Chaos, crises and disasters: a strategic approach to crisis management in the tourism industry

Brent W. Ritchiea,b,*

a School of Service Management, Faculty of Management and Information Science, University of Brighton, 49 Darley Road, Eastbourne BN20 7UR, UK
b Centre for Tourism Research, University of Canberra, ACT 2601, Australia

Received 1 April 2003; accepted 17 July 2003

Abstract

This paper outlines and discusses a strategic and holistic approach to crisis management for the tourism industry. It notes the growing importance of crisis and disaster management for the tourism industry before exploring the definitions and nature of crises and disasters. The paper then proposes a strategic approach to their management from proactive pre-crisis planning through strategic implementation and finally evaluation and feedback. A discussion of crisis and disaster management literature and studies conducted in the tourism field are also introduced. It notes that although crises and disasters cannot be stopped their impacts can be limited by both public and private sector managers. The paper concludes that the understanding and subsequent management of such incidents can be vastly improved through the extension and application of crisis and disaster management theory and concepts from other disciplines, coupled with the development of specific tourism crisis management research and frameworks.

Keywords: Crisis; Disaster; Tourism

1. Introduction

Faulkner (2001) notes an increasing number of disasters and crises which affect the tourism industry, ranging from natural to human influenced incidents. In recent years the global tourism industry has experienced many crises and disasters including terrorist attacks, political instability, economic recession, biosecurity threats and natural disasters. Lee and Harrald (1999, p. 184) state that “natural disasters can disrupt the supply and distribution chains for even the best prepared businesses….service businesses are increasingly vulnerable to electrical, communication and other critical infrastructure failures.” This vulnerability can also be exposed through human induced behaviour most evident by September 11, 2001 and the Bali Bomb Attack, which dramatically impacted upon the tourism and travel industry. Faulkner (2001) argues that there is a lack of research on crisis or disaster phenomena in the tourism industry, on the impacts of such events on both the industry and specific organisations, and the responses of the tourism industry to such incidents. This lack of interest and research is somewhat surprising considering that crisis management, disaster recovery and organisational continuity are important competencies for managers in both the public and private sector (Lee & Harrald, 1999, p. 184).

This paper aims to address these deficiencies and explore crisis and disaster management for the tourism industry by considering a strategic and holistic approach to crisis and disaster management. However, the article also notes the difficulty in responding to chaotic situations, which are often unpredictable and difficult to control. Nevertheless, this article stresses that chaos and change are an important part of public and private sector management which should be embraced and considered in modern tourism management. The paper begins by defining crises and disasters to improve our understanding of these phenomena before outlining the desire for management control over these incidents. The paper then suggests that a strategic approach to crisis management can be beneficial and proposes such an
approach for the tourism and travel industry. The paper outlines key aspects of a strategic and holistic approach drawing on the crisis management literature and previous research in the tourism field. Finally the paper discusses future research avenues which could contribute to better understanding, planning and management of crises and disasters in an increasingly complex and disaster prone world.

2. Importance of crisis/disaster management for tourism

According to some authors the current state of the world is directly responsible for an increase in disasters and crises (Brammer, 1990; Blaikie, Cannon, Davis, & Wisner, 1994; Berke, 1998). As Richardson (1994) notes our environment has become a more crowded world and as the population increases pressures such as urbanisation, the extension of human settlement, and the greater use and dependence on technology have perhaps led to an increase in disasters and crises. The globalisation of the tourism industry has led to a rapid expansion of tourism businesses on an international scale in order to expand their market share and profitability. However, this process has also opened businesses up to a wider set of ‘global risks’ involved in running businesses at such a scale, as globalisation is often seen as complex and chaotic (Jessop, 1999). Greater exposure to political, economic, social and technological change in countries often removed from the bases of tourism companies requires tourism managers to effectively deal with crises and disasters (often located a substantial distance away). The world is also becoming more interdependent and connected so that small-scale crises in one part of the world can have a significant impact on other parts of the world. Political instability, or the outbreak of war in one part of the world can dramatically reduce tourist travel patterns to other parts of the world as experienced by the Gulf War of 1991 and the Iraq conflict in 2003. Tourism is therefore highly susceptible to external factors and pressures in the wider operating environment.

However, tourism is also an important economic sector for many countries and many destinations are dependent upon tourism for their growth and survival. This puts increasing pressure on managers and planners concerned with tourism to consider the impact of crises and disasters on the industry and develop strategies to deal with the impacts to protect tourism business and society in general. There is a need to understand such incidents and examine strategies that can be used to stop or limit their impacts on a growing and important industry sector. Crisis and disaster management should be a core competency for tourism destination managers as well as business managers. This paper proposes that understanding the nature of crises and disasters is a first step in considering how to manage and reduce the impacts of such incidents.

3. Understanding crises and disasters

A number of authors have attempted to understand crises and disasters by first defining crises and disasters, explaining the nature of crises and disaster and their lifecycle or anatomy to help improve our understanding of such phenomena, and finally, by stressing the complexity and chaotic nature of incidents which pose challenges in managing or preventing crises or disasters.

