunate that there was no harm to anybody and that our guests and the recovery process by the hotel was very smooth and that we truly had done the best that we could knowing that all our staff had run away.”

The 2011 nation-wide flood crisis once again severely impacted business levels in Thailand and threatened to flood the flagship hotel and corporate head office. Staff were unable to report to duty, so the central reservations office was relocated to Pattaya where it continued to operate for a month. The senior manager responsible for the central reservations office suggested that since the staff had relocated to the CCC during the Red Shirt crisis, they were prepared and less stressed about this relocation activity. As a matter of fact, he suggested that they experienced a sense of relief that they would be accommodated in conjunction with their job activity since their homes were flooded. The experience of relocating the central reservations for the second time in eighteen months made the transition a more acceptable option for the followers. One informant also explained:

“We learned how to have contingency plans. Like when the flooding happened and we had to move the central reservations office to Pattaya, it was much easier because we know how to divert the phone lines. We know what equipment to set up there, what could be moved and what could not be moved because we had done it before so that was much easier.”

The phone line diversion and hardware requirements were based on the Red Shirt crisis set up. The ease of the operation was attributed to having done it before and was considered a positive outcome of having Experience with a Crisis.

However, Experience with Crisis Events can result in a level of complacency towards impending crises and the notion that the organisation will ‘bounce back’ became prevalent in the data collection. A Phuket hotel Excom member raised a concern that staff may be too confident after twenty five years of operation with a number of crises that have already challenged the hotel. There was a perception that the hotel is resilient and will always ‘bounce back’ and continue to operate so there is nothing to worry about. She stated in Phase Two interviews more than a year after the Phuket earthquake:

“The staff feel confident and maybe too confident that, you know, we’ll handle everything, it’s going to be OK. I think that the hotel, that some of the staff have been here so long that they’ve seen the hotel, how it’s resilient and how it keeps bouncing back. It’s the same about the business, the business will just come.

People when they only see one way when they’ve been in a place so long, they can almost be a bit blinded, with shutters on. So, we’re still, one year on, we’re still, that readiness is there, the understanding, talking about it much more, what

the signs are, knowing the response, talking about it in briefings, attaching things to payslips still, we still do that, so I think everybody is aware. The only thing I'd be worried about is the staff turnover so when somebody does change how to bring them up to speed quickly.”

The crisis-fatigued Thai hotel industry is also a contributing aspect to the community's attitude that they 'take for granted' that it's just another crisis and everything will be OK and the industry will 'bounce back' (World Bank Report, 2012). Once again data indicated highly interrelated relationships with the lower order categories of Crisis Leadership Influencers, in particular National and Organisational Culture and the belief of expecting only the best in outcomes.

A Corporate Office DH, who had been based on property at the time of the Thaksin coup d'état in 2006, highlighted the lack of Crisis Readiness in the company even when he had already experienced the staff reaction. He stated:

“...we were really unprepared as a company, as a company-wide, I was based on property. For the first sniff of trouble when the coup took place and the military took power. I went running down to reception as soon as I found out and was greeted by everybody with, this always happens and don't worry about it and everything will be fine, and the actual fact in that first instance, it was. Everything passed off peacefully, there was a bit of negative press which was quickly turned around with holidaymakers looking at tanks. It all went off and everybody was relieved there was no bloodshed. That should have been a warning signal to say that systems should be put into place and what if it hadn't gone so well.”

Phase Two follow up interviews validated the confidence that is instilled when a manager assumed the position of leadership in a crisis and is acknowledged to have Experience with Crisis Events. A hotel GM used his own personal experience as an example by retelling a story of a car accident that he encountered in 2004 when he was the first person on the scene. He felt he “muddled” his way through the emergency by blocking the road and providing first aid. Eight years later he encountered a similar situation but on this occasion he felt “less muddled”, in that he knew what he was doing and was perceived by onlookers as the leader of the situation until the emergency services took over.

Learned experiences do not need to be from one's own personal experience; they can also be formulated from the experience of others or similar events. These accounts can also provide a learned experience if it has been studied or referenced to the current context. For example, one of the Bangkok Hotel Excom referred to his learned

experience from the Mumbai 2008 hotel bombings and the proactive approach adopted by the Taj group immediately after the November 26-29 terrorist attacks. The Taj Mahal Palace Mumbai is an iconic Indian hotel and their award-winning advertising campaign launched on Dec 5<sup>th</sup>, a week after the tragic loss of life and destruction to the national landmark, described the spirit of India and how the hotel, just like the country, would never bow to the pressure of terrorists (PATA, 2009), please refer to Appendix 15 as this advertising message provided the basis for the case study organisation’s 2010 post crisis advertising. In Phase One interviews, a Corporate Office DH recalled:

“(case study organisation) provided leadership in terms of going out with a strong message based on what we’d learnt from the Taj episode and their bombing and how they handled and how we came out with a ‘we shall not be beaten’ kind of message with the (recovery advertising campaign tagline)”.

This learned experience from another’s tragic event gave credibility to the iconic-style campaign launched for the Bangkok hotel titled “(recovery advertising campaign title)”. It evoked an emotive pull strategy for internal and external stakeholders, locally and internationally. The campaign also sought to inspire a sense of national pride and acknowledged the ‘never give up’ attitude of the entire tourism industry. The data suggested that this was a very successful strategy which continues to instill a level of pride three years after the campaign. A Bangkok hotel Excom member stated:

“...everybody still remembers, remember that (case study organisation) ‘Strong as Ever’, ‘(recovery advertising campaign tagline)’. That message was so strong. It wasn’t selling, it wasn’t promoting the hotel, they were just saying we’re strong, we’re there. That message still some of our customers talk about it, it was saying that we are there, we are here, and that was the biggest communication and it was in a press release as well so being innovative while being in a crisis, communicating to the customers because it’s not only customers in Thailand but it’s around the world and sending that out was huge.”

A number of participants noted that Mumbai’s Taj Mahal hotel recovery campaign was an invaluable learning experience for their own Red Shirt recovery strategies. Although no two crises are the same, the preparation, planning, management and recovery stages will provide cognitive learning opportunities for application to other crisis situations.

Data also revealed that unsuccessful strategies also become learned lessons, which was exemplified by one of the key informants who had been representing the Massachusetts Port Authority owner of the Boston Logan International Airport at the time of the September 11<sup>th</sup>, 2001 World Trade Centre terrorist attacks. He recalled how the international marketing funds were cancelled and their marketing efforts became

domestic centric which he believed delayed their destination’s recovery. He suggested that:

“It was a good example of how really not to deal with it, I think if I have learnt anything, you’ve got to face these things and try and be as honest as possible and just keep restating your messages and keep being positive and active and getting things in the market, and if nothing else, it will speed the recovery.”

A new participant during Phase Two data collection further highlighted an important training tool that reinforces the learned experience from other crises. He used the recent resort fire at the Adaaran Select Hudhuranfushi Resort in North Male’ atoll of the Maldives archipelago on 21 July 2013 as an example to engage his on-site engineering reports with the importance of FLS systems and to learn from this incident. Sixteen villas were destroyed and fortunately only minor injuries were reported, especially since the villas were not equipped with smoke alarms (Merrett, 2013). The case study organisation opened a similarly designed water villa resort in 2012, and the informant referred to this incident as “it could have been us”, which would have “been bad news ...(and as a consequence) bad PR”.

Another Phase Two informant stated in an email response dated August 24<sup>th</sup>, 2013:

“Learning from experience is a clear factor in dealing with a crises [sic]. After living through tsunami, earthquakes, terrorism, in my own experience, there is a heightened (all be it latent or maybe even subconscious) awareness of one’s surroundings and in a way a preparedness. I think this is what is key. People having experience a crises before are more quick to step into preparedness than those who are experiencing them for the first time and can react quicker (they do not have *it won’t happen to us mind set* and are therefore less shocked or confused when a crises occurs). They even may be subconsciously conditioned to be in a better prepared location or position should it occur. They have learnt from the good and the bad behavior and therefore do not need to go through this testing process again.” [sic]

On the other hand, the data also revealed concerns by many of the respondents that with staff turnover new management are perceived not to have *Experience with Crisis Events*. The informants were concerned that they will not be able to react effectively should the 2013 political protests escalate. In addition, a Bangkok Hotel Excom member felt that the age group, and therefore lack of crisis experience, of the Risk Management team from Corporate Office impeded an efficient response to a crisis by claiming:

“I mean it’s nothing against young people with a masters degree but for this kind of people doing something that would be practically useable in a crisis, you would really have to have some committee members that have been through a crisis, have experience and maybe somebody that comes from the army, from the police.”

Phase Two data gathering confirmed the emergent themes and lack of confidence for the current corporate head office management, whose experience with crisis events does not appear to have been authenticated by staff. The recent request for advice to the researcher to deal with a potential crisis from the most senior finance VP, also indicated a lack of confidence and uncertainty. It is also important to highlight that he had only been with the company during a crisis-free period. The interrelatedness of the BSSP Experiential Learning category's Learning from Experience will be further addressed in the section on Retaining Institutional Memory.

Experience with Crisis Events is a key property in Learning from Experience and strengthens Experiential Learning as a BSSP. However, Learning from Experience is enhanced when Organisational Learning is encouraged and new systems and processes are undertaken to address any deficiencies or issues after a crisis event. Organisational Learning will be detailed in the following section.

### **5.2.2 ORGANISATIONAL LEARNING**

Utilising a crisis experience knowledge base through a systemic Organisational Learning approach also benefits the organisation because it provides a comprehensive tool kit to ensure sustained business continuity. The role of Organisational Learning is acknowledged as an important element in the growth, development and sustainability of an organisation (Madsen & Desai, 2010). Whereas the failure to learn from these experiences reduces the organisation's ability to Prepare for the Unthinkable, detect Warning Signals or Forward Plan. An active Organisational Learning philosophy will also positively impact on the Decision-making processes (Lerbinger, 2012) and strengthen Crisis Leadership efficacy.

Organisational Learning is defined by Madsen and Desai (2010) as “any modification of an organisation's knowledge as a result of its experience” (p.453). The lessons learnt and adapted from a crisis event, to improve skills and expand capabilities, are invaluable even if such an event is not expected to reoccur (Lampel et al., 2009). However, in the case study organisation the data described an organisation at head office level that dealt with the immediate crisis event, recovery, and then resumed day-to-day business activities as evidenced in comments about the lack of debriefings as reported previously in the sections on Forward Planning and State of Readiness,

Sections 5.1.2 and 5.1.3 respectively. In response to the researcher’s question on what learning or debriefing occurred as a result of the crisis event? A Corporate Office Director recalled:

“I wasn’t privy to any senior management discussions if there were any. There was I think a thank-you that came out from Khun (CEO) for all the efforts that were made and to continue the business and to uphold the company’s identity out into the world and the market.”

Another Corporate Office DH responded to the same question about debriefings being held after the Red Shirt crisis:

“I don’t think that’s happening because we meet during the crisis all the time but after the crisis we were really busy doing the post-crisis actions trying to fix whatever happened.”

However, in the secondary data, Corporate Office Excom Meeting Minutes of May 18<sup>th</sup>, 2010, indicated the CEO’s insistence to learn from the Red Shirt crisis events by minuting his directives:

- (CEO) stressed that we need to develop a much better plan and since we learn from this experience. We will need to compile everything we are doing now and have a proper plan including the drill.
- We have to push forward and not giving up, we need to plan well for once the situation is return to normal.

In a CNN interview the following day on May 19<sup>th</sup>, 2010, the CEO reiterated the need to learn from the Red Shirt crisis by stating:

“Last year we thought it was difficult but this year is worse and that’s why I think right now the Thai people we have to find a way so that we can as a country moving forward together and we have to learn from this and we have to make sure this will not happen again.”

In an email announcement three days after the Corporate Office Excom meeting on 21 May, 2010, the HR head also indicated that the organisation needed to document lessons learned by stating:

“The past one week has been a trying time for all and once again we do apologize to our colleagues in the field for the inconveniences caused by the work disruption. We do, however, thank everyone for their concerns and understanding. This is what being a “family” is all about and it goes right to our core values. We have weathered the crisis together and have come out stronger, ready to face the challenges ahead with renewed energy and vigour to build our paradise on earth : (company name). Valuable lessons have also been learnt in crisis management and we ask all department heads to document these lessons in writing so that we can share them among ourselves. ....Enjoy your weekend but do take care. Remember, night curfews are still on for today and tomorrow. See you back in the office on Monday.”



Although there appeared to be some rhetoric from the CEO and HR on debriefings and lessons learnt; the interview data highlighted the absence of Organisational Learning activities by management at head office with no debriefing or reviews of the organisation's actions during the Red Shirt crisis. As stated by one of the Corporate Office DHs:

“...there was really no attention into looking at the crisis and evaluating what we would have done better. I don't think that but I think there should be. Turning back time, there should have been a crisis evaluation workshop or something.”

In contrast to this lack of debriefing and subsequent loss of organisational learning at the Corporate Office level, the contrasting Phuket hotel's earthquake evacuation debriefing will be explained later in this section.

It appeared that this is what Lerbinger (2012) described as 'Maintenance learning' which is learning that upholds and maintains an existing system, where traditional managers use processes and methods to deal with existing norms and practices. However, this form of 'non-learning' does not meet the expectations of an Organisational Learning driven company which seeks continuous improvement through double-loop learning so that they influence the events rather than be influenced by them. Garvin (1993) suggested a learning organisation is one where it's "skilled at creating, acquiring and transferring knowledge and at modifying its behaviour to reflect new knowledge and insights" (p.80).

The data suggested participants were concerned about the corporate head office managements' ability to handle another crisis given that no analysis of previous events occurred through debriefings after the Red Shirt crisis, nor were there any reviews and updates of the Crisis Management plans. When probed for post Red Shirt crisis debriefings, a Bangkok hotel Excom stated:

“If you talk about some kind of a post-mortem about our actions and how we handled the situation, a real document that is well thought through that could be a help for any repeat of any such incident, I have to say no. I haven't seen one.”

The lack of debriefing and organisational learning was confirmed as the data collection continued. The perception held by many was that should another political crisis event present itself, the organisation had not learnt from the past and mistakes could be repeated.

A Bangkok hotel Excom member recalled a post Red Shirt crisis meeting being held where he witnessed an attitude that permeated the management group of ‘fingers crossed it won’t happen again’, rather than a proactive learning experience about what worked and what didn’t work. He recalled in Phase Two interviews:

“We did have the post event, you know, meeting, but I think that was about it. Fingers crossed it doesn’t happen again, which is a very Thai thing. Prepare for the best and expect the best.”

Another Hotel Excom member who has left the company recalled:

“There wasn’t an effort to collect all the information, what happened, there wasn’t a learning process, yes, there wasn’t a debrief but there were just talks later on. The crisis team, OK, we did good here, we did bad there, we could have done better here but there was nothing so that in the future the new management wouldn’t know what to do from experience. Whatever we learned it seemed like we take it with us, that’s it.”

This perception was reconfirmed by the actions and email correspondence of the Senior VP who made contact with the researcher for advice on potential political crisis preparedness as mentioned in Section 5.1.1 on Warning Signals.

The ‘post mortem’ initiative was suggested by the Bangkok hotel Excom member as the best way to prepare for a future crisis. He was of the view that a plan should be prepared based on answers to a post mortem since he believed that experience is often better than ‘theoretical’ manuals. He listed the questions that needed to be asked of their Red Shirt crisis performance in a responding email of August 24<sup>th</sup>, 2013, which included:

“A post mortem after any crisis would be in my view the best way to prepare for any future crisis. Be it political clashes like seen right next to our Hotel, flooding, closing of Airports, Coups or a serious world spanning financial down turn.

- a) What have we done right in our decision-making during such a crisis?
- b) What have we done wrong?
- c) Why have we made wrong decisions? Wrong judgment? Overreaction, panic?
- d) What negative results have been directly caused by our wrong decisions?
- e) What right decisions have helped us during the crisis and why were they helping us to weather the storm?”

These questions posed by the hotel’s Excom member are similar to the US Army’s ‘After Action Review’ (AAR) process which is a systematic process of debriefing after every military action and has now been widely adopted in the private sector (Garvin, Edmondson & Gino, 2008). The AAR process exemplifies how learning-embedded

organisations utilise learning processes and practices to continuously improve. Unfortunately, the data from the present study indicated that the case study organisation cannot be considered a learning organisation. Phase One and Two participants from both the corporate head office and the Bangkok hotel were unanimous in their agreement that the lack of formalised learning from the Red Shirt crisis has set the organisation up for failure should a similar event occur.

In contrast, the Phuket hotel has taken a more disciplined learning approach and its leadership encouraged a robust, open, and honest analysis of what went wrong with the earthquake evacuation. They created an environment without fear of reprisal that stimulated staff feedback to assist in revising systems and procedures and create a more efficient Crisis Management plan. The key informant from the Phuket hotel explained:

“We have acknowledged what we didn’t do well and it kind of hurt but it’s allowed us to be one hundred million times stronger for the next time. Because we solicit feedback from everybody in our hotel, the good, the bad, the ugly, we were very truthful about it and we’ve put something into practice”.

One of the biggest challenges to Organisational Learning is how a company deals with failure and their desire to refrain from highlighting the failure (Madsen & Desai, 2010) and the embarrassment that it may cause through reviews and debriefings. The organisation may have missed an opportunity to learn and improve systems so that they are better prepared for the future. Well-prepared organisations have been identified as those companies where employees and management have learnt from previous crises and utilised this learning to improve roles and responsibilities. They also regularly update Crisis Management manuals and procedures (Pearson et al., 1997).

The apparent unwillingness to learn in the case study organisation may be attributed to their concern that it may expose the flaws and weaknesses of the organisation. As previously described in Section 4.1.2 the aversion to confronting problems, making decisions or acknowledging failure also influenced their inability to undertake a process of learning from the Red Shirt crisis event at the corporate head office and Bangkok hotel.

Receptiveness to Organisational Learning is also influenced by the length of tenure by staff and this was evidenced with the challenges of updating and making the FLS systems fully operational at all the hotels. When the researcher probed the Corporate

Director of Engineering on why the FLS systems were inoperable when it is a basic legal requirement, he responded by suggesting that many hotels' engineering executives had been in the position for a long time and were resistant to change. He described these executives as living in a 'dream world' where nothing bad ever happens so why invest and spend money to fix when it hadn't worked for so long anyway? His programme of FLS system certification has also included the appointment of new engineering executives, who he believes are more open to being educated about new systems than long term staff who may be reluctant to change their ways.

The researcher's probing questions continued and sought clarification as to how he had been able to make all hotels understand the importance of the FLS systems. He was of the opinion that education and training of staff at all levels and making the GMs responsible for the FLS systems legal, moral and ethical operability was paramount to its company wide acceptance. The researcher also noted in an email from the Corporate Director of Engineering that his email signature included the quotation; "Unless we learn from the past, we are condemned to repeat it, Albert Einstein". When questioned about this he explained that this quote is one of his tools to reinforce the importance of the system. The FLS training will be detailed further in Section 5.3 on Learning Routineness.

In contrast, the Phuket hotel's earthquake experience has been one where Organisational Learning practices have been positively embraced across all levels of the staff population. Although the Excom at this hotel were pressured to review their evacuation procedures by the in-house client for the impending arrival of 15,000 Chinese delegates, a key informant perceived this as an opportunity to be better prepared and ready for any future crises. The Phuket hotel Excom explained:

“....the organizers were staying at a neighbouring hotel which at that time was called the (hotel name) but has since changed name, and on that very day when it happened they were at an area within (resort location) but at an outdoor area and they had not been briefed in any way prior to their arrival about (resort location)'s evacuation plan was in the event of any threat and some of them were running up the road for their lives following the sirens and their reaction was to ask the next day to all relevant hotels that they wanted a meeting and a strategy put in place as to how we would move 5,000 Chinese people.

So we had to act very, very quickly collectively about the information given to the guests on arrival about what was going to happen in the event of an evacuation day time/night time, Chinese or English and we all had to come together, put our heads together and work out an evacuation route because it's a

lot of people out of one small artery so we actually divided up into two access points. So we were put under pressure to react very quickly for the imminent arrival of this massive group.

Once they came in on the day of our first arrival, we had another aftershock and the guests were about to get off the bus so they decided to put them back on the bus and just drive around the town but we were ready obviously for an aftershock, we already had a strategy therefore that's why it was agreed to get back on the bus, drive around the centre of town and then the bus can come back so we were lucky we had a plan. But we only had a plan because we were put under pressure.”