3.1. Definitions

A number of authors have attempted to define a crisis to help improve their understanding of this phenomenon. Pauchant and Mitroff (1992, p. 15) believe that a crisis is a “disruption that physically affects a system as a whole and threatens its basic assumptions, its subjective sense of self, its existential core.” Selbst (1978 in Faulkner 2001, p. 136) defines a crisis as “any action or failure to act that interferes with an organisation’s ongoing functions, the acceptable attainment of its objectives, its viability or survival, or that has a detrimental personal effect as perceived by the majority of its employees, clients or constituents.” Selbst’s focus on perceptions implies that if an organisation’s publics or stakeholders perceive a crisis, a real crisis could evolve from this misconception, illustrating that perception management is an important consideration in managing crises.

Faulkner (2001) considers the principal distinction between what can be termed a ‘crisis’ and a ‘disaster’ to be the extent to which the situation is attributable to the organisation itself, or can be described as originating from outside the organisation. Thus, a ‘crisis’ describes 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”, while a “disaster can be defined as “where an enterprise…is confronted with sudden unpredictable catastrophic changes over which it has little control” (Faulkner, 2001, p. 136).

3.2. Nature and anatomy of crises and disasters

Crises can range, according to Coombs (1999) from small-scale organisational issues ranging from staff illness, staff challenges/breakdowns, malevolence and organisational misdeeds to external factors such as natural disasters (earthquakes, floods and fires) and terrorist incidents. However, for the purposes of this paper focus will be made on large-scale crises or
disasters that have the ability to cause the most damage to destinations and organizations.

Parsons (1996) suggests three types of crises:

1. **Immediate crises**: where little or no warning exists therefore organisations are unable to research the problem or prepare a plan before the crisis hits.
2. **Emerging crises**: these are slower in developing and may be able to be stopped or limited by organisational action.
3. **Sustained crises**: that may last for weeks, months or even years.

Strategies to deal with these different crisis situations will vary depending on time pressure, the extent of control and the magnitude of these incidents. The threat, time pressure and intensity of these incidents can lead to the development of a crisis or disaster continuum to help classify and understand such incidents and, more importantly, illustrate to managers when an ‘issue’ or a ‘problem’ can develop into a ‘crisis.’

Burnett (1998) outlines a crisis classification matrix (Fig. 1) which uses a sixteen cell matrix based on threat-level (high versus low), response options (many versus few), time pressure (intense versus minimal) and degree of control (high versus low).

Burnett (1998) suggests that problems or issues found in level 1 or the level 0 cell would not be classified as a crisis but would enable general strategic management responses as part of the normal management function. The most challenging problems are found in the lone level 4 cell as the time pressure is intense, the degree of control is low, the threat-level high and response options are few in number. Several of level 2 or 3 cells could develop or be classified as crises although Burnett (1998) does not state which ones specifically.

Previous crisis management research has also focussed on producing prescriptive models concerning the stages of crises to assist understanding and future proactive and strategic management of crises (see Richardson, 1994, 1995). In some cases these models or frameworks have been applied to real life case studies providing descriptive models. Fink (1986) and Roberts (1994) both developed slightly different models to explain the lifecycle of crises (see Table 1) suggesting that crises and disasters go through series of progressive stages. This classification based on lifecycle or anatomy is useful as it may illustrate to managers what strategies could be considered or developed at the various stages of a crisis or disaster and how to stop crises moving into the next stage. Using this lifecycle model, Faulkner (2001) developed the first tourism specific disaster management framework and subsequently applied this framework to the Katherine Floods in Australia making some modifications based on application to the case study (see Faulkner & Vikulov, 2001). Miller and Ritchie (2003) applied Faulkner’s (2001) disaster framework to the 2001 Foot and Mouth Outbreak in the UK, but further testing and the development and application of theoretical frameworks for crisis and disaster management is required in the tourism industry.

Understanding crises and disasters, their lifecycle and potential impacts and actions can help in the development of strategies by organisations to deal with such incidents. By understanding these phenomena more effective strategies can be developed to stop or reduce the severity of their impacts on business and society, despite their complexity.

### 3.3. Dealing with complexity

However, despite the obvious need to understand and control the impacts of such incidents this is not simple for managers because of the chaotic nature of crises and disasters and the uncertainty that surrounds them. As

<table>
<thead>
<tr>
<th>Threat Level</th>
<th>Degree of control</th>
<th>Response options</th>
<th>Time pressure</th>
<th>Intense</th>
<th>High</th>
<th>Minimal</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Low</td>
<td>(4) Level 2</td>
<td>(3) Level 1</td>
<td>(2) Level 1</td>
<td>(1) Level 0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>(8) Level 3</td>
<td>(7) Level 2</td>
<td>(6) Level 2</td>
<td>(5) Level 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
<td>(12) Level 3</td>
<td>(11) Level 2</td>
<td>(10) Level 2</td>
<td>(9) Level 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>(16) Level 4</td>
<td>(15) Level 3</td>
<td>(14) Level 3</td>
<td>(13) Level 2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Burnett (1998:483).
Burnett (1998, p. 476) notes crises are difficult to resolve due to time pressure constraints, limited control and high uncertainty. Previous research has illustrated the difficulty in identifying the stages of a crisis, particularly for those that are long running or sustained, as the case of political instability in Israel (see Beirman, 2002a). Furthermore, identifying stages of a crisis is difficult when the crisis or disaster is spread geographically over a large area, as was the case with the Foot and Mouth Outbreak in the UK. Different regions were simultaneously in the emergency, intermediate and resolution stage of a crisis while others were totally unaffected by the disease complicating management of the outbreak (see Miller & Ritchie, 2003).