However, if it had not been for the Chinese group's insistence to improve their evacuation procedures, the hotel may have ignored this opportunity to learn given that their Organisational Learning practices had not been previously formalised. A sense of gratitude was expressed by the key informant to the point that she 'feels lucky' to have had the experience of the 2012 earthquake as it allowed them to review everything that they did and she feels that "we're so much wiser and we are committed to practicing." Although in Phase Two interviews this same informant questioned their current crisis readiness capabilities; "Have we considered all the elements, rain, hail or shine, I don't know. Have we considered public holidays very well? For example today? No."

However, the Phuket hotel's new evacuation plan, crisis training programme and training materials were not shared with the head office, and head office were unaware of the failed evacuation in April 2012. The researcher probed head office participants in follow up telephone calls and meetings to see if they were aware of staff fleeing their posts in Phuket. Head office were under the impression that the hotel had managed the crisis efficiently and effectively even suggesting that the complimentary dinner supplied to all the hotel guests was an excellent service recovery idea. Since the hotel Excom were aware of their failure they did not bring undue attention about their incompetence to the head office and unfortunately, this resulted in a lost opportunity to share with other hotels in the group on how they learnt from the incident and set up new Crisis Management procedures. It also perpetuates an unwillingness to share information and the lack of an organisational learning culture.

Organisational Learning not only involved the adaption of the organisation's knowledge base but also included the ability to share and disseminate information through the organisation's systems (Stonehouse and Pemberton, 1999). Therefore, Organisational Learning shared interrelated properties with a number of the lower order categories

from the BSSP of Crisis Leadership Influencers and was influenced by the properties of Influencing Leadership, Active Sense-making and Managing the Crisis. The exemplars of where Organisational Learning was considered a success were examples that also adopted Learning Routineness in their Crisis Management plans. Learning Routineness also emerged from the Experiential Learning theme as a concern of the participants with its interconnectedness to Preparing for the Unthinkable and Learning from Experience. This will be detailed in the following section.

### 5.3 LEARNING ROUTINENESS

Task routineness is a vital component of the operating procedures in emergency service organisations, such as fire rescue, ambulance and health services and it is the regularity of the training, simulations and operational procedures that prepare emergency workers for a crisis event. However, the naivety of the hotel industry (Hannah et al., 2009), appears to influence low prioritisation in the company’s strategic outlook, and the “it won’t be so bad” or “it won’t happen to us” mentality appears to steer leadership away from instilling a state of routineness in crisis preparation.

Data analysis indicated familiarity with regular fire drills and a depth of knowledge from the routineness of this activity, whereas testing a Crisis Management plan’s preparedness did not receive any attention or commitment from the organisation’s management. The following examples demonstrate how fire drill references were made by a number of interviewees during Phase One interviews:

“There was no training. I think the only training we had, if I remember correctly I could be wrong, is fire training, fire drills and evacuation. That was about it.”

“You have to do it like fire drill. You know that there’s a system but you know the fire is not happening every month but as the company you always do fire drill but why are we not having crisis management drill? We have a fire drill, fire drill is a crisis also but more internal but we always do it once a month to test the system if it works or not.”

“We always do a fire drill, fire drill, fire drill.”

In every hotel there is a fire drill training at least once a month or once every quarter. It’s simple, it’s to make sure it works; the people know where to run, where the evacuation is.

“...we do a lot for the fire evacuations and fire extinguishing and we do all that training, fire, police, everything but it’s always based on fire. I think that’s for any other hotels.”

“I think we had the plan in place but we don’t have like a fire drill practice on this crisis management. So it would be good to have one.”

As these quotes allude to, there is no formal or informal crisis debriefing process or organisational learning employed. A debriefing process analyses crisis response actions and assists in identifying areas for improvement and builds more effective Crisis Management capabilities (Robertson et al., 2006). Leadership’s commitment to Crisis Readiness is reflected in legitimising a fully integrated educational programme that is embedded throughout the organisation’s day-to-day operations. This has never been more evident than in the Phuket example, where the new crisis plan has been implemented, and a senior manager stated in an email follow up to the researcher on 22 November, 2012; “Compare to April 2012 we are miles more ready, but still some things to be done which we continue to work on as no doubt it will happen again.” [sic]

A Crisis Management Manual that is lived and breathed in all aspects of the daily operations, from training workshops, regular updates on staff noticeboards, educational tips on pay slips, town hall meetings, to new hire orientations has the ability to create a higher level of readiness for future crisis events when shared as best practice. However in reality, outside of the Phuket property, the data indicated that the Crisis Management manuals are left on the shelf and are not incorporated into any training or updated and shared with the employees or managers. One of the Corporate Office DHs suggested:

“The crisis management manual for one should not be just left on a shelf. Everybody should be reminded of it every now and then. It should be updated every now and then.”

This finding suggested the need to develop a Crisis Management manual that is fully integrated and embedded into the organisation’s work processes as a priority. The data from the Phuket event revealed a new crisis plan that was initiated as a result of learning from the experience and was seen as an opportunity to “recap and review what we did well and what we didn’t.” Lampel et al. (2009) posited that research has indicated that routines established based on learned experiences contribute positively to the cognitive templates that facilitate Sense-making. This research confirmed the interconnectedness of routineness and leaderships’ ability to actively make sense of the situation at all levels.

Thailand's history has recorded extreme political crises with a regularity that is unsurpassed by its Asian neighbours. However, as pointed out by a number of interviewees, Thai companies should be better prepared to deploy Crisis Management strategies as soon as the Warning Signals are detected. The researcher sought the opinion of the respondents about how the organisation would deal with future crises. This statement from the data collection was reflective of the views of many;

“...if the same thing happened now, we would be in no better place, which Thailand now should be the absolute specialist on disaster recovery or crisis management, but I'm sure the lessons haven't been absorbed or learned”.

The notion that lessons haven't been learnt was repeated throughout the data gathering process. The case study organisation data is characterised by a resistance or even ignorance to implement Organisational Learning from the Red Shirt crisis event. Smith and Elliott (2007) posited that one of the barriers to Organisational Learning from crisis is that after the confusion of a crisis event, the intensity of activities required to restore normality may be a “major factor in constraining effective learning after the event” (p.520). However, the Phuket hotel was pressured into improving their Crisis Management plans by the Chinese group client and the neighbouring hotels in the resort precinct. They believe that they have effectively implemented a Crisis Management readiness that is ‘lived and breathed’ on a daily basis throughout the operation.

The lower order category of Learning Routineness is comprised of a number of dimensions that are interconnected to the higher order BSSP of Experiential Learning. These dimensions are described through the properties of Training to be Ready, and Confidence Building which combine to strengthen Learning Routineness and its influence on Crisis Leadership capabilities.

### **5.3.1 TRAINING TO BE READY**

Learning Routineness is built upon a repetitive framework supported by the organisation's SOPs, which detail procedures, resources, roles and responsibilities. SOPs reduce ambiguity and build confidence levels for both leaders and followers. Pearson et al. (1997) posited that the best responses to a crisis event are in organisations where all staff levels have had the opportunity to think through the challenges of a crisis beforehand. This thought process combined with consistent and regular training programmes will assist in bringing clarity and more composed decision-making in the



light of a stressful crisis situation. Whereas, the State of Readiness occurs when Forward Planning has been initiated and includes crisis management plans and training activities. The interrelatedness of the lower order categories was evident when the level of the State of Readiness increased when crisis training programmes and improved communications were employed.

Data revealed a consensus that Crisis Management training would help develop awareness and reduce anxiety amongst all levels of the staff community and that currently fire evacuations are the only routine emergency procedures understood. Regular training programmes as exemplified in twice-yearly fire drills created a knowledge base from which staff could draw upon in the case of such an extreme context. The notion of the importance for training regularity was expressed by one of the Corporate Office DHs that:

“I think first they know what they have to do when this kind of incident happens. Again, I think practice makes perfect for me so they wouldn’t freak out when it comes to the real incident and then there will be calm and know what they have to do to ensure the guests’ safety and also the staff’s safety.”

Another participant from the Phuket hotel expressed concern that “if we don’t do it regularly it’s easy to forget”. It was clear from another Corporate Office interviewee that crisis training was non-existent when she stated; “...we don’t have any training for the crisis management”. One of the Bangkok hotel’s Excom further stated:

“Training would have been good, prior assessment how to barricade the hotel maybe would have been good but at that time it was just a group of us top management just throwing ideas on the table and crossing them off one by one. So training was inadequate.”

Lagadec (1993) suggested that the direct effect on stress levels in a crisis event is increased when the organisation has not prepared staff with the resources, tools, systems or training to deal with often complex situations. Moreover, he suggested that negative reflexes are almost immediate and can only be reduced with a commitment to determined training. Twenty years ago Lagadec’s (1993) seminal work was ahead of its time at the nascent stage of Crisis Management research. Nevertheless, he identified business continuity was reliant on the ability to deal efficiently with critical situations. Although a crisis may not be a frequent event, rigorous training and simulations should become a vital component of the organisation’s strategic management and will enhance its readiness and ability to manage a crisis (Borodzicz & van Haperen, 2003).

The researcher used the Phuket mass staff evacuation as an example to probe for more clarification from other participants to better understand what may have caused staff to desert their posts. One of the Bangkok Excom related this to the level of training and suggested that hotels don't receive the training of a flight cabin crew. He explained that you wouldn't expect the cabin crew to take the emergency parachute slide before passengers since they are highly trained and drilled in evacuation procedures and understand their roles and responsibilities. He felt that training for staff in how they should react could have prevented their failure to assist guests. He stated:

“...it must be the lack of training and readiness and clear SOPs for the staff how to react if this kind of thing happens because if they would have received this training they would not have run away, maybe 20% out of 100 but certainly not all of them.”

When actions are non-routine, the formal structure will collapse and when leadership is not visible, then the crisis situation will escalate out of control (Weick, 1993). Parry (1999) suggested that by committing training and development resources an organisation will be able to adapt better in a turbulent environment. Although an employee's longevity with an organisation often translates to a low level of adaptability, Parry (1999) argued that training and development of followers is a positive influence on resolving uncertainty and it will assist long tenured staff to adapt. Although the Corporate Director of Engineering has found training on new systems to be a challenge within the long tenured cohort of hotel-based engineers, the Phuket property has a high proportion of long tenured staff who have positively embraced the new Crisis Management readiness training.

It is important to note at this point that the online survey's open text data also provided further insight into the case study organisation's lack of readiness for the Red Shirt crisis. Responses to the open ended question; 'Please provide any further comments in regard to the crisis readiness performance of your department or your organisation that you would like to add'; suggested that the company was 'sluggish' in addressing the crisis due to a "lack of data, training and crisis readiness" as described in the full quotations reported in Section 5.1.3.1 (i). One survey respondent was of the opinion that "had we been better prepared through training and clear documentation we would have been able to handle the issue in a more positive fashion". This was a sentiment that was repeated in the survey's open text comments and clearly reflected the concerns of staff and management that training was clearly inadequate and would have been an

advantage to Managing the Crisis in an efficient and prompt manner. In addition, the majority of respondents from the head office were unaware of their roles and responsibilities should another crisis occur; therefore, the lack of role clarity also influenced the levels of confidence. This will be discussed in more detail in the next section.

Data suggested that there was a strong acceptance of the Corporate Office ‘PR Crisis Communications Management Plan’ as a valuable tool for the hotels to follow in communicating with internal and external stakeholders. In Phase One interview a Phuket hotel Excom stated:

“One thing that’s very good about (case study organisation) is that a few years ago, PR in head office issued a document about how to ... actually maybe in 2008 or 2009, they issued a huge manual about how to talk to the various parties about what is happening if there is a crisis and therefore my PR manager here in the property uses that resource about how we communicate.”

The purpose of the plan was described as to assist staff, board members and management in making quality decisions during a crisis and to ensure business continuity (Case Study Organisation, 2008). The developer of the plan explained that annual workshops were held to review, discuss and assist PR executives and Marketing leadership. The Corporate Office DH explained:

“So right after we issued the crisis communication plans, we had the PR information training for all the PR managers at all (case study organisation) hotels. We also had the workshop, crisis communication workshop before the crisis happened, not after I think if I remember correctly and I remember we hired a Singaporean guy who was very good, not just how to respond to crisis but how to communicate effectively during the crisis as well. We trained the spokespersons up at each hotel as well how to respond to the crisis situation.”

Through these training workshops she was able to instil the importance of the manual so that they were able to easily identify the steps to follow should a crisis situation occur. A number of participants stated that this document was invaluable for a range of crisis situations including resort staff strikes and flooding crises. The corporate communications director expressed her relief that she had been pressured by her leader to have this document in place in readiness for further crises.

Alexander (2004) posited that when cognitive mapping is employed as an emergency training exercise it reveals a person’s ability to cope under duress with a crisis. He described cognitive mapping in terms of how the environment is perceived, memorised

and depicted in its spatial relationship. His study concluded the importance of training exercises in assessing emergency management competencies which included: focusing on solvable problems, prioritising through time efficiencies, delegating responsibility, clear and rational communications, and maintaining a level head in the face of a crisis.

An organisation that adopted a Training to be Ready mindset established a routineness that provided the necessary protocols, systems and procedures for leaders and followers to assume at all levels of the crisis. Active Sense-making of the situation became magnified as the crisis progressed (Weick, 2010) and without the appropriate training Crisis Management efficacy is reduced. The data revealed evidence of increasing levels of confusion, uncertainty and anxiety without the appropriate training to cope in a crisis event, as evidenced in quotations provided in State of Readiness Section 5.1.3. This was further exemplified in the time lag between the Red Shirt 2010 crisis and the ‘simmering’ political protests in November 2012 and again at the time of the Phase Two interviews in August and September 2013. During this period of time no Crisis Management training programmes were implemented at the corporate head office.

In contrast, the Phuket hotel’s earthquake incident resulted in the creation of new systems and protocols that are included in new staff orientation, evacuation simulations and ongoing ERT and FAST Committee monthly meetings and scenario discussions. There is a heightened awareness at the Phuket hotel of how Preparing for the Unthinkable, Learning from Experience and Learning Routineness has influenced the confidence levels of leaders and followers. When Learning Routineness is adopted by an organisation it has a positive influence on Building Confidence which is an important dimension of the lower order category. This will be explained in more detail in the next section.

### **5.3.2 BUILDING CONFIDENCE**

Knowledge acquisition through Learning from Experience and Learning Routineness helped to build-up an organisation’s armoury to defend itself in the event of a crisis. As a consequence, it creates an organisation that is committed to Building Confidence so that its leaders and followers are able to deal with a high pressure crisis event. The interconnectedness of Experiential Learning’s lower order categories indicated that when followers have the appropriate training that incorporates past experiences into the

knowledge base, they had a higher degree of confidence to follow leaders' actions through the crisis phases. The Crisis Leader's own confidence levels were also shown to be stronger when they drew on their past experiences and training to deal with the crisis. Training creates confidence as expressed by the majority of interviewees in regard to fire drills and detailed in the introduction to this section on Learning Routineness. In Phase One interviews a Bangkok hotel Excom responded when asked about the importance of crisis management training by stating; "I think it's good to have because we can have the confidence, we can build the confidence for our staff....".

Rudolph Giuliani is widely recognised as one of the world's most renowned Crisis Leaders (James et al., 2011). He had completed and reviewed his autobiography titled 'Leadership' in the summer months just prior to the tragic September 11<sup>th</sup>, 2001 terrorist attacks on the World Trade Centre and the Pentagon. He recalled the experience of reviewing his past leadership experiences and philosophies in the process of finalising the book. Giuliani saw this as a summary training exercise and a key factor that prepared him for the September 11<sup>th</sup> events, and it gave him the confidence to meet the demands of what could have been an overwhelming situation (Giuliani & Kurson, 2002). The researcher read his book soon after it was published and was initially cynical about its objectives so soon after such a tragic event, and considered it to be another US celebrity's sensationalist revenue-generating publication. However, it became the catalyst for the researcher's passion in the field of Crisis Leadership and Crisis Readiness based on the fact that it was written prior to the events of September 11<sup>th</sup> and was Giuliani's blue print that directed him to confidently manage the unravelling crisis.

The notion of Building Confidence related also to the followers' level of confidence. The data indicated that most of the participants were reassured and confidence grew from the emergent crisis leadership at the time of the escalating Red Shirt crisis. From an insider's perspective, the VP Sales and Marketing was not the dedicated Crisis Leadership in a formalised sense, the VP assumed the role and the informants felt confident that the Crisis Management issues were being addressed as stated by a Corporate Office executive:

“...strong leaders appeared who were driving it without boundaries. So somehow the regular leadership switched into a state of emergency leadership...”

Pearson et al. (1997) argued that the best prepared organisations are characterised by a corporate culture of shared convergent values on the importance of Crisis Management preparations. Employees in these organisations have attained a sense of their roles and responsibilities. They have refined these roles through training which has given them the ability to react efficiently, confidently and with agility dependent upon what the situation presents. Moreover, Pearson et al. (1997) suggested that the process of organisational learning for continuous improvement from previous crisis events encouraged a greater level of confidence within the staff community. As a result, the organisation will be in a far better position to work together to manage the crisis. However, the case study organisation operated in a “silo” structure and clearly has divergent views on the importance of Crisis Management practices.

The low priority placed on Crisis Management has influenced the decreasing levels of confidence in the head office, since data indicated confidence is extremely low for the company’s ability to deal with future crises. In Phase Two after a telephone interview one of the interviewees expressed his opinion in an email on 11 August 2013:

“The organization is NOT READY for either current or future crises due to a lack of both financial and intellectual commitment at the CEO and Board Levels. I remain convinced that at a Middle Management and Employee level there is a willingness to commit to whatever steps are necessary to ensure the safety of the hotels, staff, suppliers and guests. However, senior management as well as CEO and Board Level leadership must encourage this willingness on an ongoing basis. Without this CEO and Board Level commitment, the enthusiasm and related commitment of senior and middle management will quickly dissipate and inertia will set-in at all operational levels (as currently exemplified throughout the company).”

Earlier interviews also highlighted the lack of training and preparation and this was highlighted by the RM executive:

“First of all to set up the SOP has to be done, to be consolidated and they have to communicate to everyone in the company, not just keep it on the shelf. I’ve never seen it, it maybe exists, but no-one knows and no-one is trained for it so no-one is alerted, it’s just as it is for now I think. So senior management have to make a commitment also and pay attention on that, communicate that down to everyone and train some, especially the hotels that are in the risk area”

A Bangkok hotel Excom member also expressed her concerns when the researcher probed for how confident she felt if there was another crisis:

“...I feel really now that we need training on it. We have to do a scenario that something happened. What would my statement be? ..... I’ve got to practice now with my PR ... we have strong people there. OK, today something

happened what are you going to do? What am I going to do? What is my responsibility?”

One of the Phuket hotel’s key informants believed that there is a renewed sense of confidence in the ability of their hotel to cope with its revised Crisis Management plan, which is best articulated with this statement from Phase One interviews:

“Fast forward to today, I’ve had ... I and (GM name), the general manager, have had a lot of time to review what we have in place and therefore we’ve implemented what we feel is a much stronger crisis plan and we remind people about their responsibilities and duties and what to do, we’ll talk about it, we live it now. I think it used to be in a folder on a shelf somewhere in the engineer’s office but now we actually live it and, yes, it was forced upon us and I’d say we were lucky. I say that because we had this opportunity to make it right for the next time.”

Another of the Phuket hotel Excom members suggested that:

“...that’s what we all tried to create because it’s different probably in another kind of business but because we are doing the hospitality business, our business is depending on people’s confidence so we tried to make people confident. Every day was OK, everything was fine, we are OK in the office that was the message we always give to our clients. But actually even we are the ones who give the message, I actually also felt a bit worried.”

When the researcher probed further on this statement, the participant explained that the hotel business required a confident message be projected to its stakeholders that the situation was calm and secure. If the staff are feeling calm and secure then negative business levels will be minimised.

Building Confidence is influenced by regular training programmes, especially with case study experiences, simulations and scenario conditions. This was evident at the Bangkok hotel where the HR Director suggested that by rehearsing the use of a staff mobile telephone SMS alert system, they were better prepared for a crisis event and she felt that:

“...because we didn’t use it often, we have to rehearse before time to make sure we understand this aspect because when it came to the crisis happening, we may get panic and forget the spec, so we have to review.”

A learned routine is more difficult to forget and becomes second nature when confronted with intense and complex crisis situations. It brings clarity of mind to prioritise and concentrate on the key tasks at hand. The data for Building Confidence was clearly evident in the case study organisation in the event of a fire since fire drill

emergency procedures are conducted on a regular basis and are widely practiced throughout the organisation. Data also indicated a concern that Crisis Management training should become a regular training requirement similar to the regular fire evacuation simulations which was expected to build confidence in the staff community.