Complexity and chaos theory may provide some insights into crisis and disaster management for organisations in the tourism industry. Crises and disasters illustrate chaotic situations and illustrate the complex interrelationships between human and natural systems (Faulkner, 2001). Understanding the relationship between cause and effect and the implications of decisions and actions is a complicated process. This is illustrated in the case of the Foot and Mouth Outbreak which started out as a farming crisis and ended up as a disaster for the tourism industry because of the way that it was handled (see Miller & Ritchie, 2003 for more information). Similarly, the SARS virus and its spread throughout the world also illustrates the complex relationship between human and natural system. The boundaries between human action or inaction and the development of disaster/crisis phenomena is becoming increasingly difficult to distinguish because of this increasing complexity. Many stable systems can be influenced by small changes that can impact upon their stability. Here the ‘ripple effect’ is worth noting. Heath (1998, p. 9) stated that “the ability of a crisis to cause other crisis situations because these crises seem to fan outward” severely impacting other systems through their interdependence. Heath (1998) believed that effective and well planned crisis management strategies were needed to prevent or limit the ‘ripple effect’ or outward chaos associated with crisis incidents not only between organisations but also across different industrial sectors (agriculture, tourism).

4. A strategic and holistic approach to crisis planning and management

Organisations of all shapes and sizes all have to deal with change at some point in their lifecycle, and all destinations will have to deal with a disaster at some stage (Faulkner, 2001). Kash and Darling (1998, p. 179) claim that it is no longer a case of ‘if’ an organisation...
will face a crisis; it is rather a question of ‘when’, ‘what type’ and ‘how prepared’ the organisation is to deal with it. Fink (1986, p. 7) believes that all businesses are on the edge of chaos stating “anytime you (i.e. managers) are not in crisis, you are instead in pre-crisis, or prodromal model.” A core competency of managers is therefore to deal with and manage such change. Smallman (1996) notes there is a need for managers to move from a current dominant reactive paradigm to a proactive, holistic approach to dealing with chaos and change. Although, as previously noted, it is difficult to predict or control crises or disasters, managers are still able to reduce risk and prepare so that they can deal with such incidents more effectively than without any preparation. Developing organisational strategy can help organisations and destination to avoid or limit the severity of rapid change induced by crises or disasters.

Strategy has been defined by Johnson and Scholes (1993) as “the direction and scope of an organisation over the long term: ideally, which matches its resources to its changing environment, and in particular, its markets, customers or clients to meet stakeholder expectations.”

Strategic planning and management is usually concerned with four main elements (Richardson & Richardson, 1992; Johnson & Scholes, 1993; Viljoen, 1994):

- **strategic analysis**: examining the macro or micro operating environment;
- **strategic direction and choice**: developing and selecting strategic directions and specific generic strategies to achieve organisational goals;
- **strategy implementation and control**: developing suitable organisational structures, human and financial resource strategies, providing leadership to control and allow for the implementation of specific strategies; and,
- **strategic evaluation and feedback**: continuous improvement is an important part of strategic planning and management and organisations learn how to improve the effectiveness of strategies through evaluation and monitoring.

The effective management of crises and disasters is vital for the tourism industry, which is often impacted negatively by external political, economic, social and technological factors often beyond the industry’s immediate control. However, the emphasis of this paper is on controlling and managing complex incidents by public and private sector managers in the tourism industry, rather than other management or planning functions such as increasing market share, profitability, etc.

**Fig. 2** sets out a strategic framework for the planning and management of crises and disasters for public or private sector organisations. The model suggests that a strategic management and planning approach to crisis and disaster management can be beneficial for tourism planners and managers. In particular, the model outlines three main stages in managing such incidents strategically: prevention and planning, implementation, evaluation and feedback. Within each stage various management tasks or activities are illustrated. Although not designed to be comprehensive due to space and time limitations, for the purposes of this paper the aspects illustrated in the model are considered by the author as the most common attributes in managing crises and act as discussion points within this paper. They are discussed in more detail with examples from the management and tourism field later in this section.