As stated by a Corporate Office DH:

“There was no training at all. The only training we get is emergency evacuation in the event of a fire. That’s the regular training we get that’s closest to crisis management.”

An example of the confidence that resulted from learning from a past experience was explained in Phase Two interviews by a Corporate Office DH, after the flood crisis of 2011 that:

“It was very much easier, we knew what to do, we know how to communicate, the staff knew what to do. We knew which areas needed to be improved on especially in terms of the communications, in the phone lines, the servers. The staff were ready for it, they’d been through it before, it wasn’t anything new for them, a lot of doubts were removed, they were more confident.”

Building Confidence was also interrelated to the Decision-making processes of Crisis Leadership and the inclusive practice of consulting with colleagues. For example, the Bangkok hotel GM sought suggestions from the Crisis Management Team which brought a sense of ownership to the Decision-making and subsequently increased confidence levels within the management. Increasing management confidence had a flow on effect to followers’ confidence levels. At the same time Building Confidence is also influenced by Communicating, which was reflected in the organisation’s internal and external PR messaging. The data indicated that the head office PR was considered extremely positive by interview participants and was described by one interviewee as trying to “contain the fear”, the Corporate Office DH explained in Phase One interviews:

“What I can recall was that we were pretty active to try and contain the fear because the hotel was just right across where the Red Shirt rally was being held. We spent some advertising money as well to show to the public that we are recovering, there’s nothing to be fearful of, (case study organisation) stands proud.”

The secondary data staff letter from the CEO on 19 May, 2010 (which was written in Thai and English) carried a similar message to the recovery advertising campaign tagline and evoked a sense of pride and strength within the staff community and aimed at Building Confidence (please refer to Appendix 16). On the other hand, the lack of



HR communication, advice or direction in the crisis incubation phase and during the crisis, influenced low levels of confidence, with high levels of fear and anxiety, as was reported frequently in the data.

Moreover, in the case of Thailand’s state of crisis ‘norm’, there was a concern expressed in the data that there may be a level of over-confidence that the tourism industry always ‘bounces back’ and suggested a complacency in Preparing for the Unthinkable. One of the informants, who has since left the company, expressed the opinion that: “I doubt if there are any provisions in place even now, a couple of years down the track”. He also made reference to his current employer and made the comparison that in his new role he stated with apparent confidence that:

“...in this position each department has a role to play and we have an executive committee and we’re all involved in every decision and what’s good about that is that Finance will be looking at the bottom line and how that affects, Marketing is looking at branding and how the imaging is portrayed, Operations is looking at what physically can be done and how we can get people from here and there.”

The researcher confirmed with a number of participants currently employed at the case study organisation that no systems or IT back-up facilities have been established almost three years after the Red Shirt crisis, for example in Phase One Interviews a Corporate Office DH stated:

“In terms of systems, we still need to have a backup. Actually we don’t have a backup system right now in case anything happens to the HQ.”

Experiential Learning was identified as a BSSP early in the concurrent data collection and analysis of this research study with its lower order categories of Preparing for the Unthinkable, Learning from Experience and Learning Routineness. The properties of these categories also exhibited strong interconnectivity with the properties of Crisis Leadership Influencers. Retaining Institutional Memory emerged as the final category of Experiential Learning; however, it reflected a moderating influence on the two BSSPs as will be detailed in the following section.

#### **5.4 RETAINING INSTITUTIONAL MEMORY**

In the final concurrent phase of data collection and analysis it had become apparent that rather than being a lower-order category of crisis leadership, Experiential Learning seemed to influence the impact that Crisis Leadership had upon Crisis Readiness. It was evident that institutional memory loss was occurring with the turnover of

management staff and concerns were expressed by a number of participants on the negative impact that this will have on future crisis events. Leaders with learned experience in crisis events are perceived to be more effective than those without. It was at this stage that the moderating influence of Retaining Institutional Memory was detected and its influence on the lower order categories that included: Preparing for the Unthinkable, Learning from Experience and Learning Routineness.

Although there was a sense of frustration and despondency that the organisation did not conduct crisis debriefings or follow up training after the Red Shirt Crisis, there was an obvious concern amongst the staff interviewed that the experience that had been gained was being lost as staff left the company and they were losing valuable knowledge in dealing with a crisis. A staff member expressed his concerns about the limited leadership foresight during the floods of 2011. There had been senior management changes and there was a lack of internal and external communication programmes for all stakeholders in comparison to the internal and external communiqués following the 2010 Red Shirt crisis. He stated in his comparison of the Red Shirt crisis of 2010 and the floods of 2011:

“...I think as the company should have prepared much, much better than before, I think so. However, one thing that we should know also as a company, there’s also a lot of change in the company because, yes, we have a system but this system is run by people but people change and how can we make sure that this ... I’ll give you an example.....”

He then described the activities of PR in the previous crisis and the lack of activities in comparison during the latest flood crisis. Even though they had learnt from the Red Shirt crisis, the current decision maker to drive these activities had changed so he was therefore of the opinion that:

“Maybe I can make suggestions but I’m not the decision maker so even when I experienced before it cannot be. So again people no matter how good the crisis management in place, it doesn’t work because the system is not a machine. It’s a system but the ones who run it are people.”

Another example of the loss of crisis experience ‘Institutional Memory’ are the past communiqués and checklists implemented by past managers that have been held in case of another crisis event by a manager who said “you know why I kept this because I can use [it] as an example if something happened. If no-one is proactive I will do it”. A Corporate Office DH believed that with the change of management since the crisis event, relationships with media have also been lost by suggesting:

“...they should have learnt more but the thing is they’ve changed the entire organization. I don’t know whether the new people experienced what we have experienced. If it’s the same group of people who experienced that and had to do it again, I think it will be very, very quick because we know dah, dah, dah, [sic] what’s going on, what we have to do, we have contacted the media already, we can just call and everything else and the media already know. It’s taken six months until the media stop calling me about (the company) because they are so familiar with us especially in the crisis. They just remember this name on the press releases and all the calls but right now they don’t know who to call. It would be different.”

During the final iterations of concurrent data gathering and analysis, the data indicated that leadership’s crisis experience will always have a modest impact upon the crisis readiness of an organisation. However, when experiential learning from crisis situations was present, crisis readiness appeared to be a strategic priority and much more effective. By contrast, when experiential learning was allowed to subside over time, or overlooked by leadership, then ongoing levels of crisis readiness were reduced considerably. These findings suggest a clear moderating effect of Retaining Institutional Memory upon the relationship between Experiential Learning and Crisis Leadership Influencers and will be discussed in further detail in Chapter Six, which presents the core category of Empowering Readiness.

As explained in Section 5.2.2 on Organisational Learning the data indicated an absence of any formalised debriefings after the Red Shirt crisis, rather the focus was on reopening the damaged hotel and head office buildings, restoring business levels and reducing costs to ensure the organisation’s sustainability. A Bangkok hotel Excom member described there being an urgency to focus on cash flow management rather than Crisis Management, he explained:

“But basically business wise, again you start from scratch, almost from scratch. You start from a 5% occupancy of 500 rooms and then you work yourself up so this was always the main objective, the main urgency. Of course, it’s urgent because you talk about cash flow management, which cash flow management has taken over the crisis management, the first few months anyway.”

This resulted in the lost opportunity to formalise learned experiences. In contrast, much soul searching and organisational learning occurred from the well-publicised disasters of for example US Hurricane Katrina in 2005 (Garcia, 2006) and Canberra’s 2003 bushfires (Armstrong, 2008). Both these examples were catastrophic in their damage or loss of life; however the ensuing investigations into the failures have provided an

insight into better levels of readiness for future events and a renewed confidence that those potential events will be managed more effectively.

A Bangkok hotel Excom shared with the researcher that a colleague who works for another hotel company had just returned from a week-long Crisis Management training workshop in Hong Kong. He was of the opinion that there are some hotel companies investing in readiness for crisis events whether they be natural disasters or man-made events. He explained:

“I have a good friend; he works for another hotel company. I had a conversation with him, a correspondence with him, and he just came back from Hong Kong doing a one week crisis management workshop for all the general managers within this company. So there are some companies that take this very seriously and if it’s a one big workshop in Hong Kong that means there’s a lot of money going into it and people certainly do try to get ready for whatever crisis they face, political, natural disaster, economic world recession, whatever.”

Whereas the case study organisation has not implemented any debriefing, training or master plan to ensure a Crisis Readiness status.

The notion of hindsight was also a consideration by some of the participants and gave them an opportunity for self-reflection on how they may have done things differently. For example, a hotel Excom felt that the journalists staying in house should have been moved to the back wing of the hotel to avoid being targeted by live fire. He suggested: “that would be a new lesson if it ever happened again”. However, this ‘lesson’ is not part of any official discourse or debrief and with his impending departure from the hotel in 2013 will act against the conceptual dimension of Retaining Institutional Memory.

In contrast, the Phuket hotel immediately implemented a debriefing to plan for the possibility of any future crisis evacuation. As a result, they believed they have built a more confident and prepared staff community. However, in Phase Two interviews, the Phuket key informant expressed concern that new management will not be focused on Retaining Institutional Memory and the focus of Crisis Readiness will be lost. The Phuket Excom member stated:

“I’m very confident with the current team that we have here now but it’s important that if any of those key personnel changes or joins us through opportunity or whatever, we have to update them the minute they get on board and we have done that.”

With that being said, she was also of the opinion that some of their new initiatives will ‘outlast’ their management tenure and become a current management legacy.

Experiential Learning as a Basic Social Structural Process explains the variations in lessons learned between the differing locations of the organisation, from the corporate head office, the Bangkok hotel and the Phuket hotel. The relationships within the conceptual framework of Figure 5.1 will now be explained.

## **5.5 EXPERIENTIAL LEARNING – THE BSSP**

In conclusion Experiential Learning is comprised of the integration of lower order categories which contributed to this recurring thematic concept. The case study examples provided in this chapter have provided the substantive context upon which this near-core category has been conceptualised. The research participants expressed their concerns that lessons have not been learnt and that their organisation will repeat the mistakes of the past.

It was evident that senior management lacked the foresight in understanding how Crisis Readiness can reduce negative impacts of a crisis and reduce the recovery period. Yet, there was a willingness of the staff community to engage in post crisis debriefings, training and crisis management teams. At the same time, Retaining Institutional Memory emerged as an underlying factor affecting Experiential Learning based on fears from staff that new inexperienced management will not cope in the face of a crisis after significant management turnover. The conceptual framework which was introduced at the beginning of this chapter (Figure 5.1) is repeated here to summarise the relationships that were at play for this BSSP.

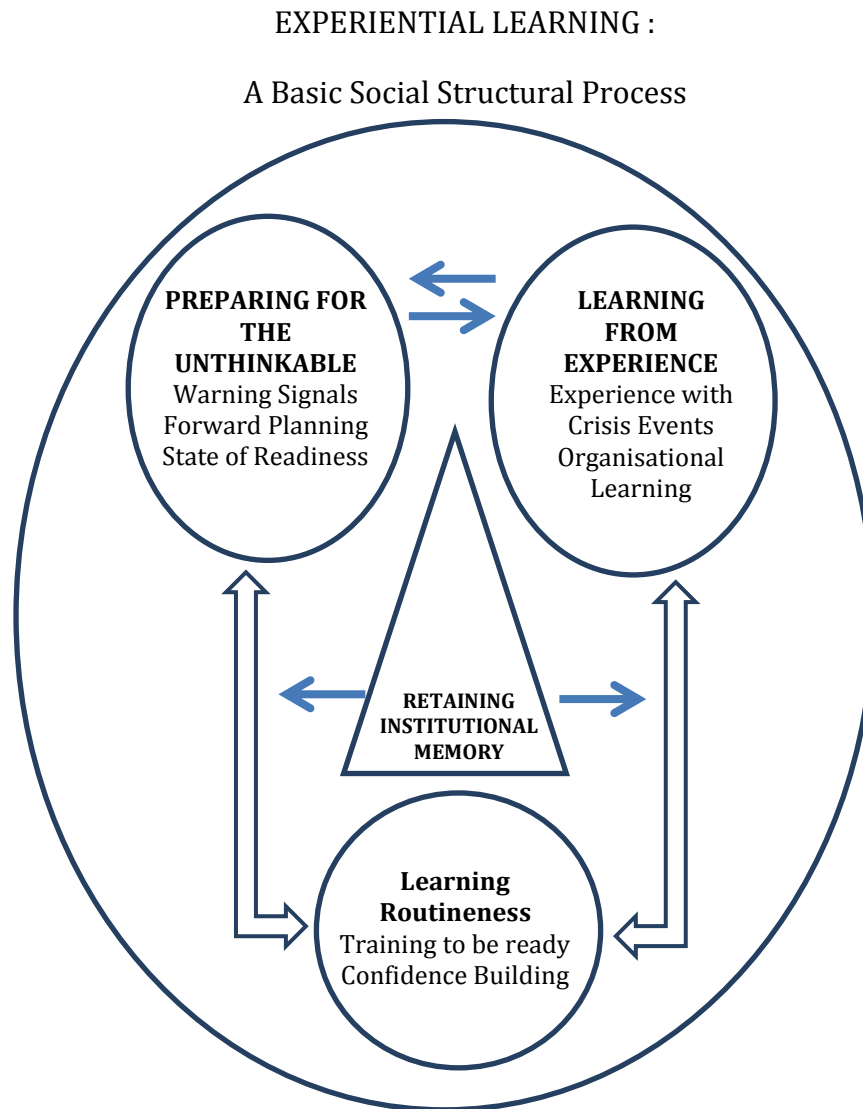


Figure 5.1 Experiential Learning: A Basic Social Structural Process

As with Crisis Leadership Influencers, the relationships between the lower order categories of Experiential Learning were complex with each category influencing the other. However, variances in learning were also evident with influencing linkages to management retention levels in the organisation, which ultimately affected the outcomes of the lower order categories of Preparing for the Unthinkable, Learning from Experience and Learning Routineness.

Retaining Institutional Memory's moderating influence also explained the resultant variations in these lower order categories. In summary, as explained previously in Section 4.4, the interrelatedness of categories is illustrated in circular arrangements whereby each component is important to the success of the other, similar to a circular gathering of a group or team. Experiential Learning also exists as a non-linear, dynamic

process in the context of a high pressure intense crisis situation and the aftermath of the crisis event. The three-sided triangular position of Retaining Institutional Memory is related to all three lower order categories of Preparing for the Unthinkable, Learning from Experience and Learning Routineness.

Similar to Crisis Leadership Influencers, relationships were formed between each of the three lower order categories, specifically Preparing for the Unthinkable, Learning from Experience and Learning Routineness. The properties of each category clarified the main characteristics of each dimension and provided a rich, in-depth description of how Experiential Learning emerged as a Basic Social Structural Process for theory development. The relationships in Figure 5.1 describe the near-core category social process of Experiential Learning as follows:

- Preparing for the Unthinkable was influenced by the properties of Learning from Experience and contributed to the varying levels of how management prepared for a crisis, their ability to acknowledge warning signals, plan ahead and ensure a state of readiness within the organisation.
- Preparing for the Unthinkable in turn influenced variations in the organisation’s Learning from Experience and how they approached staff engagement in organisational learning and developing their ability to utilise their learned experiences to react positively at the time of a crisis event.
- Learning from Experience properties also contributed to the organisation’s Learning Routineness. Previous crisis experiences positively influenced management priorities by incorporating double-loop learning practices that initiated training programmes and repetitive crisis-ready practices to build confidence for all stakeholders. This was evident in Phuket’s critical incident and established potential new best practices for the organisation. Whereas in the Bangkok hotel and Corporate Office contexts, no organisational learning appears to have occurred other than for regular fire drill training.
- Conversely, Learning Routineness contributed to variations in Learning from Experience specifically in the organisation’s commitment to organisational

learning from past experiences, unlearning redundant practices and introducing more efficient crisis management practices.

- Preparing for the Unthinkable also impacted the intensity of Learning Routineness and reflected the organisation’s commitment or, in most cases, lack of commitment and investment in the development of their human capital.
- Learning Routineness was interrelated to the properties of Preparing for the Unthinkable and explained variations in the organisation’s ability to detect warning signals, levels of forward planning and state of readiness.
- Finally, while Retaining Institutional Memory was identified as a dimension of this near-core category, its underlying influence contributed to the varying degrees of each of the components of Experiential Learning. Management turnover and its subsequent institutional memory loss raised concerns for the organisation’s ability to prepare for the unthinkable, use learned experiences to improve current processes, implement new strategies, and reinforce these activities by ensuring the highest levels of routineness. Institutional memory loss was evident and consequently reduced the intensity of Experiential Learning being utilised to establish a sense of Crisis Readiness in the organisation.

Retaining Institutional Memory contributed to expanding the tacit knowledge base by using the lived experiences of past crisis events and adopting an Organisational Learning culture. An organisation that engages in learning from past mistakes and successes uses its Organisational Learning culture to inform the notion of Learning Routineness. Just as in High Reliability Organisations (HROs), Learning Routineness is a key training strategy to create a crisis resilient culture where training regularity builds confidence and familiarity with the required processes and activities. However, the staff turnover that has occurred since the 2010 Red Shirt crisis has significantly diminished institutional memory and reduced the perceived importance of Crisis Readiness within the organisation.

At the same time, Retaining Institutional Memory also influenced the cognitive learning behaviours of management and staff whose lived crisis experiences



increased their ability to activate Preparing for the Unthinkable. Their foresight in detecting Warning Signals, and committing to Forward Planning contributed to an increased State of Readiness for potential crises. These factors also influenced the importance that they placed on Learning Routineness. Whereas new recruits or management without previous crisis experience did not seek crisis training programmes with any sense of urgency or routineness. Their cognitive biases ignored the potential negative ramifications of the lack of Crisis Readiness.

Experiential Learning explained issues related to how an organisation incorporates past experiences into strategic priorities for a confident crisis-ready mindset. However, Retaining Institutional Memory played an important role in the organisation's ability to prepare and became an underlying factor in Crisis Readiness success outcomes.

The study had by now revealed the interconnectivity of the two BSSPs of Experiential Learning and Crisis Leadership Influencers and led the researcher to a higher abstract level that conceptualised and generated the study's substantive theory. The researcher's theoretical sensitivity for the social processes at play contributed significantly to the emergent core category which was identified as Empowering Readiness. Chapter Six will describe the core category and the proposed theoretical model.

## **5.6 CHAPTER SUMMARY**

Experiential Learning emerged as a BSSP and a higher order category to explain the importance of lessons learnt in preparing individuals and organisations for Crisis Readiness. By retaining learned experiences and adapting lessons learnt to the organisation's systems and processes, the organisation instils greater levels of confidence and trust for both management and staff in dealing with potential crisis events.

The 2012 Phuket earthquake emerged as a catalytic event in the context of the case study organisation's crisis experiences and became an exemplar of the dimensions that describe Experiential Learning. Even though the 2010 Red Shirt Crisis provided the context of this study, the serendipitous discovery of the Phuket earthquake during Phase One data collection allowed the researcher to compare an event that adopted intensive

organisational learning strategies and advanced the study's understanding of Experiential Learning. In contrast, the corporate head office and Bangkok hotel, have ostensibly failed to adopt an organisational learning culture.

In summary, this chapter provided examples of Preparing for the Unthinkable with detecting warning signals, forward planning and assessing the state of readiness. Learning from Experience was illustrated with examples of management with previous crisis experience that instilled trust and confidence in their followers, as well as the importance of organisational learning, specifically double-loop learning. The dimensions of Learning Routineness were also explained and examples relating to training and routines that build confidence to meet the demands of future crisis events were provided. These data assisted in illustrating the interrelatedness of these categories in understanding *how* crisis experience influences crisis management readiness. Deficiencies in these factors also illuminated the concerns and the opportunities to improve crisis readiness strategies.

Experiential Learning was also found to share a direct relationship to the properties of Crisis Leadership Influencers. The data indicated that improved crisis leadership efficiencies resulted when Experiential Learning dimensions were encouraged. Finally, this chapter explained the moderating influence of Retaining Institutional Memory on the organisation and the concerns of participants that learned experiences are lost with management turnover.

Chapter Six will now draw together the higher order categories of Experiential Learning and Crisis Leadership Influencers with an explanation of the study's core category, Empowering Readiness.