However, understanding and classifying crises and disasters, including the type of incident, its scale and magnitude (discussed in the previous section) will impact upon strategy development and implementation. Specific strategies will have to be developed to deal with an evolving crisis or disaster as it progresses through its lifecycle. A crisis with a long drawn out emergency phase may require quite different strategies than a crisis which quickly progresses through the intermediate, long term and finally to the resolution stage. A sustained crisis will require different strategies than an immediate crisis. Nevertheless, there appears are clear similarities between the lifecycle of a crisis and the strategic management framework including:

- a pre-event stage allowing the development of strategy and plans;
- a stage immediately before or after a crisis or disaster occurs which requires the implementation of strategies to deal with its impacts;
- continued implementation of strategies to control or reduce the severity of the crisis/disaster; and,
- a long term recovery or resolution phase allowing for evaluation and feedback into future prevention and planning strategies for destinations and businesses.

However, at all stages of the strategic management process there needs to be flexibility, evaluation and potential modification to strategy development and implementation depending on the nature of the crisis/disaster (its magnitude, scale and time pressure) and stakeholder response to strategies. Authors such as Kash and Darling (1998) believe that although crisis management is a requirement for organisations, and although business leaders recognise this, many do not undertake productive steps to address crisis situations. Managers who do take productive steps will be in a much better position to respond when a crisis or disaster effects an organisation or destination. The remainder of this section of the paper addresses the main elements of a proposed strategic management framework with reference to the literature on crisis management and
provides, where applicable, specific tourism literature and examples. However, to date the literature directly related to crisis management in the tourism industry is scarce, although it is growing due to recent incidents of terrorism, war and the SARS outbreak (for recent books on the subject see Beirman, 2002b; Glaesser, 2003).

4.1. Crisis and disaster prevention and planning

At the pre-event and prodromal stage of a crisis or disaster activities can be undertaken by public and private sector organisations and managers to develop strategies and plans to stop or limit the impacts of a crisis or disaster (ranging from employee strikes, terrorist attacks, economic recessions, etc.).

Although organisations are able to design pre-crisis strategies to help with crisis management they are often unable to prevent a crisis from occurring. However, the real challenge is to recognise crises in a timely fashion and implement coping strategies to limit their damage (Darling, Hannu, & Raimo, 1996). Authors such as Burnett (1998) and Kash and Darling (1998) note that decisions undertaken before a crisis occurs will enable more effective management of the crisis, rather than organisations being managed by the crisis and making hasty and ineffective decisions. Proactive planning through the use of strategic planning and issues management will help reduce risk, time wastage, poor resource management and reduce the impacts of those that do arise (Heath, 1998).

A number of techniques have been identified by researchers and practitioners to help in the proactive planning and strategy development for the prevention or reduction of crises and disasters through sensing potential problems (Gonzales-Herrero & Pratt, 1998). Authors such as Darling (1994) and Kash and Darling (1998) suggest that developing processes to deal with future crises as they arise are more efficient than continually scanning for all potential impacts. Problem recognition through environmental scanning and collecting data on the political, economic, social and technological environment can provide information on possible trends and their likely impacts on the organisation. Other tools identified by Kash and Darling (1998) include:

- **strategic forecasting**: allowing for predictions based on potential crisis or disaster situations and could include opinion based quantification, extrapolation of trends, simulation and cause and effect methods. Examples include the forecasting of the impact of the 1997–1998 Asian Economic Crisis to determine its impact on outbound travel to Australia.
- **contingency planning**: these are alternative plans which can be implemented if a crisis or disaster hits
and impacts upon the strategic direction of an organisation. These are helpful for less certain situations and can help resolve crisis situations quickly if they were to occur. Examples include contingency plans for impending war or the possible striking of key airline workers. Plans may include removing some destinations from tour operator itineraries or moving tasks from frontline to management staff for the duration of the strike.

- **issues analysis**: this is similar to contingency planning but it alerts managers to evolving trends in the external environment which can be used in developing strategies to use the trend to its advantage. Examples include the increasing environmental awareness of consumers. If hotels do not consider implementing waste reduction and energy efficient practices they may lose their market share to rival hotels who do implement such strategies.

- **scenario analysis**: which are detailed attempts to describe a potential end state if certain decisions were made by an organisation. The scenario is hypothetical but able to create discussion over decisions which can then be turned into contingency or emergency plans. Examples could include management succession plans or business take-over scenarios in the hotel sector.

For natural disasters proactive planning could also consider:

- **risk analysis and hazard mapping**: such as history of natural disasters in the area and likelihood of reoccurrence.

- **integrated emergency planning**: including pre-planning of advance warning systems, creation of a disaster management command centre, prepared coordination between emergency services and tourism authorities.

These techniques signify the need for managers and planners to gather information on potential issues or problems and what plans or strategies they would implement if a crisis or disaster occurs. Understanding the type of disaster or crisis a destination or organisation is susceptible to, and the nature of such an incident is invaluable to the creation of suitable plans and strategies which can prevent or limit the impact of such an incident. In short, moving from simply ‘scanning to planning’ is required through developing contingency and integrated emergency plans. If a potential crisis or disaster is identified then strategies may be implemented to stop it occurring. If however, this cannot occur then the crisis enters the prodromal stage and into the next phase of strategic crisis management: the implementation of strategies and plans to deal with the impacts.