## CHAPTER 6 EMPOWERING READINESS

### INTRODUCTION

In-depth data analysis detailed in Chapters Four and Five has revealed that the main factor of how crisis leadership can positively influence crisis readiness is through Empowering Readiness in the staff community. This section will provide an explanation of the core category and the basic social psychological process (BSPP) of Empowering Readiness will be addressed in this chapter. The core category integrated the two higher order categories or basic social structural processes (BSSPs), Crisis Leadership Influencers and Experiential Learning.

Empowering Readiness explained the social process that can positively influence crisis management outcomes. For example, it was evident from the data that a hotel's state of readiness, and in turn levels of confidence, were significantly increased by empowering its management and staff with crisis management skills and resources. In contrast, data from the case study organisation's head office and city hotel revealed that the main concern of staff is that they cannot readily identify the crisis management leader, team, roles, or responsibilities. They also acknowledged that the organisation had not conducted any debriefings or training after the Red Shirt crisis. Most respondents believed that they would not be able to manage future crisis events effectively.

The notion of Empowering Readiness is derived from the term 'empowerment' and is the core social process that accounts for the variation in crisis readiness of an organisation. This chapter will conclude with a proposed substantive theoretical model for this core category.

### 6.1 EMPOWERMENT

'Empowerment' is described by Yukl (2010) to be where members of an organisation perceive that they have the opportunity to be involved in determining their work roles, participating in meaningful work and have the ability to influence important events. Yukl (2010) suggested 'Guidelines for Empowering' that includes; involving members of the organisation in decisions that affect them, delegation of responsibility and

authority for important activities, information sharing, resource allocation and appropriate remuneration for increased responsibilities, removing bureaucratic systems and encouraging an organisational culture that supports empowerment, conveys confidence and trust in its members, provides coaching, nurtures and support initiative and problem-solving and celebrate successes and contributions.

Organisations that equip their staff with a sense of empowerment can expect that they will react in a competent and confident manner, rather than panic and lose sight of the organisation’s vision required to deal with the crisis situation (Wooten, James & Parsons, 2013). Adopting empowerment strategies can also maximise the experience, expertise and execution capabilities of their employees (Wooten et al., 2013) and add value to the employee’s self-worth and confidence. At the same time, empowerment at all levels encourages staff to experiment with new innovative ideas and processes and develop their knowledge base (Stonehouse & Pemberton, 1999).

The analysis of the data revealed one of the main concerns of the hotel company staff was the lack of crisis readiness due to the absence of an empowerment culture within their organisation, in particular within the Corporate Office. For example, a senior manager from head office responded to the researcher’s probing about the level of empowerment in the head office that “nobody knew obviously their roles in the crisis management and we have never simulated nor got any information about it before”.

A Bangkok hotel Excom member at the time of the crisis, who has since left the organisation, felt that:

“.....the hotel should have learnt much more from the crisis and how to prepare, I don’t know if they have a manual and if the hotel is under siege again it’s going to be a big problem because the people that were there are no longer there except for (name of executive). Not the GM, HR, security, engineer, if it happens again, I don’t think they’re prepared.”

This observation was confirmed by all participants who noted that the crisis management manuals were not made available or discussed at any time, up until Phase Two interviews in August and September, 2013. During this period, the escalating tensions of recurring political demonstrations were apparent and one of the Corporate Office DHs stated:

“...there was no reassurance, what should they do if it escalated, what should they do if not able to get to the office, if they’re afraid to get to the office what should they do, what are the options and so forth, but nothing.”

The lack of crisis readiness was evident when the researcher was contacted by the Corporate Office for SOPs as explained in Section 5.1.1 on Warning Signals. Yet the crisis management manuals were in existence both as hard and soft copies at the time of the researcher’s departure from the case study organisation in mid 2011, and is an indicator that reviews or crisis readiness action plans had not been initiated. Empowerment cannot exist without providing some direction or guidance by management. It was apparent from the institutional memory loss of past management that the organisation’s state of crisis readiness was negatively impacted. The case study organisation was unprepared and appeared to be attempting to gather the required crisis management tools, which had previously been established to deal with a crisis but was ignored by the new management.

Living and breathing crisis readiness through daily operations requires management to ensure crisis manuals are not left on the shelf but become a living breathing document that energises the staff community to be empowered for any crisis event. A *Living Manual* is recommended as a necessary crisis management tool and will be further explained in Section 7.4 on Recommendations and Implications for Management Practice.

One of the Corporate Office managers kept the email communications and directives from the Red Shirt crisis so that she can enact crisis management strategies herself since she believed her current leaders would not be able to implement. This was reflective of the absence of any formal empowerment strategies and the state of crisis un-readiness in the Corporate Office operations.

On the other hand, a Corporate Office DH was of the opinion that the PR function and PR managers were able to function easily with the resources and training of the Crisis Communications Plan. Therefore, the researcher concluded that a level of empowerment pervaded the PR discipline and increased their level of confidence in relation to dealing with crisis situations. This Corporate Office DH was one of the few participants who felt confident at all stages of the crisis (pre-crisis, during and post crisis). Her guiding compass in a highly stressful situation was the Crisis Communications Plan and she

described the preparation they had made for all eventualities. Her level of confidence was reinforced by having all the information and working very closely with the decision makers so that she knew the steps being considered and subsequently adopted. At the same time, she was not fearful of questioning decisions or seeking further clarification or justification of the decision. She was confident in the decision-making process and appreciated the responsibility and expressed a form of being empowered to learn and develop. However, she has since left the company and she explained the importance of the Crisis Communications Plan and the requirement for reviews:

“I think it has to be reviewed regularly as well otherwise we just forget I think. Like our crisis plan, we say the workshop has to be done every year and that’s why it’s called crisis, we never know what’s going to happen but I doubt whether the new management would do it. So that’s why I say if the crisis happened again, I’m not sure whether this company can handle the crisis the way we [the department] handled it.”

Another Corporate Office DH also felt a sense of empowerment existed. He felt empowered to make decisions, for example in relocating the reservations department of the CCC at the time of the Red Shirt crisis as explained in Experience with Crisis Events in Section 5.2.1. However, he added that this was necessary as:

“Again there were not many senior management around to throw their opinions in..... to discuss and decide on a decision or something to that effect.”

So his perception of having empowerment was as a result of there being no other choice. Nevertheless, he felt confident in making decisions and implementing initiatives that he would not be reprimanded for those actions. This could, in part, also be attributable to his extensive experience in hotel management throughout the South East Asian region.

When asked to comment on the organisation’s state of crisis readiness during Phase Two interviews, he was of the opinion that they would not be any better off if a crisis event occurred and at the moment he felt that they were in ‘limbo land’ and he explained:

“There should be a committee set up with HR and the VPs to say who’s going to do what, or who would be responsible for what, and this is what we should be doing if it reaches this stage and the first stage, second stage. Like when I was in (international hotel company) they had orange, green, yellow, red or whatever and then you know what to do every time somebody says it’s a red alert, orange alert, this is a blue alert or whatever..... and that would involve HR, sales and marketing, operations, FandB and everything else..... nobody’s called for this meeting, discussed, or anything like that.”

Yet another hotel Excom felt that if there is no direction from management, then empowerment cannot exist anyway. A similar response was recorded by a Bangkok Hotel Excom member, who suggested that to Empower Readiness, infrastructure is needed and suggested:

“People come and people go, it has to be infrastructure or a set of procedures put into place that the people who come in are able to learn from that experience and be empowered to deal with it .....Otherwise they’ll be blind and head for the hills”.

In contrast, a hotel GM who was previously based at the Corporate Office, believed that the staff are empowered and he responded in an email to the Phase Two question; ‘can you suggest how crisis-ready you feel and is your organisation ready for the next potential crisis?’ by stating:

“Good question. I feel the following.....We are prepared, organised, trained, experienced and empowered. We have gone through a significant range of crises as a hotel and company level in the last 10 years. We have a significant range of people who have been involved in these crises; we have hotel plans, department plans, security plans and a whole range of recovery platforms. But crises generally deal with natural disasters, civil unrest or matters which arise quickly and dramatically.”

This same respondent went on to explain that even when staff prepare and practice, they cannot prepare totally for the staff reaction as has been explained in the case of the Phuket hotel’s staff reaction to the earthquake. Another Phase Two respondent who had been employed by the case study organisation, but left a month before the Red Shirt crisis was asked how he would have managed the Red Shirt crisis at the corporate office and he explained:

“There would have been a Crisis Management Team made up of the VP group with continuous daily communications, face to face is best because emails may provide information but they’re not communicating. I think empowerment can be achieved but you cannot expect all to practice it.”

He continued with examples of the case study organisation’s disregard for discipline which included; low attendance at morning briefings to communicate and exchange information, and a lack of commitment to training. He compared his experience of the previous week in Hong Kong and the efficiencies of their typhoon warnings. Typhoon alert levels were clearly understood by all staff, their roles and responsibilities, which he observed had been communicated through repeated and consistent training.

Even though there were some instances of empowerment existing at the Corporate Office, they operated in a ‘silo’ type environment. During Phase Two interviews the Corporate Director of Engineering described a “ rift or gap” existed between the third, fourth and fifth floors of the corporate head office, suggesting that each floor and individual division operated independently of each other.

When the researcher probed for information due to his technical capacity about the information technology systems and the IT Division’s state of crisis readiness in regard to offshore backup facilities, he responded that “IT is a bigger secret than the CIA”. The silo mentality was even more apparent between the corporate office and the hotel operation, although this had not been considered previously as an issue during the researcher’s tenure with the case study organisation. The researcher’s memo note described this acknowledgement:

“(interviewee)’s interview highlighted the difference in knowledge levels/communication between 2 buildings side-by-side .... Hotel operation seemed to be much more proactive in its planning/communication and this was evident from hotel staff. Corporate office staff seemed to be in the dark, this seems to contradict the lack of information being shared through the corporate offices/and reflects the “silo mentality” of the hotel versus corporate office communication.”

The data identified a lack of crisis readiness and a lack of training as outlined in State of Readiness in 5.1.3 and Training to be Ready in Section 5.3.1. As a consequence, there was an apparent lack of trust in Corporate Office leadership to be able to deal with any future crisis events. Whereas the Phuket hotel staff felt they are empowered as described in Learning Routineness in Section 5.3 with the key informant’s comment in Phase One that:

“I feel very confident and I think I said that yesterday about where we’re at in the event that we need to mobilise and I do think that one day it may come again and I feel we’re empowered more than we were because we have information, we’ve shared that knowledge and we’ve put it into practice.”

Although the Phuket hotel believes they are more empowered as a result of the organisational learning undertaken for crisis readiness after the earthquake, there is still some doubt in the researcher’s mind that organisational learning would have occurred under different circumstances as stated in the researcher’s memo note:

“I must question that if the Chinese delegation had not been staying in house, would the new plan have taken on the sense of urgency that it created, or have ever been put in place? ....”



However, in follow up interviews, a key informant acknowledged that it was only through Experiential Learning of the earthquake failure that they have been able to establish an Empowering Readiness culture. Also interrelated to Learning Routineness was evidence that staff responses to the on-line survey that free text reflected a desire for Empowering Readiness through training and documentation, which would have allowed a greater level of crisis management efficacy.

## **6.2 THE EMERGENT CORE CATEGORY**

As a result of an in-depth examination of the data, the researcher identified that a basic problem of crisis management efficacy was the level of empowerment for crisis readiness within an organisation. Due to the varying levels of readiness, the confidence levels of the staff fluctuated. As the data were examined further and the emerging concepts became apparent, the lower order categories were identified and explained the variance in the capacity to deal with a crisis event in the pre-crisis phase.

The dimensions that characterised the lower order categories and contributed to the core category of Empowering Readiness will be summarised in this section. This basic social psychological process (BSPP) explained a key factor in crisis leadership success outcomes by integrating the higher order categories of Crisis Leadership Influencers with Experiential Learning. These higher order categories were determined through the process of theoretical coding, which included interrogating the data for causes, consequences, contingencies, conditions and co-variances of each category (Glaser, 1978).

Crisis Leadership Influencers comprised of interrelated lower order categories that contributed to this recurring thematic concept including; Influencing Leadership, Active Sense-making and Managing the Crisis. The leadership behaviours identified in these categories also reflected the reciprocal relationships that were formed and added strength to the emerging BSSP. The researcher had to first understand the effect of crisis leadership on a crisis event before considering what were the lessons learnt. These three dimensions of Crisis Leadership Influencers assisted in identifying the efficiencies and deficiencies in crisis leadership and its impact of crisis management outcomes.

Reciprocal relationships existed within Crisis Leadership Influencers and were based partly upon the components of Influencing Leadership, which included Communicating, Decision-Making, Visibility, Leading by Example and Motivating Influencers. These factors explained the variation in Active Sense-making and how the crisis leader's influencing actions impacted crisis readiness in the organisation.

Conversely Active Sense-making properties, which included Understanding the Mindset, Emotional Sensitivity, National Culture and Organisational Culture, contributed to the efficacy of Crisis Leadership with enhanced sensitivities that explained the variances in their level of Influencing Leadership capabilities. In addition, Influencing Leadership capabilities also explained variation in the dimension of Managing the Crisis and how management were perceived to manage or mismanage the crisis. The properties exhibited in Managing the Crisis, which included Responsibility, Strategising and Activating were also interrelated to both Influencing Leadership and Active Sense-making and explained how management actions were perceived to either enhance or inhibit crisis management efficacies.

While Crisis Leadership Influencers explained to some degree the issues involved in the level of crisis readiness within the organisation, there were additional factors at play that supported the need for the researcher to continue exploring further thematic concepts. It was apparent that Crisis Leadership was also influenced by lessons learnt from past crisis events, as well as the level to which the organisation prepared and trained staff to deal with the next crisis. These factors resulted in the conceptualising of the second BSSP described as Experiential Learning.

Experiential Learning comprised of interrelated lower order categories that contributed to this recurring thematic concept including; Preparing for the Unthinkable, Learning from Experience and Learning Routineness. A perception prevailed amongst the participants that lessons have not been learnt and the organisation will repeat the mistakes of the past since they have seemingly failed to prepare for the next crisis. Whereas the business units that have learnt their lessons and believe they are crisis-ready, feel confident that they can manage a crisis situation more efficiently than compared to previous crisis incidents.

The willingness of the staff community to engage in post crisis briefings, training and crisis management teams were ignored and reinforced the perception that management lacked foresight in understanding the benefits of Crisis Readiness. Another factor that influenced Crisis Readiness was Retaining Institutional Memory, which proved to highlight that crisis-inexperienced management failed to understand the importance of crisis preparation or training.

Preparing for the Unthinkable, which included the dimensions of Warning Signals, Forward Planning and State of Readiness, was interrelated to Learning from Experience. Learning from Experience comprised of; Experience with Crisis Events and Organisational Learning, and influenced Preparing for the Unthinkable by contributing to the varying degrees of how management prepared for a crisis. Management with prior experience were more familiar with the Warning Signals and were more proactive at planning ahead and establishing their readiness for crisis eventualities. Whereas, Preparing for the Unthinkable influenced the organisation's Learning from Experience and impacted the variation in their level of Organisational Learning from past crisis events, and how their Experience with Crisis Events contributed to their level of Crisis Readiness.

At the same time, Learning from Experience contributed to the organisation's capacity to implement a culture of Learning Routineness, which comprised of the following properties; Training to be Ready and Confidence Building. Management who had experienced a crisis event previously appeared to have a greater level of understanding and commitment to training programmes that built a sense of confidence within the staff community and the external stakeholders. The interconnectedness continued to strengthen with Learning Routineness dimensions influencing Learning from Experience by unlearning redundant processes and implementing new crisis ready business practices.

The interconnectivity between Preparing for the Unthinkable and Learning Routineness was also apparent whereby the level of Learning Routineness increased when management was prepared to invest in Preparing for the Unthinkable. Moreover, increased levels of Learning Routineness intensified Preparing for the Unthinkable by focusing management's ability on detecting the Warning Signals, Forward Planning and in turn their State of Readiness.

The moderating impact of Retaining Institutional Memory on the lower order dimensions of Experiential Learning influenced the varying degrees of commitment by an organisation to Preparing for the Unthinkable, Learning from Experience and Learning Routineness. The underlying influence of Retaining Institutional Memory cannot go understated as it plays an important role in crisis management success outcomes. Staff who have previously experienced crises activate their learned experiences with a greater sense of confidence and urgency than staff who are new to the organisation or who have not experienced a crisis event.

The final filtering process of the theoretical coding produced the BSSP for this study. The core category, Empowering Readiness, explained the BSSP that identified the overall concern for the study's participants. This core category resolved the main concern of the participants in regard to crisis readiness and is explained further in the next section on Empowering Readiness in Section 6.3 and 6.4.

### **6.3 EMPOWERING READINESS: INFLUENCING CRISIS MANAGEMENT**

#### **SUCCESS OUTCOMES**

An organisation's Crisis Readiness will improve when management initiates a company-wide focus on Crisis Management planning and preparation. Integral to Crisis Management planning, there needs to be a shift in crisis paradigms from relying on a small Crisis Management Team or risk management department to introducing a new crisis-ready thinking culture where the entire staff contributes to the organisation's Crisis Readiness. This can be achieved through a multi-level approach of empowering management and staff with the tools and resources that build confidence through a learned routineness and a positive acceptance of organisational learning and double-loop learning practices.

A crisis-resilient organisation cannot necessarily be considered crisis-ready since their cognitive biases act to screen management from a culture of organisational learning. They believe their resilience is based on the outcomes of past experiences, 'they've survived before, they will again' and in the case of an Asian organisation, they believe that 'they will be looked after' whether it's their family, company or government (Holmes et al., 2003). Ignoring the learned experience and avoiding the causes of inept crisis management processes will create a culture that accepts 'normalisation of

deviance”, where over time the negative practices are accepted (Tinsley, Dillon & Madsen, 2011). A sense of complacency, management mediocrity and acceptance of past failure avoidance builds higher levels of distrust in management and confirms perceptions that leadership is inept in preparing or managing a crisis.

Organisations that fully integrate crisis management planning and training into both the strategic and day-to-day business operations are recognised by staff as being reliable and are trusted with their welfare. Management cannot be expected to plan, prepare and manage a crisis without the assistance of staff. In the case of a hotel business, they are reliant on all actors on stage and how the actors perform to the wider stakeholder audience such as guests, suppliers and business partners. Confident and well trained staff are perceived by stakeholders as dedicated professionals of their craft.

Therefore, staff on all levels require routine training, regular updates and two-way communication between management and staff so that they feel a sense of empowerment to react in the best interests of the business in the lead up to, during, and after a crisis. Just as emergency service organisations or High Reliability Organisations train and prepare for the ‘unthinkable’, the hotel and tourism sector which is described as ‘soft targets’ or Naïve Organisations (Hannah et.al., 2009), needs to also adopt a similar crisis-ready mindset.

Human capital investment is at the heart of Empowering Readiness. This is not purely a reference to a monetary investment, but an investment in the organisation’s strategic priorities. An organisational culture of Empowering Readiness starts at the top from the Board of Directors to the CEO and then cascades through the entire organisation. Empowering Readiness becomes a mandatory reporting indicator for business units and is seen by all stakeholders as a priority for the company’s sustainability and long term future.

The core social process of Empowering Readiness engages management and staff at all levels and becomes a strategic reality building confidence and proactive mindsets as it permeates the organisation’s culture. Empowering Readiness is achieved through various activities with a multi-level approach including; regular programmes of auditing and assessing crisis management capabilities, appointing a crisis management team with clearly defined roles and responsibilities, workshops and training programmes, a

company-wide crisis alert programme, updated manuals and standard operating procedures (SOPs), a crisis-ready toolkit for individuals and modified for each business unit, debriefings and post crisis event analysis.

#### **6.4 EMPOWERING READINESS: THE PROPOSED MODEL**

Empowering Readiness emerged as a theme in the early data analysis, when exploring the 2012 Phuket earthquake crisis incident and subsequently became the core category through theoretical coding and the hierarchical abstraction of data. Grounded Theory techniques identified Empowering Readiness as a basic social process that responded to the concerns of management and staff to ensure a state of Crisis Readiness in the case study organisation.

The proposed theory from this study relates to the substantive context of the 2010 Red Shirt crisis for a Thai based international hotel group with multi-level and multi-location business units. Therefore, the theory generated from this study is a substantive theory that cannot be generalised; however, Yin (2009) argued that a research study's systematic data collection and analysis could be applied to other case study organisations for broader theory development.

The core category for the emergent theory was achieved from the study's Grounded Theory theoretical sampling approach that provided the most informative participants for the research topic. The various lower order categories identified the most important properties that the participants considered to be key to being crisis-ready. These inter-related dimensions were then categorised into the two higher-order categories of Crisis Leadership Influencers and Experiential Learning that made up the core category of, Empowering Readiness.