However, despite the importance of proactive planning research conducted by Gonzalez Herrero (1997) discovered in nation wide research that tourist organizations in the USA are better prepared to prevent and cope with business crises than comparable organizations in Spain. Only around 29% of Spanish organizations had crisis plans compared with 78% in the USA. Absence of formal planning was also discovered by Henderson (1999a,b, 2002) in research concerning crisis management of the tourism industry in Asia, despite the industry being subject to uncertainty, risk and external factors. Barton (1994) also noted the need for crisis management strategies in the hospitality sector, while facility managers could also benefit from crisis and disaster management (Barton & Hardigree, 1995). Furthermore, adventure tourism operators also need to deal with crises and incidents often concerning risk management as Beeton (2001) notes with respect to horseback tourism.

### 4.2. Strategic implementation

As an ‘issue’ develops into a crisis or disaster for managers it enters the prodromal phase of its lifecycle. If managers are aware of the impending crisis or disaster (through the use of proactive scanning) and have developed contingency or emergency planning procedures, they are able to implement strategies to stop a crisis/disaster from occurring or to limit its impacts on business and society. However, the implementation phase can also be complex and chaotic and complicate any specific strategy implementation. Implementation therefore requires flexibility, constant monitoring concerning:

- the evaluation, selection and implementation of appropriate strategies;
- implementing an effective crisis communication and control strategy;
- controlling or reallocating resources to deal effectively with such incidents; and,
- identifying and working collaboratively with key stakeholders in the tourism and other industry sectors.

Regular meetings (perhaps even daily) are required to assess the effectiveness of strategies, the response of various stakeholders to strategies and to review the development of the crisis or disaster as it evolves over its lifecycle.

#### 4.2.1. Strategic evaluation and strategic control

This activity provides for the thorough evaluation of the possible strategies that are available to the organisation and the selection of those that will best fit its needs. However, the paradox of strategy selection and implementation is that decisions have to made quickly to limit the damage caused by a crisis or disaster, yet the nature of a crisis and its long term impacts may not be
fully known by an organisation. This requires the organisation to decide and act under intense time pressure and is what differentiates crisis management from normal strategic management (Burnett, 1998). Strategic alternatives will hopefully be generated from the proactive pre-event planning and environmental scanning. However, these may have to be modified in responding to crises of different magnitudes and threats and their impacts upon various stakeholders. Strategic options need to be evaluated and chosen quickly so that the organisation can gain control of the situation (Heath, 1998).

If response occurs in the emergency phase then important decisions on the handling of the crisis can be rushed resulting in hasty and inefficient decisions made in the midst of a crisis. Miller and Ritchie (2003) note this with respect to the Foot and Mouth Outbreak where the consideration of strategies to deal with the outbreak occurred after the crisis hit. In particular, the debate over whether to vaccinate animals was made in the emergency phase of the crisis which slowed the response of governmental agencies limiting the effectiveness to contain the spread of the outbreak. A lack of response to previous terrorist threats was noted by Hall (2002) with respect to the airline industry prior to September 11, 2001 while reports of terrorist activity in Indonesia prior to the Bali Bombing were ignored by local authorities.

However, some situations exist where organisations are unable to control a crisis or disaster, in cases where the crisis is widespread geographically or being dealt with by other organisations and is thus too far removed from making needed change. Again the Foot and Mouth Outbreak provides an example of these issues. Ritchie, Dorrell, Miller, and Miller (2003) note that decisions made at the national level over the handling of the outbreak were slowly filtered down to the regional and local level however they would change day by day as policies were developed during the outbreak, illustrating the complexity and chaotic nature of the incident. An example related to terrorism is the case of American Airlines who had to very carefully consider their strategies and advertising immediately after September 11, 2001 in order to rebuild confidence in air travel (Britton, 2003) which was difficult during an ongoing investigation by authorities into the terrorist incident. American Airlines strategy was in some ways restricted by government regulations and public perceptions and sentiment.

4.2.2. Crisis communication and control

Crisis management literature emphasises the need to have a detailed communication strategy as the media can encourage the flow and the intensity of a crisis or even turn an incident into a crisis (Keown-McMullan, 1997). Barton (1994) believes that the implementation of a strategic crisis communication plan can help limit the damage from a crisis and allow an organisation to concentrate on dealing with the crisis at hand. Marra (1998, p. 461) notes that poor communication strategies can often make the crisis worse as a deluge of questions are often asked from a wide range of stakeholders including reporters, employees, stockholders, government officials and public residents.

Responding quickly to demands of the media and publics is important as the media have deadlines to work to and are looking for quick sources of information. If the crisis team does not fill the void, someone else will (Coombs, 1999). Zerman (1995, p. 25) agrees stating that “the mass media has the power to make a break a business.” Sensationalist media coverage of the 1980 Mt. St. Helens disaster and the 1985 East Kootenay forest fires were noted as contributing to confusion during the emergency phase as the media were blamed for misleading public opinion concerning the severity of the disasters. This also impacted upon the long term recovery phase for the destination (see Murphey & Bayley, 1989). Beirman, (2002a, p. 169) notes that the media reporting of the more recent Palestinian–Israeli conflict has given the false impression that Israel is enmeshed in violence, severely damaging the tourism industry at an important time for pilgrimage tourism in 2000/2001. In the Foot and Mouth Outbreak, the British Tourist Authority felt that the media was very intense for the first 3 months and at times their reporting was hostile, sometimes neutral but rarely friendly leading to misinformation and a severe decline in tourism (British Tourist Authority (BTA), 2001). This hostility was also noted by Britton (2003) who believed that the hostility of the media towards the airline sector before September 11, 2001 also influenced the way the crises was handled by American Airlines.

However, in contrast to this Hall (2002) notes that the media, through the issue-attention cycle, can bring issues to the attention of government and policy makers because of the power and influence they have over public opinion, and in fact can help speed up the recovery process. Sonmez, Apostolopoulos, and Tarlow (1999) agree and note that the media are very important to help rebuild the image and restore confidence in a destination or organisation. Nevertheless, despite the importance of dealing with the media difficulties have been noted in managing them as it is unlikely that there will be a time delay between the start of any crisis and media coverage (Ashcroft, 1997).

Crisis communication and control is mainly concerned with providing correct and consistent information to the public and enhancing the image of the organisation or industry sector faced with a crisis. An emphasis on communication and public relations is required to limit harm to an organisation in an
emergency that could ultimately create irreparable damage. Co-operation with the media is considered vital because the media provides information to the public (Berry, 1999), illustrating the need to keep the media briefed frequently so misinformation is reduced. Regular two-way communication is the best way of developing a favourable relationship with publics (Coombs, 1999, p. 134).

Consistency of response is also noted as a key element in crisis communication. The ability to provide a consistent message to all stakeholders will build credibility and preserve the image of an organisation instead of tarnishing reputations through providing inconsistent messages (Coombs, 1999). Barton (1994) believes that many issues are overlooked by crisis managers regarding crisis communication, namely to focus on identifying the audience, developing goals for communicating effectively and creating strong positive messages.

Henderson (1999a, p. 108) states that “National Tourist Organisations with their responsibility for general destination marketing, research and development have an important role to play in the process of travel and tourism crisis management, representing and acting on behalf of the industry as a whole.” However, Henderson (1999a) found that in the case of the Asian Economic Crisis, the Singapore Tourist Board implemented reactive strategies which took time to implement reducing their effectiveness. Herrera (1999) explains how numerous tourist enterprises and organizations have managed to reduce the negative impact of crisis situations thanks to the previous design of a communications plan.

Soñmez et al. (1999) noted the importance for marketers to have a prepared crisis communication and marketing plan, as the cost of this will be far less than the costs associated with a downturn in visitor confidence and visitation due to a slow response. As Soñmez et al. (1999, p. 8) note “it is imperative for destinations to augment their crisis management plans with marketing efforts, to recover lost tourism by rebuilding a positive image.”

4.2.3. Resource management

Throughout crisis implementation an organisation or destination area has to reorganise or reconfigure itself to deploy and control resources. These resources can include financial or human resources and may include the formation of crisis management units or teams within an organisation or at a destination level. They can also include the provision of support services for victims of disasters and for media. However, some authors believe that strategies alone will not be effective if an organisation does not have an adaptive, flexible, or responsive organisational culture and needs strong leadership to control strategy implementation. As Marra (1998, p. 472) states in regard to crisis communication strategy “a good strategy, will, in most cases, lead to successful crisis management. Poor strategy, in turn, will worsen a crisis. Excellent crisis public relations skills, however, cannot save bad management, poor policies, and weak strategy.” These aspects are considered in this section of the paper.

Leadership in dealing with a crisis or disaster has been mentioned by a number of key authors (Faulkner, 2001; Turner, 1994; Cassedy, 1991). Leadership is required within a specific organisation, within an industry sector, and at a destination level to provide direction and guidance in dealing with incidents as well as a spokesperson to deal with the media. According to Heath (1995, p. 13) “in crisis and disaster response management…time is too limited for consensus driven decision-making processes that include all those involved.” Heath (1995) was referring to the delay by the Japanese government in responding to the Kobe earthquake, and suggests that fast leadership and the ability to make quick decisions is needed. This is easier to do if there is a pre-crisis unit or management team at an organisation, industry or destination level.

Cassedy (1991) suggests the need for a team leader to co-ordinate and control a crisis management team, which should help identify and develop crisis management strategies to deal with incidents. They should meet regularly to reflect and redesign the strategy as the environment changes and a pre-planned team can also respond to crises quickly and implement strategies more effectively. Essentially the team should be cross-functional providing input from all parts of a respective business, industry or destination to more effectively cover issues and problems likely to be encountered. Parsons (1996) suggests at an organisational level a steering group of senior executives should be involved but only one, preferably a senior director, should be nominated as a spokesperson.