The two higher-order categories were instrumental in explaining the basic social structural processes existing in the case study organisation and its business units. Crisis Leadership Influencers is the social process that accounted for the various components that result in Crisis Leadership efficiencies and also highlighted the deficiencies that were raised by the study's participants. Whereas Experiential Learning focused on the organisation's foresight to prepare for crises and their organisational learning capabilities.

However, the variation in Crisis Readiness levels was influenced by the organisation’s ability to retain institutional memory in regard to lessons learned. This was a concern expressed by participants since management turnover has resulted in fewer staff being knowledgeable in maintaining crisis readiness practices. The study’s findings suggest a clear moderating effect for Retaining Institutional Memory upon the relationship between Experiential Learning and Crisis Leadership Influencers as illustrated in Figure 6.1.

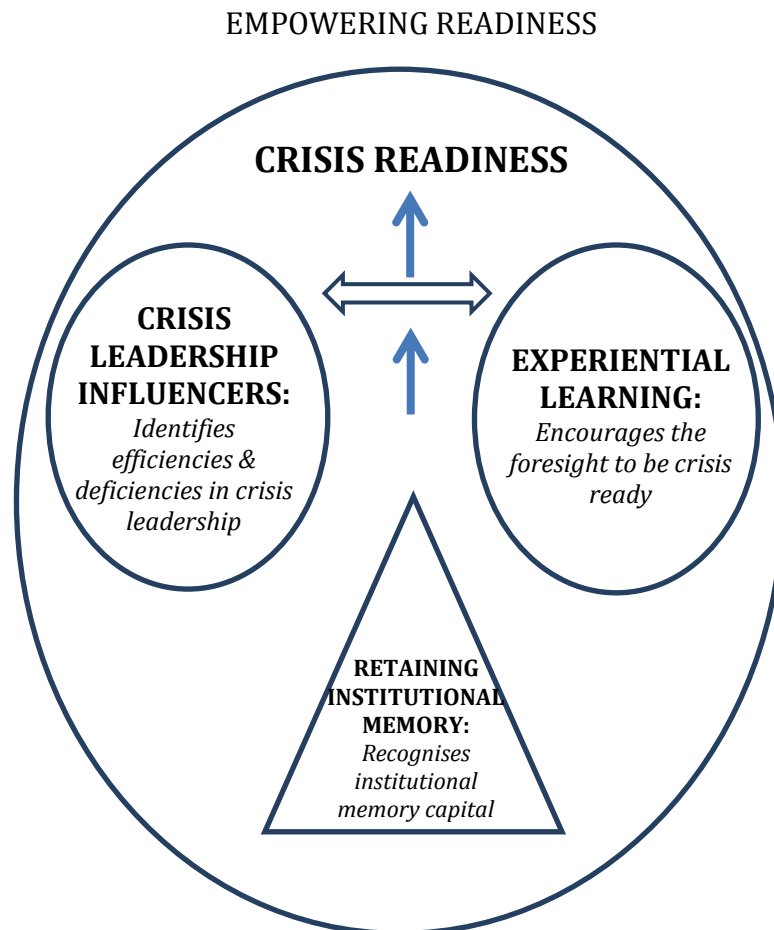


Figure 6.1: Empowering Readiness Core Category Theory Development

The interrelatedness of each of the Basic Social Structural Processes (BSSPs), namely Crisis Leadership Influencers and Experiential Learning, is represented in the model by circular arrangements, whereby each component is important to the success of the other. Having now achieved the core category that identifies the basic social process which encompasses Crisis Leadership Influencers and Experiential Learning; the Empowering Readiness model depicts an abstract version of a set of scales. It explains how Crisis Readiness is moderated or influenced, as in the base on a set of scales, by institutional memory loss or retention and its effect on the balance beam between Crisis Leadership Influencers and Experiential Learning. The all-encompassing circle for Empowering

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Readiness focuses on the interconnectedness of the BSSPs within the substantive context of a crisis event. Figure 6.1 summarises the answer to the research question of *how* Crisis Leadership generates effective Crisis Readiness through Empowering Readiness within this emergent substantive theory.

The researcher found that by using Grounded Theory methodology, the main challenge of crisis readiness in the case study organisation’s multi-unit, multi-location operation is the lack of empowered staff to deal with a crisis. Empowering Readiness represents the most comprehensive explanation of the perceptions and behaviours of the organisation’s participants to improve crisis management outcomes. Therefore, Empowering Readiness is the most plausible explanation as the core category and the strategy that ensures an organisation’s Crisis Readiness meets the challenges during the Crisis Prevention and Planning phase of Ritchie’s (2004) Crisis Management framework.

Figure 6.1 illustrates the components of the Empowering Readiness model which has been conceptualised from Grounded Theory’s hierarchical abstraction process. In summary, the lower order categories are represented by the interrelatedness of the connecting non-linear relationships that explain the two higher order categories namely; Crisis Leadership Influencers consisting of, Influencing Leadership, Active Sense-making and Managing the Crisis, and Experiential Learning consisting of, Preparing for the Unthinkable, Learning from Experience and Learning Routineness. The moderating effect of Retaining Institutional Memory is indicated by its influence on the two higher order categories. The study’s findings contributed to the emergence of a social process of Crisis Leadership and explained the model’s core category and its all-encompassing basic social process of Empowering Readiness.

## 6.5 VALIDATING THE CORE CATEGORY

Phase Two interviews sought to gather feedback on the data coding and categorisation of thematic concepts. The interviewees were provided with the schematic that explained the lower order, higher order and core categories, titled ‘*Category Filtration to the Basic Social Process*’ as illustrated in Figure 3.1 in Section 3.5.3 on Theoretical Coding. The aim of this phase was to draw upon interviewees’ reflections as they recalled the relationships and enactments within the context of a crisis event to ensure the explanation of the findings seemed plausible and made sense to them (Kempster &



Parry, 2011). This phase also guided the theoretical sampling methodology in order to identify new interviewees who would be able to validate the emergent theory and provide even richer in-depth data.

A new interviewee identified for Phase Two was previously employed by the company at a Director level and is now a security consultant. He was interviewed regarding the emergent thematic concepts. He agreed to participate in a recorded interview and then wanted to follow up with his own written comments on the data's categorisation. He felt that this would allow him to contemplate the questions further and he provided extensive comments that validated the researcher's emergent themes and relationships. However, before we embarked on the interview, which he followed up with his emailed perceptions; he first made comment on the BSSP's interrelatedness in an email on 7 August, 2013 in reference to Figure 3.1. This assisted the researcher to confirm the developing theoretical concepts and their interrelatedness;

“I feel that you cannot separate the two columns and feel that maybe you should also have a series of dotted lines between the different columns as the issues are related.”

He responded to the question about how the case study organisation activated Empowering Readiness by suggesting that middle management and employee levels are willing to embrace crisis ready procedures and training so that they can ensure the safety of all stakeholders. However, he was of the opinion that the CEO, Senior Management and Board levels did not have the commitment or enthusiasm to initiate Crisis Readiness, which he believed had resulted in crisis inertia on all operational levels. He provided a detailed recommendation in an email of 11 August, 2013 that:

“CEO and/or Board Members must be able to comprehend the financial vs risk ratio and to commit the company to a path of *long term implementation at all operational levels* for the programmes to be effective. This means commitment on a financial basis as well as the creation of EMPOWERED Security and Risk Management Committees who will WORK TOGETHER with the hotels to ensure that these structures and related programmes will be introduced at all operational levels and in all required areas of the hotels (and Corporate Offices).

The relevant committees and officers will ensure ongoing commitment at the hotel and department levels on an ongoing basis (and not just as a one-off burst of energy that burns out within weeks or a few months through lethargy or inability to implement due to lack of support by senior management). The Corporate Security and Risk Management Committees will prepare a quarterly summary review of the activities undertaken by each hotel and present the

results to senior corporate management. The hotel GM must include a monthly summary and review of these activities in the GMs Report.”

Middle management and their employees’ willingness to learn and initiate crisis-readiness strategies were clearly evident throughout the data, yet the current leadership has maintained a healthy complacency toward Crisis Readiness. A Bangkok hotel Director responded in Phase Two interviews to the question about how crisis-ready he felt based on the core category of Empowering Readiness with the following statement:

“I do not feel in any way more prepared for a future crisis, no postmortem or conclusion of what we did right and what we did wrong has been made public among the employees. No recognitions have been given to those that stuck it out..... In thinking back I strongly feel that the owner has been ignorant of the safety for the staff considering life [sic] bullets entered the hotel during many days.”

At the time of Phase Two interviews in August and September 2013, political protests were once again underway in Bangkok. One of the interviewees who had relocated to Australia in a senior management position commented on how surprised he was that the hotel company is not more ready for another crisis event as Thailand had been through crises so many times. He also reflected on the ‘*Category Filtration to the Basic Social Process*’ that was provided and described the concept of Empowering Readiness as being “very powerful, especially when combining experience and leadership”. He also commented that Crisis Readiness is the responsibility of all staff on “every single level”.

The data indicated varying responses about how interview participants felt Thai staff would react when empowered to react to a crisis. There were some expressed concerns that even with preparation and training the ‘human element’ reactions cannot be foreseen. A Thai VP who had not been in the company during the Red Shirt crisis was asked to respond to a question if Thai staff would accept empowerment to be ready for a crisis. He responded “Frankly speaking, no” that they would not accept empowerment. He was of the opinion that Thais “do things by being ordered” as was also the case in his previous company, although he felt that if trained “they will feel more confident and empowered and may accept the empowerment better”.

Another Thai staff member, who held a Director position and has since left the case study organisation, is now working in a multi-national organisation based in Bangkok. The new organisation has crisis procedures in place, and she is aware of these procedures; and therefore, she feels confident and “ready to handle any future crisis”.

She also explained that they have a dedicated crisis committee to manage unexpected crises that meet on a regular basis. In contrast and as already detailed, head office staff within the case study organisation expressed feelings of frustration about being unprepared. They believed that crisis management procedures, roles and responsibilities were unclear, warning signals were being ignored, HR was inactive and failed to communicate with staff while rumours and mixed messages prevailed.

Management by complacency or ‘learned ignorance’ (Paraskevas et al., 2013) appeared to direct this organisation. One of the managers who sought guidance from past documents in order to be prepared for a crisis stated:

“...we deal case by case and then case by case, which is we’re not looking into the future and then protect [sic]. It’s happened already and then you just fix it but you’re not protecting it. This is what we should look into in my opinion.”

Therefore, it is clear that management and staff are not only willing but actively want to participate in training and crisis planning. The security consultant highlighted the internal challenges of middle management in recognising crisis planning priorities versus senior management’s complacency to the point that he suggested that middle management are “bashing their heads up against a brick wall”. Data analysis as provided in Chapters Four and Five confirmed that the organisation’s CEO and senior management have not committed to a crisis-ready culture. They have chosen to ignore any form of organisational learning or institutionalisation of learned experiences, even though this was articulated as a necessary process after the crisis by HR and the CEO in a CNN interview and in internal company-wide emails, as described in Section 5.2.2 on Organisational Learning. While management verbalised the need to learn from the experience, their actions were contradictory and failed to subsequently engender confidence for crisis readiness.

In Phase Two the researcher probed one of the original interviewees for her opinion about the head office’s state of crisis readiness and she felt that if there been some form of discourse and analysis on what had happened after the Red Shirt crisis then “we would have learnt from the experience”. Instead, she explained that debriefings never occurred and there seemed to be a ‘black hole of silence’ with the organisation focused on short term, not long term strategies. This is a business continuity opportunity that cannot be ignored.

In contrast, the Phuket hotel’s Excom undertook an in-depth review and implemented new strategies that have empowered their managers and staff to react in a more positive manner through Empowering Readiness. They now ‘live and breathe’ their crisis readiness through their Emergency Response and First Aid Support Teams with systematic procedures, new technology, and training and learned routineness. This has built a stronger more resilient staff community.

Finally, the researcher also shared Chapter One of this thesis with a Corporate Office DH from the case study organisation to ensure the background assessment was a balanced account and she replied in an email on 22 January, 2013:

“I have read your introduction background with a heavy heart (feeling omg we’ve been through that). Of course we have been through it as horrible as it was; it hits me (strangely) that this could happen again.... maybe not this bad, but I sense it is happening anytime soon....Your background is perfectly accurate and neutral.”

In summary, Empowering Readiness was considered the core category in this study which integrated the two highest order categories, Crisis Leadership Influencers and Experiential Learning. The interrelatedness of the lower order and higher order categories strengthened the emergent core category and provided an explanation to the research question of ‘*How Does Crisis Leadership Influence Crisis Management Readiness in the Thai Hotel Industry?*’ The basic social psychological process of Empowering Readiness is a key influencing factor for crisis readiness of individuals and the organisation in crisis situations as discussed further in the next section.

## **6.6 CONTRIBUTION TO NEW KNOWLEDGE**

The findings from the present study contribute to a growing body of knowledge about crisis management. The significance of this study lies in its contribution to the field of Crisis Leadership research and the social processes that have been identified to increase Crisis Readiness efficacies. This research documented the perceptions, actions and strategies undertaken in the substantive context of the 2010 Red Shirt crisis in Thailand. As an in-depth descriptive case study, the analysis of data has produced a substantive new theory within the field of Crisis Leadership. Substantive theory provides the foundation from which to build more formal theory (Glaser, 1992) and is the major contribution of this study.

Carmeli and Schaubroek's (2008) study examined the link between learning from failures and crisis preparedness. They argued that "the process of learning from failures is critical to an organisation's crisis preparedness" (p.189). However, the present research has taken the notion of learning from failures further by identifying how empowering staff with crisis management training will strengthen their crisis leadership capabilities. Moreover, this study also identified the moderating influence of institutional memory retention on organisational learning and crisis readiness.

Zhang, Jia and Gru (2012) focused on how and when transformational leadership affects leadership effectiveness by analysing the 2008 Wenchuan earthquake in China. While Zhang et al.'s study contributed to leadership studies in the context of a crisis, its main contribution was to demonstrate "how transformational leaders' emotional control influences the way they are perceived to be leaders from the theoretical perspective of affect transference" (p.4102). Zhang et al. posited that transformational leaders can motivate followers through self-sacrificial behaviours and by undertaking a Sense-making approach. However, Zhang et al.'s study focused primarily on the crisis event and failed to apply their findings to either the post crisis or pre crisis phases of the crisis. In contrast, the present study has focused on post crisis learning and, in turn, the readiness of the organisation for future crises as applied during the pre-crisis phase.

Ritchie et al.'s (2011) findings on crisis planning in the hotel sector were limited to how an organisation's size influences crisis readiness. Their study concluded that there was a need for further research into additional factors that influence crisis preparedness: past crisis experience and knowledge and attitudes and perceptions of management with regard to crisis planning. This present study acknowledged the limitations of Ritchie et al.'s study and has itself contributed new knowledge about how Crisis Leadership can influence a crisis-ready culture by Empowering Readiness across all levels of an organisation.

Hadley et al. (2011) developed the C-LEAD (Crisis Leadership Efficacy in Assessing and Deciding); a self-assessment survey instrument which measures and predicts crisis leader decision-making and confidence. However, self-assessment reporting may result in self-reporting bias and therefore fail to incorporate the perceptions of the staff community on the crisis leadership decision-making process. This research has addressed the knowledge gap in relation to how the participants would use their learned

crisis experiences and their Crisis Leadership abilities to improve their organisation's Crisis Readiness.

Crisis Leadership competency models (James & Wooten, 2004; Wooten & James, 2008) and Crisis Management frameworks (Jacques, 2007; Ritchie, 2004) while relevant have been deficient in identifying the importance of the critical pre-crisis phase. This is the stage at which an organisation can mitigate the negative impacts of a crisis. The present study has focused on an organisation's pre-crisis readiness and identified factors designed to ensure more successful Crisis Management outcomes.

In terms of a methodological approach, this study has made a contribution to Crisis Leadership research by using Grounded Theory to explore, in-depth, the real-life experiences of this crisis event. The researcher's unique and open access to the case study organisation provided a large amount of data that would not otherwise be available to external researchers. The researcher's intimate knowledge and close working relationship with the case study organisation was able to expose critical incidents such as the Phuket earthquake experience. This incident became a comparative focal point for data analysis. Glaser (1992) suggested that the researcher's professional and personal experiences assist in developing substantive sensitivities, which are essential to category and property generation. He also noted that this is predicated on the researcher possessing a skill set that includes the ability to conceptualise.

In terms of a theoretical contribution, this research has contributed to tourism Crisis Management literature in developing substantive theory by modelling social processes at play within the Crisis Leadership phenomenon. The generation of substantive theory was aimed at rectifying the lack of academic research in this increasingly important aspect of Crisis Management and specifically in the crisis prevention and planning phase. Empowering Readiness is the substantive theoretical model that has been established and is particularly significant given the increasing incidence of crises and their impact on the global tourism network.

From its inception, the aim of this study was to contribute to the academic body of knowledge in gaining a greater level of understanding of *how* Crisis Leadership influences an organisation's Crisis Readiness. This study addressed a number of issues and gaps in the extant literature including a lack of focus on the role of leadership in

tourism Crisis Management frameworks, specifically in the Crisis Prevention and Planning phase. It also explored the role of leadership in a crisis and identified key success factors of Crisis Leadership in the context of an international hotel group in Thailand. In addition, this study has provided an Asian context to the nascent literature on Crisis Leadership as opposed to the predominantly US-centric research available.

## **6.7 DEVELOPING SUBSTANTIVE THEORY**

This study proposes a framework for substantive theory on Empowering Readiness for the Crisis Prevention and Planning phase of Ritchie’s (2004) *Crisis and Disaster Management: a Strategic and Holistic Management Framework*. The theoretical model derived its formulation from data analysis and the construction of lower order categories, higher order categories and finally the core category of Empowering Readiness.

The purpose of presenting theory in a graphical context is to provide a visual image of categories and their relationships (Veal, 2006). Charmaz (2006) recommended diagrams to illustrate the relative power, scope and direction of categories, as well as the connections between them. A graphic display of the categories and their relationships also makes the data more understandable in comparison to relying solely on a narrative explanation (Yin, 2011). Figure 6.2 illustrates the Theory Development Research Process.

## Theory Development Research Process

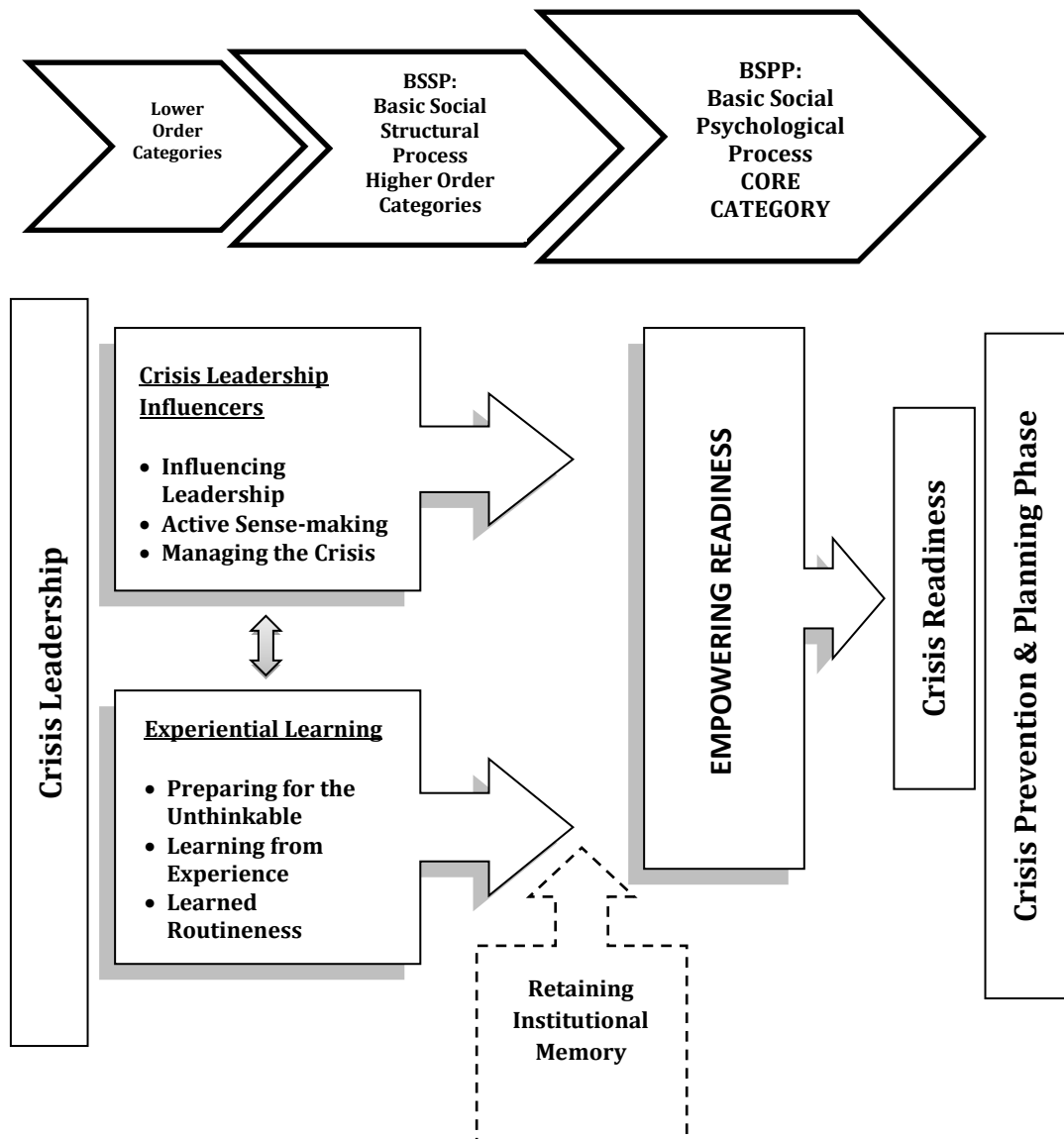


Figure 6.2 Theory Development Research Process

The recurring theme within this research was the influence of Crisis Leadership and how lessons learnt from past experiences positively influences a crisis-ready organisation. Empowering Readiness has provided a key strategy to drive the importance of Crisis Readiness throughout the organisation. However, institutional memory retention poses a challenge to organisations as learned routineness, learned experiences and cognitive biases diminishes the importance of Crisis Readiness. Further research will assist in identifying how organisations can implement strategies to retain institutional memory and maintain a sense of Crisis Readiness and strengthen business continuity in the face of a crisis event.