Because tourism is an industry which comprises many individual businesses from a wide range of sectors, and public sector organizations at the international, national, regional and local level, an integrated approach to crisis and disaster management is required. Within the tourism industry established and large companies may have such a crisis management team on permanent staff. However, the tourism and travel industry is characterised by a large number of small or micro businesses and may rely on industry organisations to provide support during a crisis or disaster who can help integrate emergency planning. In fact local or regional plans should be augmented with national level disaster and crisis strategies. For instance, the Federation of Tour Operators (FTO) in Britain have a designated crisis management team who help members deal with crises and disasters and use their experience to provide leadership to the industry. They also provide workshops with the Association of British Travel Agents (ABTA) on effective crisis management for industry members.
At the destination level there are many examples of teams or crisis management units that have been developed to deal with tourism crises and disasters. Again the team should comprise representatives from local government, travel and tourism industry professionals and community leaders. Soñmez et al. (1999) suggest that any group can be divided into teams to share tasks including:

- a communications/public relations team to represent the destination and provide accurate information;
- a marketing/promotional team to manage the recovery marketing process including any required re-imaging or branding activities;
- an information co-ordination team to assess the damage done to help aid recovery; and,
- a financial or fund raising team to estimate the cost of recovery and develop fund raising or lobbying government to fund the ongoing crisis management activities.

The development of Fiji’s Tourism Action Group (TAG) during the military coups illustrates the advantages of forming such a group. Fiji’s tourism industry responded faster than expected during the most recent coup because of the implementation of a task force which was established in 1987 after the first coup. The British Tourist Authority (BTA) set up an Immediate Action Group (IAG) during the Foot and Mouth Outbreak consisting of internal BTA staff from a range of departments to help implement strategies to recover from the outbreak. The IAG role was also to source funding to aid in the recovery marketing effort from both public and private sector sources and succeeded in gaining additional funding to provide recovery marketing and branding initiatives. At an international level the World Tourism Organisation formed a Tourism Recovery Committee to deal with the impacts of September 11, 2001 on the tourism industry. This group comprised key business leaders from the tourism industry and representatives from member countries. Among their many tasks was to collect information on the impact of the crisis, share ideas and jointly consider strategies to correct misinformation and perceptions that consumers held about travel destinations.

These groups often provide a lobbying role to government and industry to source funding to provide support facilities including establishing communication strategies to deal with consumer and industry inquiries. The establishment of phone information lines is a well known strategy for dealing with crises and disasters (Ashcroft, 1997). Phone lines can provide assistance and information for the general public, media but also the tourism industry itself. The use of websites is also a useful tool and one that was used by the BTA to aid in the recovery throughout the Foot and Mouth Outbreak.

It provided information to consumers that the majority of the countryside was open, but also provided information for the tourism industry on government policy concerning the outbreak and recovery and compensation packages. The ability to fund resources to deal with disasters has been noted by Heath (1995) as an important factor in dealing more effectively with natural disasters. However, despite the sourcing or reallocation of human or financial resources for strategy implementation, some authors believe that other organisational factors may be better predictors of successful crisis management implementation.

Smallman and Weir (1999) note that the move towards holistic and proactive crisis management may require organisations to communicate more effectively and consider their organisational culture. In other words, undertaking proactive planning and implementation of strategies may not actually help organisations deal with incidents if their communication styles are autocratic and organisational culture is introverted. Tribe (1997) suggests that organisational structure and culture tend to evolve reactively and that rigid management structures may not be so appropriate for the twenty-first century. Management may need to substitute bureaucratic organisational structures for freer structures which may help position the organisation closer to the outside environment, allowing for improved monitoring of change and sensing potential crises and disasters before they occur. Movement away from bureaucratic organisational structures and styles also allows more flexibility and may empower frontline staff to make decisions and alert management of potential crises or disasters before they occur. Furthermore, empowered frontline staff may provide valuable information concerning whether strategies implemented to deal with crises or disasters are actually working effectively.

Marra (1998) notes that many of the crisis communication studies and literature overstate the importance of developing communication plans and strategies as many organisations do not manage crises well, despite having detailed plans. While subsequently organisations with no crisis communication plans have dealt with crises very effectively. Other variables are perhaps more able to determine the success of crisis communication strategies, namely the underlying communication culture of an organisation and the level of autonomy or power of the public relations department within an organisation (Marra, 1998).

4.2.4. Understanding and collaborating with stakeholders

As illustrated in the above discussion, understanding and working with key internal and external stakeholders are required to plan and manage crises and disasters in the tourism industry. According to Freeman (1984, p. 46) “stakeholders are those group(s) or organisation(s)
that can affect or are affected by the achievement of an organisation's objectives.” Sautter and Leisen (1999, p. 326) note “if [tourism] players proactively consider the interests of all other stakeholders, the industry as a whole stands to gain significant returns in the long term.” In the case of crisis and disaster planning and management, understanding the impact of a crisis or disaster on internal (business units, staff, managers, shareholders) and external (other agencies and organisations, general public, media, tourists) stakeholders and the relationship between these stakeholders is critical. This is because of the inter-relationship and dependency between these groups or individuals and a need to develop suitable strategies resolve any crisis or disaster. As discussed previously, because of the nature of tourism it is especially important that crisis or emergency management plans are integrated. Collaboration is required between different organisations, government departments, emergency personnel, media organisations and other stakeholders. This has been noted by Kouzmin, Jarman, and Rosenthal (1995) with respect to the emergency services in Australia. The authors argue that there are long-standing deficiencies in strategic and operational planning and forecasting approaches for disaster management and urge more co-operation and co-ordination between the various emergency services. In particular, it appears as though destinations should have a multi-disciplinary or multi-agency approach to crisis and disaster management for tourism.