## 6.8 CHAPTER SUMMARY

Chapter Six sought to draw together previous chapters in order to propose a conceptual framework that clarified the substantive theory generated. The study's core category explained the Basic Social Psychological Process of Empowering Readiness and was explained in this chapter by first discussing the notion of 'empowerment'. The concept of empowerment was illustrated with real life examples that provided comparative incidents between the hotel company's corporate head office and the Bangkok and Phuket hotels.

The researcher sought validation and discussion from participants that the emergent theory was plausible and made sense to them. The aim was to validate the findings and probe for further feedback on the proposed theory. The consensus of opinion was that the hierarchical abstraction of categories revealed thematic concepts that were congruous with the organisation's social processes. With this validation, the researcher was then able to move forward and posit how Empowering Readiness influences Crisis Management success outcomes.

Empowering Readiness requires a multi-level approach so that management and staff can swiftly mobilise crisis management procedures to minimise negative impacts and restore confidence and reinstate business continuity. Management should harness the loyalty and commitment of staff in their willingness to participate in Crisis Readiness programmes and build a stronger organisational learning culture. The power of Empowering Readiness cannot be underestimated and will ultimately add value to the organisation's human capital.

In summary, the substantive theory generated from this study can be applied to other organisations in the context of a crisis event for broader theory development. Chapter Seven will provide a summary of the research process, key recommendations and study limitations. The final chapter will also address the important practical implications for management practice and further research.

## **CHAPTER 7 SUMMARY, RECOMMENDATIONS AND IMPLICATIONS**

### **INTRODUCTION**

This chapter will summarise the previous chapters by reviewing the research process, identifying limitations of the study, providing recommendations, and offering implications for management practice and further research.

### **7.1 SUMMARY OF THE RESEARCH PROCESS**

The purpose of this study was to examine the phenomenon of Crisis Leadership within the substantive context of the 2010 Red Shirt crisis in Thailand. Grounded theory methodology was employed to establish the basic social process and explain the underlying concerns of an organisation's readiness for future crisis events. This study addressed the need to understand the relationship between Crisis Leadership and Crisis Readiness and how Crisis Leadership Influencers and Experiential Learning impacted one organisation's ability to prepare for a future crisis event.

As outlined in Chapter One, Section 1.3, the following gaps were identified in the extant research in relation to Crisis Leadership and Crisis Readiness within the hotel industry: a lack of detail about, or an underestimation of, the importance of the Crisis Readiness or Preparation phase; little attention given to Crisis Leadership considerations in previous crisis management frameworks; research primarily with a Western or US centric context; and no clear identification of the learned lessons from previous crisis events in relation to crisis readiness.

As explained in Chapters Four and Five, the data collection and analysis process established the thematic concepts and theoretical categories. Chapter Six concluded the findings with the core category of Empowering Readiness.

A key characteristic of grounded theory design is the constant comparative analytical method. Constant comparison of primary and secondary data allowed the researcher to explore and develop thematic concepts as new phenomenological insights emerged.

Using an inductive process, the hierarchical abstraction of categories emerged through the data coding process as depicted in Figure 7.1.

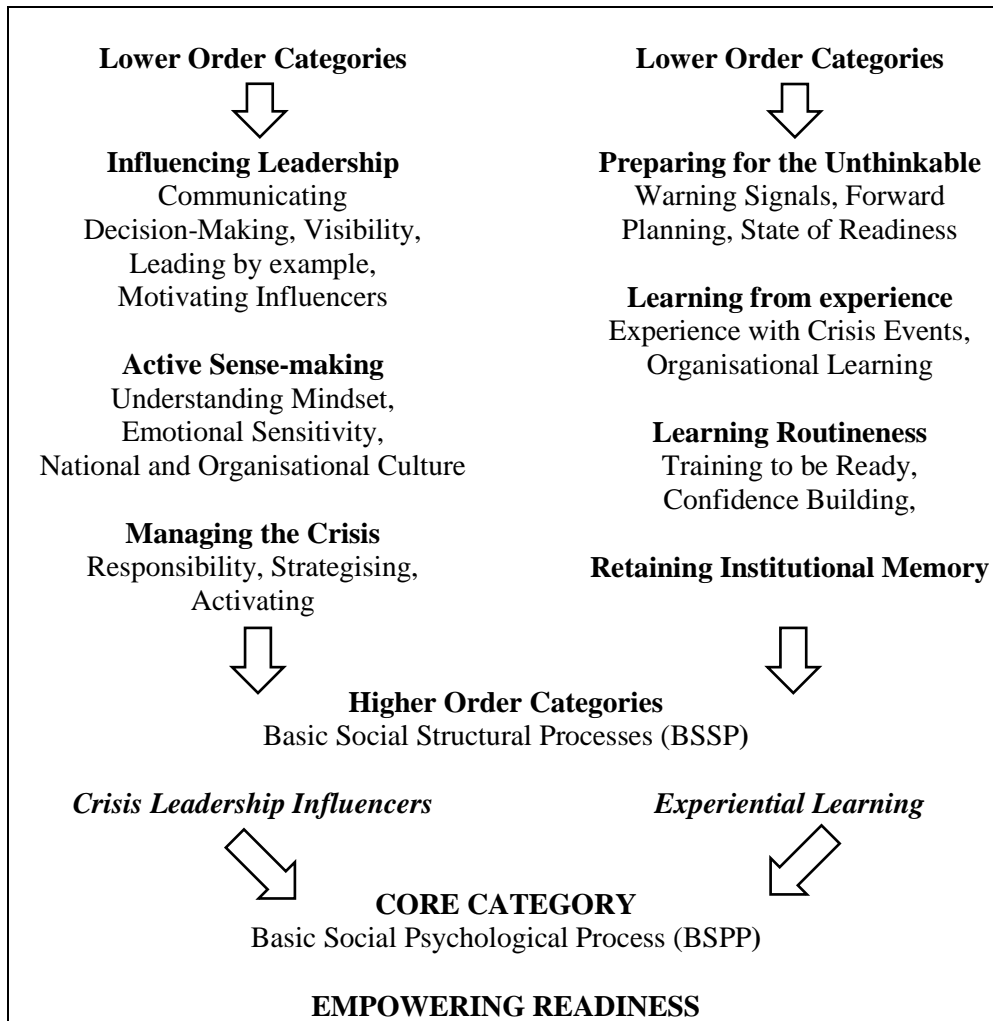


Figure 7.1: Category Filtration to the Basic Social Process

## 7.2 SUMMARY OF THE KEY FINDINGS

To recap, the primary objective of this study was to explore how the Crisis Leadership capabilities of one hotel company’s senior management influenced the organisation’s Crisis Readiness. The primary research question was derived from this objective and guided the study by seeking to answer; “*How does crisis leadership influence crisis management readiness in the Thai hotel industry?*”

Primary and secondary data provided a rich source of understanding of *what* happened and *how* the case study organisation’s Crisis Leadership capability was perceived at the

time of the 2010 Red Shirt crisis and subsequent 2012 Phuket earthquake. Table 7.1 provides an overview of the research questions and related key findings.

Table 7.1: Research Question’s Key Findings

Primary Question :	Key Findings
<p>How does crisis leadership influence crisis management readiness in the Thai hotel industry?</p>	<ul style="list-style-type: none"> <li>• Transformational leadership attributes gain confidence and commitment from staff</li> <li>• Sense-making enhances crisis leadership decision making</li> <li>• Staff confidence and trust increases when management identifies warning signals and prepares for impending crises</li> <li>• Experiential Learning cognitive behaviours improves crisis management readiness and efficacy of management and staff</li> <li>• Retaining institutional memory reduces loss of human capital and key crisis leadership success elements</li> <li>• Empowerment through learning will prepare an organisation at all levels to deal with crises</li> </ul>
Secondary Sub-Question	
<p>1. What level of importance do hotel managers place on crisis management planning, response and evaluation?</p>	<ul style="list-style-type: none"> <li>• Day-to-day operations take priority over crisis readiness</li> <li>• Managers with prior crisis experience are more committed to organisational learning and crisis readiness</li> <li>• Confident and prepared crisis leaders gain greater levels of trust from peers and followers</li> <li>• Willingness of staff to engage in crisis planning to ensure business continuity and job security</li> </ul>
<p>2. How does organisational culture influence crisis management planning and response?</p>	<ul style="list-style-type: none"> <li>• Silo mentality restricts company-wide crisis management programmes</li> <li>• Cognitive biases impede organisational learning and reinforces complacencies</li> <li>• Management turnover influences institutional memory loss</li> </ul>
<p>3. How applicable are Western based Crisis Management frameworks to the Thai Crisis Leadership context?</p>	<ul style="list-style-type: none"> <li>• Cultural beliefs and practices need to be considered to engage a readiness mentality</li> <li>• Readiness phase needs to have greater focus in comparison to Western frameworks due to cultural beliefs and fear of inviting a negative incident if planning for its potential (bad omens)</li> <li>• In a society dependent on rote learning, learned routineness is an important factor in crisis readiness and can assist in overcoming cultural myths</li> </ul>

In summary, this research has found that Crisis Leadership is a multi-faceted social process that can be enhanced by embracing the learned experiences from past events. While the situational context of the present study was the 2010 Red Shirt crisis, an interview with a manager disclosed the impact of the April 11<sup>th</sup> 2012 Phuket earthquake

and the lack of Crisis Readiness at the Phuket hotel. The hotel's senior management had previously experienced the 2004 tsunami, but the 2012 earthquake and subsequent tsunami was a completely new experience for the hotel employees. As outlined previously, due to a lack of a readiness plan, the hotel staff panicked and left the property without assisting guests or colleagues. While it may not diminish employees' fears and anxieties in the event of a crisis, empowering a sense of readiness in the staff community can be expected to reduce those anxieties and tensions.

- (i) Crisis Leadership efficacy is enhanced by crisis experience and experiential learning

It is clear that Crisis Leadership characteristics within the extant literature have provided commonalities with the findings of this study in relation to Crisis Leadership competencies and processes. Chatterjee and Pearson (2008) advocated a leadership culture that encourages knowledge based Crisis Management preparedness. In contrast, the mentality that "it won't happen to us" or "it can't get that bad" permeates the Corporate Office leadership of the case study organisation. However, the Phuket earthquake crisis event is clear evidence that Experiential Learning, as embraced by the hotel's senior management, created a best practice crisis plan. Similar to a pilot managing a crisis on a plane, by embedding routineness within a crisis management training program has created a more competent crisis-ready organisation in the Phuket hotel through the notion of Empowering Readiness.

- (ii) Crisis Readiness will reduce the impact of negative outcomes

Whilst the extant literature has provided an extensive road map of tourism crisis management frameworks and studies to follow in the event of a crisis (Faulkner, 2001; Ritchie, 2004; Wang & Ritchie, 2010), little attention has been given to the initial phase of crisis readiness, a phase that can be addressed more effectively when senior management dedicates the resources to a systematic crisis planning regime. This study has shown that the lessons of the Red Shirt crisis of 2010 have yet to be incorporated into the company's overall strategic planning. Nonetheless, during the floods of 2011 one department demonstrated Crisis Readiness by proactively relocating their central reservations outside the flood area so that they could continue to provide a service.

- (iii) Experiential Learning needs to be lived and breathed

The findings of this study reinforce the importance of the cognitive strengths of crisis experience and subsequent Experiential Learning gained from participation in crisis phenomena. In effect, a crisis becomes not a crisis but rather a learning experience. When applied to developing a crisis plan, the experiential factor creates a robust three hundred and sixty degree perspective on addressing the needs of all parties during a possible crisis event in the future.

Moreover, a crisis plan must not be ‘left on the shelf’ or allowed to ‘gather dust’. Instead, the organisation that has the vision to plan ahead, engage stakeholders and embrace the learned routineness of a crisis plan through simulations and scenario workshops will result in an effective Crisis Leadership process. By ‘living and breathing’ the crisis plan, and using routineness to build confidence and familiarity, the entire organisation will be in a stronger position than its competitors should a crisis occur. This finding will be further discussed in Section 7.4, Recommendations and Implications for Management Practice.

### **7.3 LIMITATIONS OF THIS STUDY**

The researcher acknowledges the study’s key limitations. First, there is the issue of generalisability. This case study focused on one Thai international hotel group; however, it did encompass multiple business units and locations. Nevertheless, the results may not replicate in other contexts. Second, Grounded Theory methodology is a complex and detailed qualitative research approach that challenged the researcher to meet its exacting requirements. Throughout the various iterations of data collection and analysis, the researcher sought clarification from the extant literature on the divergent views of Grounded Theory. However, the decision to predominantly follow the Glaserian approach brought clarity and direction to the study from an early stage. Nevertheless, the study relied heavily on the researcher’s theoretical sensitivities and insider approach to reach the highest levels of abstraction towards constructing a substantive grounded theory.

Third, researcher bias was considered as a potential limitation of this study and as such the processes adopted to mitigate the risk of bias impacting the study were addressed in

Section 1.7 of Chapter One. Even though the researcher was a part of the case study organisation's senior management team at the time of the Red Shirt crisis, the data collection and findings uncovered new world views to the researcher. Moreover, while the researcher had been a participant in the Red Shirt crisis event, the data collection revealed actions and perceptions previously unknown to the researcher. Data collection also serendipitously discovered (Bryant & Charmaz, 2007; Glaser, 1998) the 2012 Phuket earthquake which became the catalyst to compare crisis ready and non-crisis ready subunits of the case study organisation. The researcher's past relationship with participants created a safe and trusting environment for the respondents to share new knowledge; knowledge which had not been previously shared with the corporate head office senior management.

Furthermore, the study's Phase One interviews were conducted more than two years after the 2010 Red Shirt crisis event, therefore some misinterpretation of actions and events may have occurred or they may have been imbued by the participant's own story telling. However, a key principle of Grounded Theory is data saturation. Data saturation became apparent through concurrent data collection and analysis, which identified the key themes in the early stage of the study with recurring clarity. By also employing the constant comparative method, the key emergent themes were validated using primary and secondary sources of data.

#### **7.4 RECOMMENDATIONS AND IMPLICATIONS FOR MANAGEMENT PRACTICE**

The hotel sector is a major sector within the global tourism industry and is a significant contributor to the economic sustainability of developing countries (UNWTO, United Nations World Tourism Organization, 2013). The United Nations Global Assessment Report on Disaster Risk Reduction (2013) along with Crisis Management scholars (Anderson, 2006; Avraham & Ketter, 2006; Beirman, 2003; Boniface & Cooper, 2009; Henderson, 2007; Henderson & Ng, 2004; Pforr & Hosie, 2008, 2010; Prideaux, 2009) predict increasing crisis events whether man-made or as a result of climatic changes. Hotels have been identified as 'soft targets' in a world of increased terrorist activity (Jenkins, 2009). They have already become the handiwork of violent terrorist groups to highlight their social and political agendas. Hotels are not immune to the impacts of natural disasters such as flooding and earthquakes.

With renewed political protests occurring in Thailand in late 2013 (The New York Times, 17 Nov, 2013) and the subsequent military coup on 22 May, 2014 (Fisher, BBC, 2014); our understanding of Crisis Leadership is even more important and timely. A key objective of this research was to determine how Crisis Leadership impacts Crisis Management workflows and success outcomes, and in so doing establish substantive theory. The Category Filtration to the Basic Social Process, Figure 7.1, can be considered universal and generalisable, but is expected to be moderated by local cultural characteristics and contexts; although, it cannot be assumed to occur in all organisational contexts. Nevertheless, the generalisability of this concept model encompasses two elements for consideration. Firstly, organisations cannot be crisis-ready without a CMP, as has been discussed throughout this study. Secondly, leadership positions in any organisation needs to encourage and instil organisational learning and a mind-set of preparing for the unthinkable.

The primary recommendation based on the findings is that it is imperative that the hotel sector embrace a Crisis Readiness culture to reduce potential risks and mobilises resources without delay to ensure effective and efficient Crisis Management deployment. There is a strong willingness of staff to participate in training and contribute to an organisation's crisis-readiness so that they are able to detect and confidently deal with potential crises. It also strengthens staff behaviours in aspects such as self-esteem, self-worth, innovation, a sense of belonging and pride towards their employer, while minimising absenteeism, errors and reduced productivity levels.

Management cannot ignore the increased power of a company-wide inclusive empowerment programme which provides clear directions, and allocates roles and responsibilities. A sense of loyalty to the organisation and its stakeholders, as well as the need to confirm business continuity and therefore job security, also strengthens staff commitment to Crisis Management objectives and goals. This commitment should be harnessed by empowering staff with the necessary procedures and resources to enact upon their Crisis Readiness training. The alternative is an organisation that decreases the value of their single greatest asset, their people, and increases the costs of managing and rebuilding their business after a crisis event.

Creating a fully integrated crisis management strategy that is embraced by all departments and understood at all levels is another form of empowerment. The 'No



man is an island’ adage highlights the importance of deconstructing the silo mentality so that crisis management planning can cascade systematically throughout the organisation. Learned routineness of crisis management SOPs further strengthens the sense of empowerment and develops embedded routines which mobilises the organisation faster and more efficiently. Crisis Readiness key performance indicators (KPIs) that require monthly or at minimum, quarterly reporting, also provides an opportunity to gauge Empowering Readiness levels within the organisation. The KPIs can also be enhanced by multi-level certification programmes for Crisis Readiness, yet another tangible commitment to an empowered workforce that is crisis-ready.

Providing honest, up to date regular communications in the lead up to, and during, a crisis event establishes a more trusting environment that empowers staff with relevant information and reduces tensions and anxieties. While a high pressure crisis situation will not be devoid of some fears and concerns, shared information results in a sense of clarity and understanding about the unfolding events and provides an informed knowledge base in a fluid high-frequency decision-making environment. However, uncertainty avoidance and an Asian culture that accepts the cultural notion of bad omens emanating from negative issues, requires an organisation to invest in its human capital to inculcate the importance of being crisis-ready. This will avoid stakeholders experiencing panic and stress and positively contribute to a sense of trust and confidence in Crisis Leadership.

The framework of Empowering Readiness can be accessed and applied by hotel management practitioners to real-life situations in the form of a *Living Manual* that will empower staff to be crisis-ready.

#### *The Living Manual – Practical Implications*

The routineness derived from an Experiential Learning process can be forgotten. In an industry such as hospitality which is characterised by high staff turnover rates, the learned experiences that create institutional memory will also be lost (Weick, 1988). It is recommended that a *Living Manual* is given priority by senior management to be incorporated into the organisation’s day-to-day operations as discussed in Section 6.1 on Empowerment. It needs to engage staff on all levels, and provides a reliable toolkit in the event of a crisis. A *Living Manual* is ‘lived and breathed’ and builds upon an

environment of organisational learning that seeks continuous improvement. Although Gallagher (2001) suggested Crisis Management Plans are living documents continually evolving, the author does not prescribe its enactment, rather a process for regularly updating. Whereas this study recommends a *Living Manual* that includes important information including a set of crisis management procedures, key performance indicators that monitor Crisis Readiness levels, communication strategies modified for each stakeholder group, simulation exercises and training and certification programmes. Crisis Management Committees need to be established with regular meeting schedules and a work environment that encourages open and honest discourse on crisis readiness.

In a country such as Thailand where the education system has been reliant on rote learning practices, it is even more important for management to encourage routineness in Crisis Management training. A crisis incident by its nature occurs outside the normal day-to-day operations and its unfamiliarity contributes to heightened stress levels, fear and anxiety. A *Living Manual* does not reside on the shelf gathering dust but is put in the hands of the entire staff community and becomes part of the day-to-day operations. Roles and responsibilities are detailed and reflect the differing levels of responsibility within the organisation. While all scenarios cannot be covered in a single document, the *Living Manual* provides guidelines and checklists to deal with a wide typology of crisis events and is updated regularly with new versions that reinforce a constant improvement mindset.

In the complex environment of a crisis event the learned routineness of Crisis Management activities instils a greater sense of confidence. Regularity of training and a ‘practice makes perfect’ mindset avoids deterioration of skill levels and tests the competencies, plans and resources in place. The *Living Manual* will also contribute to encouraging an organisational learning philosophy throughout the organisation. Staff gain respect and confidence with the knowledge that their opinions and suggestions are seen as an important contribution to the company’s business survival. Their loyalty and commitment to the organisation is further enhanced when the *Living Manual* is seen as a tangible example of the organisation’s concern for staff welfare, safety and security. In an international hotel environment, where staff are also responsible for the well-being of hotel guests and clients, a calm and confident staff community will positively influence guest and client reactions. Even when the language factor may be an impediment to

efficient management of the crisis, a calm confident tone of voice and manner will ease the crisis situation and increase Crisis Management efficacy.

In the Asian context where a collectivist group mindset influences the day-to-day business environment, a Crisis Management *Living Manual* will set an organisation up for success by channelling management and employees' sense of loyalty and obedience as a positive strength to deal with crises. The *Living Manual* will also assist in critical decision making when time efficient decisions are of the essence and not reliant on traditional hierarchical decision work processes that has the potential to slow the reaction to a crisis situation.

A *Living Manual* will allow Crisis Leadership to assume their roles and responsibilities with confidence in the knowledge that the organisation is aware of its duties and obligations and that it will not waste time with inactivity and indecision. Critical tasks will be identified and assessed, and assist in sound decision-making under pressure. A *Living Manual* that engages at all levels of the organisation and is 'lived and breathed' will also reduce the effects of institutional memory loss. As new recruits join the organisation, they will be introduced to an organisational structure that empowers staff to deal with crisis eventualities. The importance of Crisis Readiness will outlive staff turnover and create a culture that values its employees and the role of organisational learning. The *Living Manual* becomes interwoven into the fabric of the organisation and strengthens its DNA thread and the sense of empowerment for its employees.

Management and staff are more confident of their Crisis Readiness for future events as a result of a number of initiatives including training and familiarising staff with emergency procedures, understanding the need for leaders to be visible and providing prompt and clear directions, regular simulations and communication, even downloading smartphone applications for earthquakes and tsunami alerts to assist in educating and updating staff.

A crisis-ready organisation will stand the test of a high pressure negative impact better than one that ignores crisis planning at their peril. An informed organisation will be able to meet the crisis event head on with the knowledge and confidence that their Crisis Leadership capabilities will reduce the negative outcomes and ensure sustained business continuity. The researcher recommends that a Crisis Management Team of senior

management be established and that they develop a comprehensive organisational Crisis Plan as a matter of urgency.

## **7.5 IMPLICATIONS FOR FURTHER RESEARCH**

In a field of limited empirical research in Crisis Management Leadership, this research proposes a substantive grounded theory that provides the foundation for broader theory development. Researchers to date have neglected to address Crisis Leadership and Crisis Readiness theory in tourism Crisis Management studies; therefore, this study offers implications for further research in leadership ontology.

While this study has achieved its aim to examine and identify how Crisis Leadership influences Crisis Readiness by positing Empowering Readiness as the key basic social process, its results also stimulates the need for even more research in the future. Considering the debate on Grounded Theory's generalisability, future research should aim to seek a more generalisable approach so that the theory from this study can be examined and substantiated.

Furthermore, the emergent Grounded Theory from this research is not limited to the case study organisation but can be applied to other similar hotel companies in Thailand or in other Asian countries. Its findings can also be used to study the differences between Asian and Western countries or even for comparing the effects of Empowering Readiness in small regional companies versus large multi-nationals.

It would be rewarding to compare and contrast the findings by extending the study to larger international hotel groups to ascertain the level of their crisis-readiness based on their crisis management practices. One of the aims for further research could be to explore if by incorporating routine crisis training, staff will feel more confident to deal with a crisis event. Broader theory development will be achieved by comparing with hotel groups that have dedicated crisis management teams and practice crisis readiness to ascertain crisis management success outcomes in other crisis events.

The theoretical concept of Empowering Readiness can and should be further tested by using a comparative multiple case study, or another type of natural or man-made disaster using both a Western and non-Western context. While some studies have

investigated empowerment in crisis management decision-making (Borodzicz & van Haperen, 2003; Mitroff, 2004a; Paraskevas et al., 2013, Stonehouse & Pemberton, 1999), the state of Empowering Readiness to build confidence and resilience to deal with crises has been limited.

Future research should also explore the impact of institutional memory loss on an organisation and how organisations perform during a crisis in comparison to organisations that retain a formalised library of institutional memory through updated SOPs, manuals, workflows, roles and responsibilities. We need to understand if retained institutional memory enhances the crisis readiness capabilities of an organisation. Furthermore, whether this capability reduces the recovery time frame for an organisation compared to another without this capability should be explored.

Another opportunity that has emerged for future research is comparing how different industries approach crisis readiness. For example, this research was focused on the hotel industry, but it would be useful to understand if there are similar expectations for crisis readiness in the cruise-ship, airline or other tourism related transport industry sectors. Contextually, this Grounded Theory approach to crisis management research can also be applied to other industries, in particular, service-related industry segments such as banking and finance, education, healthcare and retail. At the same time, it is also important to consider the effects of Empowering Readiness on different stakeholder groups such as clients, guests, suppliers and business partners. The implications for further research provide a myriad of options to the researcher in the quest for greater knowledge in understanding the Crisis Leadership process for a crisis-ready organisation.

## **7.6 FINAL WORDS**

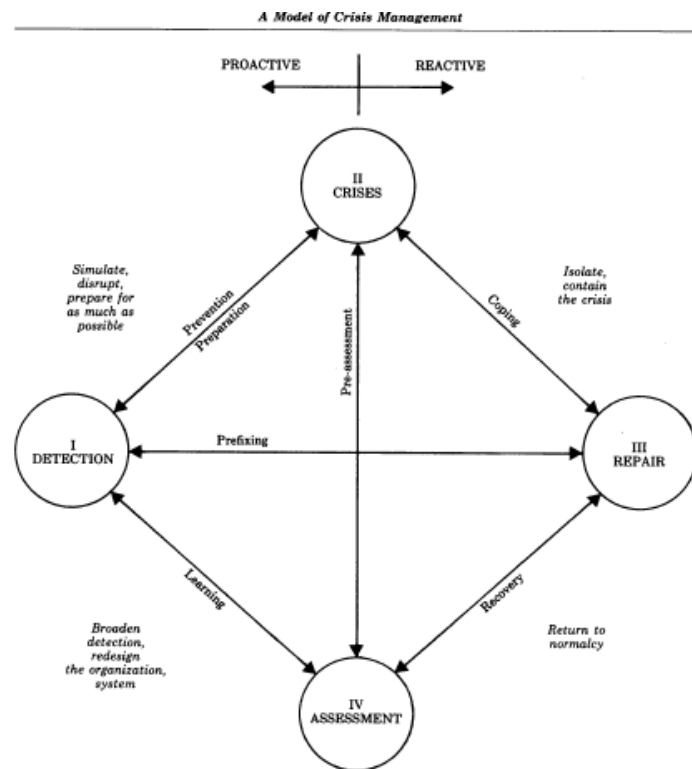
Tourism is a key growth industry for many economies throughout the world, especially in Asia (Robertson et. al., 2006; United Nations, 2013). However, the beginning of the twenty first century has witnessed increasing crisis events that have negatively impacted global travel patterns and the tourism sector. While Crisis Management research has gathered some momentum in recent years, there has been limited attention directed towards Crisis Leadership specifically in the Crisis Readiness phase.

The aim of this study was to contribute new knowledge about Crisis Leadership in the context of the Thai hotel industry. The research findings have produced a substantive theory on Empowering Readiness, which is a powerful Basic Social Process that can enhance Crisis Management success outcomes by ensuring an organisation is crisis ready. Crisis Leadership efficacy will be improved when management and staff have been empowered through systematic work processes and training programmes to make decisions and activate crisis management strategies.

This study suggests a *Living Manual* to address the need for Empowering Readiness and strengthen the strategic capacity for organisations to prepare for and manage crises. It is critical that the lessons learned from past crisis events are incorporated into the strategic planning activities of the tourism industry so that the negative impacts of future crises are minimised. In closing, this case study has contributed to the ongoing research of Crisis Management and opened the door to further research opportunities and broader theory development. At the same time, important implications have been established for management best practices that can apply to the tourism sector and beyond.

# APPENDICES

## APPENDIX 1 A MODEL OF CRISIS MANAGEMENT



Source : Mitroff Ian I., Shrivastava Paul and Udwadia Firdaus E. (1987). Effective crisis management. *Academy of Management Executive*, 1(3), 283-292, p.284

**APPENDIX 2 TOURISM DISASTER MANAGEMENT FRAMEWORK**

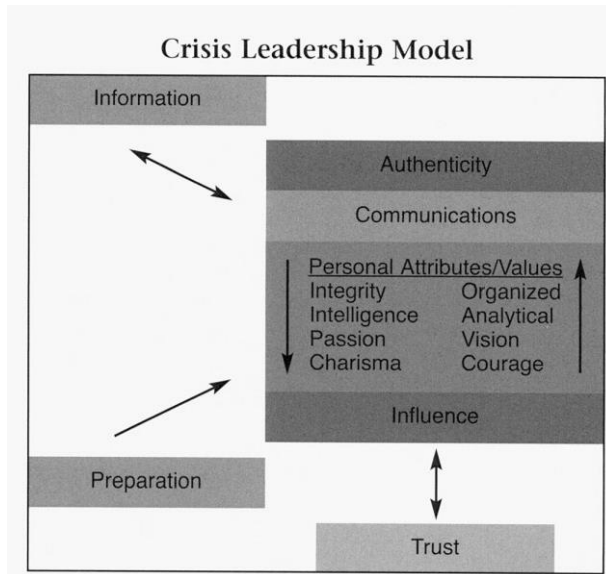
Tourism disaster management framework



Source : Faulkner, B. (2001). Towards a framework for tourism disaster management. *Tourism Management*, 22(2), 135-147. doi: 10.1016/S0261-5177(00)00048-0



**APPENDIX 3 CRISIS LEADERSHIP MODEL**



Source : Schoenberg, A. (2005). Do crisis plans matter? A new perspective on leading during a crisis. *Public Relations Quarterly*, 50(1), 2-7. (p.4)

**APPENDIX 4 LEADERSHIP QUESTIONS**

<b>TABLE 2 ASKING THE RIGHT QUESTIONS FOR EACH CRISIS PHASE</b>	
<b>Crisis phase</b>	<b>Questions leaders ask</b>
<i>Phase 1 – signal detection</i>	<ul style="list-style-type: none"> <li>• What are the organization’s vulnerable areas?</li> <li>• How can the organization’s vulnerable areas result in a crisis?</li> <li>• What situations and practices does the organization ignore that may lead to a crisis?</li> <li>• Does the organization acknowledge things that may be uncomfortable to confront?</li> <li>• How do the organization’s systems and policies contribute to potential crisis situations?</li> </ul>
<i>Phase 2 – preparation/prevention</i>	<ul style="list-style-type: none"> <li>• Has leadership created a plan for reacting to crises?</li> <li>• Has the organization allocated appropriate resources for crisis prevention?</li> <li>• Will the organization’s infrastructure facilitate or hinder the resolution of a crisis?</li> <li>• Has the organization’s culture developed a readiness mentality for responding to crisis?</li> </ul>
<i>Phase 3 – containment/damage control</i>	<ul style="list-style-type: none"> <li>• Is the organization positioned to implement a strategy for limiting damage during a crisis?</li> <li>• How does the organization control crisis-related information?</li> <li>• Who are the stakeholders with whom the organization needs to be concerned, and what do we need to do to satisfy them?</li> <li>• What message should the organization communicate to stakeholders and how should it communicate them?</li> </ul>
<i>Phase 4 – business recovery</i>	<ul style="list-style-type: none"> <li>• What are the organization’s short- and long-term recovery plans after the crisis?</li> <li>• What critical activities must leadership be engaged in to recover from the crisis?</li> <li>• What metrics will we use to evaluate the performance of our business recovery strategy?</li> <li>• How will leadership communicate the end results of the business recovery phase?</li> </ul>
<i>Phase 5 – learning and reflecting</i>	<ul style="list-style-type: none"> <li>• What did the organization learn from the crisis?</li> <li>• Did leadership reflect on past mistakes and behaviors?</li> <li>• Has the organization engaged in a change of behavior to prevent future crises?</li> <li>• Has the organization developed a memory to prevent future crises?</li> </ul>

Source : James, E. H., and Wooten, L. P. (2005). Leadership as (un)usual: How to display competence in times of crisis. *Organizational Dynamics*, 34(2), 141-152. (p.145).

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**APPENDIX 5 PROCESS OF BUILDING THEORY FROM CASE STUDY RESEARCH**

**Table 1**  
*Process of Building Theory from Case Study Research*

<b>Step</b>	<b>Activity</b>	<b>Reason</b>
Getting Started	Definition of research question Possibly a priori constructs	Focuses efforts Provides better grounding of construct measures
Selecting Cases	Neither theory nor hypotheses Specified population  Theoretical, not random, sampling	Retains theoretical flexibility Constrains extraneous variation and sharpens external validity Focuses efforts on theoretically useful cases—i.e., those that replicate or extend theory by filling conceptual categories
Crafting Instruments and Protocols	Multiple data collection methods  Qualitative and quantitative data combined Multiple investigators	Strengthens grounding of theory by triangulation of evidence Synergistic view of evidence Fosters divergent perspectives and strengthens grounding
Entering the Field	Overlap data collection and analysis, including field notes Flexible and opportunistic data collection methods	Speeds analyses and reveals helpful adjustments to data collection Allows investigators to take advantage of emergent themes and unique case features
Analyzing Data	Within-case analysis  Cross-case pattern search using divergent techniques	Gains familiarity with data and preliminary theory generation Forces investigators to look beyond initial impressions and see evidence thru multiple lenses
Shaping Hypotheses	Iterative tabulation of evidence for each construct Replication, not sampling, logic across cases Search evidence for "why" behind relationships	Sharpens construct definition, validity, and measurability Confirms, extends, and sharpens theory  Builds internal validity
Enfolding Literature	Comparison with conflicting literature  Comparison with similar literature	Builds internal validity, raises theoretical level, and sharpens construct definitions Sharpens generalizability, improves construct definition, and raises theoretical level
Reaching Closure	Theoretical saturation when possible	Ends process when marginal improvement becomes small

Source : Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 532-550. (p.533)

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**APPENDIX 6 INTERVIEW PROTOCOL – SEMI-STRUCTURED INTERVIEW PLAN**Introduction to the interviewee:

Thank the interviewee for participating and explain that this study is being conducted on behalf of Bond University, and will contribute to the body of knowledge aimed at understanding how leadership and past experience with crises impacts the crisis readiness for future crises events at an individual and hotel level.

The data collected from the interviews will be analysed and a report of the findings will be presented to Bond University. Please be assured that the data will not identify participants and specific comments of individuals will not be identified to ensure complete confidentiality. Participation is completely voluntary.

The interview will take from 30 minutes to one hour and will focus on your awareness, attitudes and perceptions of experience with crisis events and the crisis readiness for future events. Confirm with the interviewee:

- Permission to record
- Confidentiality
- Note taking through the interview
- Consent form to be signed
- Request for follow up should further clarification be required (phone/email/face-to-face preference)

Organisation's Internal Crisis Management functionality:

1. Can you describe how your company responds to the threat of a political or natural crisis such as the 2010 Red Shirt Crisis or the 2011 floods, in terms of the systems or standard operating procedures (SOPs) that are in place?
2. Can you describe the training you have received in regard to the Crisis Plan?
3. What budget and resources are in place to deal with a possible crisis event?
4. How does the internal communication network operate at the time of a crisis event?
5. How do the different levels of management perform before and during a crisis?

(cont.)

Crisis Leadership Competencies:

6. Can you describe the information made available to all stakeholders when a crisis is identified and how are they kept apprised (Stakeholders = clients, employees, suppliers, partners, media) and describe how the company/hotel's GM address each of their constituencies?
7. Can you provide examples of proactive strategies by Senior Management in providing information on the strategies to deal with the crisis?
8. What makes you trust in the decision making of the company/ hotel's leaders at the time of a crisis, can you provide any examples?
9. Can you describe an example of a crisis event that could have been better handled by the company/ hotel's GM (be specific to business unit)?
10. Can you describe the decision making process during a crisis event and its timeliness in your opinion?
11. What learning, or de-briefing has occurred as a result of a crisis event?
12. What is your opinion of the likelihood of future crises in the next 5 years and why?

Crisis Experience:

13. Have you personally experienced a crisis event such as the Red Shirt crisis and when?
14. To your knowledge, has your hotel experienced a crisis event and can you describe how they performed in relation to the crisis management processes?
15. If your hotel did not experience a crisis type event, can you provide a description of your other experience from the city, state or most proximate location of such a crisis, eg ASPAC?

The interview will close with demographic and organisational information type questions:

16. What year were you born?
17. How many years have you held a managerial position?
18. What is your highest level of education attained?
19. What is the room count of your hotel (if hotel based)?

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**APPENDIX 7 HR GATEKEEPER EMAIL COMMUNICATION**

Emailed to prospective interviewees 16 November 2012

Please allow me to introduce the PhD Research under the topic of “**How does crisis leadership impact crisis management in the Thai hotel industry?**” by [REDACTED] [REDACTED] who is now completing her PhD at Bond University and she has received a kind approval from [REDACTED] as attached.

Please kindly see the attachments to understand the request for an interview and acknowledge the agreement to participate.

1. Explanatory Letter for the interviewees
2. Consent Form for the interviewees (**to be handed to the interviewer on the day**)
3. Semi Structured Interview Plan

**Important Note about this research**

- Voluntary
- Completely confidential and anonymous, only known to the researcher
- Participants cannot be identified and most importantly
- Dusit will not be identified to protect the anonymity of participants/ the company and allow for robust discussion and in depth understanding of crisis management.

The following staff are requested to be interviewed by [REDACTED] on 21-23 Nov. The actual interviewing participants will need to have been in BKK during the Red Shirt crisis (or based at [REDACTED]) and I would appreciate if she can interview the following list kha:

(12 staff listed)

If you confirm to participate, please highlight your convenient time/date for the interview below, the interview will take approximately 45 minutes – one hour:

**Once you confirm, I will send you the calendar invitation with time and place to meet her at [REDACTED] kha.**

21 Nov	9am	11am	2pm	4pm
22 Nov	9am	11am	2pm	4pm
23 Nov	9am	11am	2pm	4pm

Thank you and Best regards,

## APPENDIX 8 EXPLANATORY STATEMENT FOR PARTICIPANTS



Date : 5 November, 2012

Project Title: How does crisis leadership impact crisis management in the Thai hotel industry?

Ethics Reference Number: RO1574

FACULTY OF BUSINESS

Bond University  
Gold Coast, Queensland 4229  
Australia

Toll free 1800 074 074  
(within Australia)

Ph: +61 7 5595 2266  
Fax: +61 7 5595 2209  
(from overseas)

Email: [business@bond.edu.au](mailto:business@bond.edu.au)

ABN 88 010 694 121  
CRICOS CODE 00078

## HOW DOES CRISIS LEADERSHIP IMPACT CRISIS MANAGEMENT IN THE THAI HOTEL INDUSTRY?

My name is Jennifer Cronin and I am currently completing a PhD at Bond University under the supervision of Dr Ken Parry. This research study aims to understand how a hotel manager or hotel company's crisis leadership competencies impact the crisis management readiness of a hotel. The study's key objective is to determine how crisis leadership impacts the crisis management workflow and success outcomes in order to mitigate and reduce the negative impacts.

As part of this study, I will invite you to participate in an interview, either face-to-face or via Skype. Participation in this study is **completely voluntary** and you may withdraw at any time without risking any negative consequences. If you choose to withdraw your participation in this study, the information you have provided will be immediately destroyed.

All the data collected in this study will be treated with complete **confidentiality** and not made accessible to any person outside of the researcher working on this project. The information I obtain from you will be dealt with in a manner that ensures you remain **anonymous**. Data will be stored in a secured location at Bond University for a period of five years in accordance with the guidelines set out by the Bond University Human Research Ethics Committee.

It is anticipated that the data collected during this study will assist us in understanding crisis leadership competencies, specifically in regard to the crisis readiness phase. Your participation in this study will enhance work towards establishing the crisis leadership competencies required for effective crisis leadership.

**Should you have any complaints concerning the manner in which this research is being conducted please make contact with –**

**Bond University Human Research Ethics Committee,  
c/o Bond University Office of Research Services,  
Bond University, Gold Coast, 4229**

**Tel: +61 7 5595 4194 Fax: +61 7 5595 1120 Email: [buhrec@bond.edu.au](mailto:buhrec@bond.edu.au)**

We thank you for taking the time to assist us with this research.

Yours Sincerely

Jennifer Cronin  
PhD Candidate

[www.bond.edu.au](http://www.bond.edu.au)

## APPENDIX 9 CEO'S APPROVAL



25 October 2012

[Redacted]

CEO

[Redacted]

Bangkok 10500  
Thailand

FACULTY OF BUSINESS

Bond University  
Gold Coast, Queensland 4229  
AustraliaToll free 1800 074 074  
(within Australia)Ph: +61 7 5595 2265  
Fax: +61 7 5595 2209  
(from overseas)Email: [business@bond.edu.au](mailto:business@bond.edu.au)www.bond.edu.au  
CRICOS code: 00095

Dear Khun [Redacted]

I am writing to ask your permission to conduct research at [Redacted] International for a research study entitled "How does Crisis Leadership impact Crisis Management Readiness in the Thai Hotel Industry", which has been given ethical clearance under reference RO 1574.

This research is being conducted by *Jennifer Cronin, PhD Candidate*, from Bond University as part of her *Doctorate of Philosophy thesis*. The study has been approved by Bond University Human Research Ethics Committee and, as part of that approval process; I am required to obtain gatekeeper permission from the site where I recruit participants. All the data collected in this study will be treated with complete **confidentiality** and not made accessible to any person outside of the researcher working on this project. The information I obtain from will be dealt with in a manner that ensures **anonymity**.

This research study aims to understand how a hotel manager or hotel company's crisis leadership competencies impact the crisis management readiness of a hotel. The study's key objective is to determine how crisis leadership impacts the crisis management workflow and success outcomes in order to mitigate and reduce the negative impacts. It is anticipated that the data collected during this study will assist us in understanding crisis leadership competencies, specifically in regard to the crisis readiness phase. Your participation in this study will enhance work towards establishing the crisis leadership competencies required for effective crisis leadership.

If you are willing for the organisation to be involved would you please sign the form below that acknowledges that you have read the explanatory statement, you understand the nature of the study being conducted and the risks and likely benefits of participation in this study, and you give permission for the research to be conducted at the site.

I, [Redacted] as Chief Executive Officer, of [Redacted], having been fully informed as to the nature of the research to be conducted in "How does Crisis Leadership impact Crisis Management Readiness in the Thai Hotel Industry", give my permission for the study to be conducted. I reserve the right to withdraw this permission at anytime.

Signature: \_\_\_\_\_

Date: November 1, 2012

## APPENDIX 10 CONSENT FORM



## FACULTY OF BUSINESS

Bond University  
Gold Coast, Queensland 4229  
Australia

Toll free 1800 074 074  
(within Australia)

Ph: +61 7 5595 2266  
Fax: +61 7 5595 2209  
(from overseas)

Email: [business@bond.edu.au](mailto:business@bond.edu.au)

ASN 85 010 494 12  
CRICOS CODE 00018

Date :

**Project Title : HOW DOES CRISIS LEADERSHIP IMPACT  
CRISIS MANAGEMENT IN THE THAI HOTEL INDUSTRY?**  
Ethics Reference Number : RO1574

Researcher: Jennifer Cronin  
Primary Supervisor: Dr Ken Parry

## CONSENT FORM

- I certify that I am at least 18 years old and that I am willing to participate in the above Bond University research project.
- I clearly understand the purpose and objectives of the study, its limits and the risks associated with participation.
- The researcher has clearly explained what is expected of me in this study and how the information provided will be de-identified and anonymous.
- I am aware that the researcher will use the information that I will provide in her research and she will use my information anonymously in her publications.
- I am willing to be interviewed by the researcher face-to-face or via Skype and have been advised of the topics for discussion.
- I agree to the interview being audiotaped and/or notes taken for future reference.
- If at any time I feel uncomfortable, I am aware that I can withdraw from the research without penalty.

Name:

---

Signature:

---

Date:

---

**NOTE: This study has been approved by Bond University Human Ethics Review Committee under Protocol Number: RO 1574.**  
**If you have any complaints or reservations about the ethical conduct of this research, you may contact the Ethics Committee through the Research Ethics Co-ordinator (+61 7 5595 4194).**  
**Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.**



## APPENDIX 11 ONLINE SURVEY DESIGN



### Introduction

Thank you for taking the time to complete this survey, which should only take 10 minutes.

We are trying to understand how a hotel company prepares for a crisis event. Your participation in this study will enhance work towards establishing crisis leadership competencies. The study's key objective is to determine how crisis leadership impacts crisis management, and identify success outcomes so that we can mitigate and reduce negative impacts.

Please answer honestly, as your responses are completely anonymous and confidential.

### Organisation Perceptions

Please indicate your level of agreement or disagreement to each of the following statements about your organisation :

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Our organisational structure is centralised	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
One that cares for people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Empowers each unit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Puts people above everything	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Our organisational structure is decentralised	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Encourages new ideas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Adjusts well to changes in our business, cultural and social environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Often changes our important corporate goals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has centralised decision making	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is an exploitative organisation (people-wise)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has vision and goals that are clearly understood	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is a learning organisation which invests in training and learns from errors and successes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is co-operation oriented	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Puts profits above everything	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Places emphasis on how to do things (efficiency above all)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Once we have reached our business goals we rethink our business strategies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Crisis Management - Internal Functionality**

Please rate your agreement of the following :

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I have easy accessibility to crisis management resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organisation has adequate budget in its strategic plan in case of a crisis situation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organisation has crisis management plan training on an annual basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am well informed about the resources and tools allocated for crisis management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organisation views crisis management readiness as a corporate goal priority	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
All members of my organisation are trained to handle a crisis situation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My organisation will recover quickly after a crisis situation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crisis management preparations are a luxury we cannot afford	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Since we are big enough, the probability of survival after a crisis is high	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Crisis have only negative impacts on my company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is sufficient to take action once the crisis has occurred	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is impossible to prepare for a crisis since they are unpredictable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Leadership**

My Manager / Supervisor :

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Seeks differing perspectives when solving problems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Talks optimistically about the future	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Suggests new ways of looking at how to complete tasks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has my complete trust to make decisions during a crisis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expresses confidence that goals will be achieved	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Articulates a compelling vision of the future	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Makes decisions fast and accepts responsibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gets me to look at problems from many different angles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Talks enthusiastically about what needs to be accomplished	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Makes decisions without thinking through all possible outcomes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Crisis Experience**

Have you experienced a crisis event, such as a natural disaster, pandemic, political crisis, in your current position ?

Yes

No

Please rate your agreement of the following :

	Strongly disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
My hotel / or department were well organised during the crisis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My hotel/ or department could have been better prepared for a crisis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please provide any further comments in regard to the crisis readiness performance of your department or organisation that you would like to add :

**Demographics**

Please provide some information about yourself (for statistical purposes only) :

Are you :

Male

Female

What is your nationality?

How old are you?

- 20-29 years
- 30-39 years
- 40-49 years
- 50-59 years
- 60-69 years
- 70 or over

Which best describes your current position?

- Non managerial staff
- Manager of one or more staff (non-managers)
- Director/ Assistant Vice President level, managing one or more managers and subordinates
- Vice President level and above

How long have you been employed by your current company?

- 0-2 years
- 3-6 years
- 7-10 years
- 11+ years

Which of the following education levels have you attained (please select all that apply)?

	Yes	No
High School Certificate Thailand	<input type="checkbox"/>	<input type="checkbox"/>
High School Certificate Overseas	<input type="checkbox"/>	<input type="checkbox"/>
Undergraduate degree Thai University	<input type="checkbox"/>	<input type="checkbox"/>
Undergraduate degree Overseas University	<input type="checkbox"/>	<input type="checkbox"/>
Postgraduate degree Thai University	<input type="checkbox"/>	<input type="checkbox"/>
Postgraduate degree Overseas University	<input type="checkbox"/>	<input type="checkbox"/>

Survey Powered By Qualtrics

**APPENDIX 12 NVIVO NODES: PARENT AND CHILD CATEGORISATION**

<b>Parent</b>	<b>Child</b>
Business Impacts	Bottom Line Business Neutral Problem
Communicating Internally and Externally	Business as Usual Communication Communication – lack of Contact Dark Dialogue- open Discuss Image Information Information – lack of Informed Media Media – negative Negative Power PR Proud and Strong Rumour Strong Message Together for Thailand Updated
Crisis Management	Fire fighters Initiative Initiatives IT Marketing Obligated Perform Priority Proactive Relationships Respond Scope
Crisis Post Recovery	Crisis – Post Promote Recovery
Crisis Readiness	Back-up Comfortable Commitment Contingency Crisis in Future Expectation Fire Drills Foresight Ignoring Opportunity

<b>Parent</b>	<b>Child</b>
Crisis in Motion	Act Action Active Adapt Attacked Bloodshed Bombing Civil war Crisis Danger Zone Disaster Dispute Earthquake Escalate Military Political Political Unrest Possibilities Quickly Reacting Red Shirt Serious Siege Situation Violence War
Crisis Management Tools and Resources	Budget Crisis Communication Plan Crisis Office Crisis Plan Emergency Response Room Lack of funds Left on a shelf Manuals Perplexing Standard Operating Procedures (SOPs) Systems Technology
Crisis Readiness (cont.)	Plan Prepared Risk Management Unmentionable Unprepared Unresolved Wait and See

Appendix 12 NVivo Nodes: Parent Child Categorisation (cont.)

Parent	Child	Parent	Child
Cultural and Organisational Attributes	Accountability Attitude Buddhism Complacency Consensus Cultural Mentality Resilience Thai Thai community Thai company Thailand Western or International	Emotional Responses	Calm Comforting De-sensitised Emotional Fear Feel Frustrated Happy Heart Hesitant Home Instinct Loyal Panic Proud Sad Safety or Safe Scared or Scary Sense of belonging Surreal Worry
Decision-making Processes	Agenda – different Collectively Complicated Consequences Decision-making Directed Effectively Efficiency Evaluate Execution Failed Fast Flexibility Inactive Instructions Opinion Ownership Timeliness	Leadership Group	CEO Committee Corporate Team Emergency Response Team Executive Committee (Excom) Expats GM Leader Management Mid Management Senior Management Spokesperson VP
Experience in Crisis Events	Experience – limited	Leadership in Action	Briefing Bunker Spirit Credit Emergent Leadership Good Job Involved Isolation Manage Natural Personal Responsibility Sales and Marketing Sense Strategising Strategy – lack of Support
HR Management	Fire Fighting HR Welfare		
Institutional Memory	Memory Memory Loss Turnover		
Leadership Inadequacies	Disappeared Leadership – absence Uncertainty Unclear Underestimate Unknown Visibility – lack of		

Appendix 12 NVivo Nodes: Parent Child Categorisation (cont.)

Parent	Child
Leadership Influencers	Admired Cares Character Confidence Confidence – lack of Control Credible Driven Encourage Explain Follow Guiding Honesty Inspiration Leader – natural Positive Practical Reassure Reliable Respected Strength Strong Trust Truth Understand Visibility
Organisational Learning	Debriefing Emergency Evacuation Empowerment Experience learned Knowledge Knowledge – lack of Lessons Regularly Rehearse Self – reflection Training Training – No
Pre Crisis Situation	Bounce Back Monitor Threat Trouble Wait and See Wake-up call Warning Signals
Stakeholders	Community Company DTBK Family Involved – Non Perceptions Reservations Staff Wedding Group

Parent	Child
Team Spirit	Cohesive Collaboration Divided Representative Spirit Team Team – limited or nil Unify Unity – Lack of Willingness Work closely

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**APPENDIX 13 TRIP ADVISOR**"Tsunami Warning and Staff Left us Behind"

3 of 5 stars Reviewed April 22, 2012

We were booked to stay 12 nights a [sic] the [redacted] in April 2012, but ended up checking out 6 days early, after our Tsunami Warning/ Evacuation Experience. We stayed in two [redacted] Suites; the rooms were dated, more like 4 star, weird bathrooms, with a funky shower/bathtub thing. The kids club in the resort is amazing, huge, and the staff were very active and sweet with the kids. Their Easter Program was out of the is world, a full day of fun, games, and elephant visiting, a treasure hunt, a memorable day. The Gym is really nice and big, nice equipment, much bigger than the [redacted] Phuket Gym, gorgeous view overlooking the Laguna. The have a variety of classes, Yoga, Pilates, that seemed really popular with guests. I did private yoga with [redacted] the Yoga Instructor, he was excellent, very knowledgeable[sic], and attentive. It is a bargain to do do [sic] Private Yoga for 800 TH Baht an hour, with such an experienced instructor. The Spa is also nice, we loved how they had lots of family oriented treatments, Mommy and Daughter, Family Time. It was a treat to be pampered side by side with our daughters. The new restaurant [redacted] was outstanding, really fresh tasty food. [redacted] made a great steak, the Pool Bar has a great Wholesome Salad. Room Service was average, nothing special, we tried to eat out of the room as much as possible. The [redacted] Bar is nice, live music, a big menu of drinks, and nice snacks. We were a bit put off one night, as they layed out a bunch of appetizers and then people started helping themselves, and then when we went up, they said "sorry this is only for Owners" We sat and watched a few other people give it a try, and get embarrassed while they were turned away. I think they should have put a sign or something, it wasn't very welcoming for us that weren't "Owners". We chartered a [redacted] Boat a couple of days, and it was the highlight of our holiday. Excellent staff toured us around the islands. The food served during the trip, below average, the restaurant we stopped at near Phi Phi island, not very wonderful at all, deep fried everything, prawns not cleaned, an experience.

*The low point of our trip was definitely [sic] when the Tsunami sirens sounded, and we were told to evacuate the hotel. As we gathered our passports and money, and left the hotel, we watched all of the staff take off on their motorcycles, leaving the guests to stand at the end of the hotel driveway. There was absolutely no organization, no guiding guests to the Evacuation Route. It was a bit terrifying as we all stood there, looking around, where should we go, people crying, people looking for family members, and the staff just took off, didn't show us where to go. Luckily our tour guide, our Guardian Angel, Mr. [redacted] from [redacted] Tours, came and found our family. He had just dropped us off, and came back to show us the way out. He ended up leading us and all of the rest of guests down the road, following the Evacuation Route, and eventually ending up in the High School, an evacuation meeting point. If it wasn't for Mr. [redacted], I'm not sure how long we would have stood on that driveway. It was a bit shocking to firstly see the Thai people scared, normally they are so calm, and secondly to see them leave us all behind. They could have just told us, go straight, turn right, we weren't expecting them to stay with us, just a little guidance would have been nice. The hotel definitely [sic] needs to work on their evacuation procedures. It has left a sour feeling for us, and I don't imagine that we would ever return to the is [sic] hotel in the future.*

*Stayed April 2012, travelled [sic] with family*

Source : <http://www.tripadvisor.com.au/ShowUserReviews-g297937-d304521-r128328806->

[Angsana Laguna Phuket-Thalang District Phuket.html](#)



APPENDIX 14 'RECOVERY PLAN' ADVERTISEMENT

**HOTEL**  
BANGKOK

**Recovery Plan Advertising Theme**

**Hotel Picture**

Dear Friends of [redacted]

We are extremely saddened with the past week's events in our city [redacted] is, and always will be, a beacon of the Thai hospitality industry. We appreciate all of the support and encouragement we have been receiving from around the world for our [redacted] Family and all Thais.

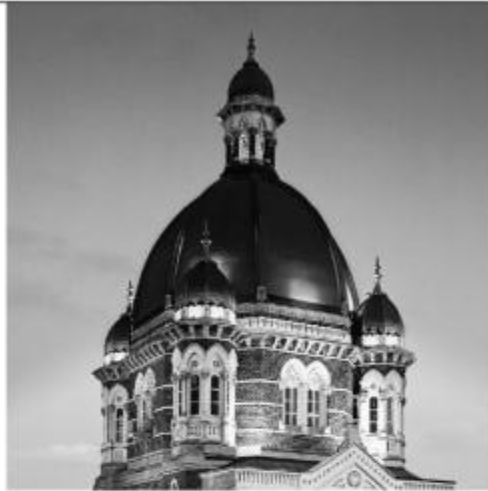
In this our [redacted] anniversary year, we have always been dedicated to providing the local and international community with unsurpassed levels of service and comfort, an icon for all Thais and visitors to the Kingdom.

Although [redacted] Bangkok is currently closed to arrivals until May 24<sup>th</sup> we can assure you that we will be back even stronger than ever and we will rebuild confidence in Thailand's future.

This is [redacted] this is the magic of Thailand.

[redacted]  
CEO [redacted]

APPENDIX 15 THE TAJ MAHAL PALACE MUMBAI ADVERTISEMENT



"I HAVE HELD MY GROUND AS HUMAN HISTORY HAS  
UNFOLDED IN ITS TIMELESS PROCESSION OF LAUGHTER AND TEARS,  
COURAGE AND COWARDICE, GOOD AND EVIL.

I WILL PREVAIL."

The recent attack on the Taj was an assault on the spirit  
of India. But, like our country, we will never give in.

Now that the smoke has cleared, a different fire is burning  
within us: to resurrect the Taj in all its brilliance.

We pay homage to the men and women who were  
with us through our darkest hour - guests at the hotel, the  
staff of the Taj, security forces, people who displayed  
extraordinary courage, selflessly helping others. Many  
sacrificed their lives.

We will reopen soon. Like India, the Taj will stand tall  
for years to come.

**TAJ**

The Taj Mahal Palace & Tower  
Mumbai, India

A **TATA** Enterprise

[www.tajhotels.com](http://www.tajhotels.com)

## APPENDIX 16 STAFF LETTER FROM CEO

Company

Letter from [redacted] CEO

19 May 2010

[redacted] Bangkok

Dear [redacted] Family

We are extremely saddened with the past week's events in our city, we are, and always will be, a beacon of the Thai hospitality industry and representatives of a unique heritage. It is the basis for all we do. It reminds us just how powerfully different we are. It is our people, and our [redacted] DNA that requires us to be bold and do great things, to invent and create, to pursue perfection but to always remain true to who we are.

We appreciate all of the support and encouragement we have been receiving from around the world for our [redacted] Family and all Thais, especially the support within our own [redacted] Family and a special thank you to the [redacted] Bangkok Team for their courage, diligence and compassion towards our guests, partners, clients and each other during this very difficult time.

Although [redacted] Bangkok is currently closed to arrivals until May 24<sup>th</sup>, we can assure you that we will be back even stronger than ever and we will rebuild confidence in Thailand's future.

Corporate office senior leaders and their immediate teams, as well as Central Reservations Office, [redacted] Bangkok Sales & Marketing have now relocated to [redacted] [redacted] and [redacted] until the end of this week. We appreciate the prompt assistance provided by the [redacted] Teams in this relocation effort. Our Corporate HR office will keep you informed throughout this week of any further updates.

Even during this trying time we gain strength from each other, we truly appreciate the passion and dedication that you have shown to your [redacted] brothers and sisters. We will not give up and we will continue to push forward with our plans to build a strong and proud company for our entire [redacted] Family worldwide.

[redacted]  
CEO [redacted]

Photos of CEO & Staff

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