The type of crisis or disaster and its magnitude will impact upon stakeholders in different ways. For example, airline strike action which will obviously impact upon the day to day management of an organisation and could impact on consumers (such as tourists). However, other incidents may only impact upon internal stakeholders within an organisation such as other departments or managers and shareholders. For large-scale disasters and crises the impacts will be felt by external stakeholders such as the general public, tourists, other sectors of the tourism industry and other industries. The media are an important stakeholder in communicating information concerning a crisis or disaster to various publics (including tourists) and are also important in restoring confidence in an organisation or destination when a crisis or disaster is entering the long-term recovery or resolution phase. Yet despite this little research has been undertaken on crisis communication or the management of key stakeholders during tourism crises.

4.3. Resolution, evaluation and feedback

The final stage of dealing with crises and disasters strategically is the evaluation and feedback stage as a destination or organisation begins to recover from a crisis and normality begins to occur. The main goal of an organisation or destination is to control the crisis or disaster and reduce its severity or to stop it completely. However, as discussed previously, crises and disasters are chaotic and complex and their impacts can make long lasting changes to systems, but these changes they can be positive or negative. In fact some organisations or destinations may benefit from a crisis or disaster as travellers change their travel patterns. Examples include the US market visiting the Caribbean in greater numbers during the 1991 Gulf War and avoiding Europe and the Middle East.

Several authors note the ability of crises or disasters to act as turning points for destinations and businesses (Faulkner, 2001; Burnett, 1998; Kash & Darling, 1998). As Faulkner (2001, p. 137) notes “crises and disasters have transformational connotations, with each such event having potential positive (e.g. stimulus to innovation, recognition of new markets, etc.), as well as negative outcomes.” Burnett (1998) suggests that crises create heroes or leaders who emerge to help direct a destination or organisation facing such crises back to normality or an improved state. An improved state is possible because of the ability of an organisation or destination to learn from crises and disasters, make policy changes, and adapt and modify strategies that did not work effectively. Therefore, at the resolution stage of crisis and disaster management a feedback loop back to proactive planning and prevention is possible.

However, the ability of organisations to learn is determined by the extent of their interest in learning from incidents and perhaps their organisational culture. Ritchie et al. (2003) suggest that although major tourism policy changes were made at the national level after the Foot and Mouth Outbreak in Britain very few changes were made at the local level researched, because of an attitude that these incidents cannot be forecast, an inability to think long term and a perception that such events are out of their control. Educational theory and loop learning may provide some insights on the nature of organisational learning from crises (see Kolb, 1984; Richardson, 1994). Double loop learning requires a paradigmatic shift as a result of the experience and so emergent knowledge is produced and ultimately new understanding is derived compared to single loop learning (Figs. 3 and 4). The distinction between a crisis and a disaster means that those who precipitate a crisis are better placed to reflect on mistakes that caused the problems and institute a paradigmatic shift in thinking. Conversely, and as evidenced by history, those who suffer the effects of a disaster react to events and are contained to single loop actions, if not single loop thinking, unless a larger body can enforce the necessary changes to prevent the events repeating themselves.

Organisations may make changes to their organisational structures, creating crisis management teams,
providing more resources for their public relations team, update contingency plans or reduce their reliance on certain market segments. During the Asian Economic Crises in 1997–1998 the Australian Tourist Commission (the national marketing organisation) realised that their over reliance on the growing Asian market may have been flawed. However, they were quickly able to redistribute their resources and increase their marketing effort to traditional, but sometimes neglected markets of New Zealand, Europe and North America. The benefit of hindsight will allow destinations and organisations to develop even better crisis management strategies and plans and may help them understand the differences between ‘problems’ and crises. Soğmez and Backman (1992) noted that it was not until Hurricane Hugo hit South Carolina, USA in 1989 that the Myrtle Beach tourism crisis management manual was developed. Britton (2003) acknowledged that September 11, 2001 was a unique experience for American Airlines and they have learnt enormously from rebuilding image after terrorist attacks. In the public sector, policy structure changes, as a response to incidents, can be beneficial for reducing potential future crises and disasters. For instance, after September 11, 2001 an Office of Homeland Security was formed in the USA, and in Australia a Tourism Working Group was established to develop strategies to deal with future crises (Hall, 2002).

However, mechanisms need to be put in place so this reflection and feedback loop can help improve future strategies to effectively deal with such incidents. Debriefing is one mechanism which can help disaster or crisis managers collect data on how they coped with these incidents and what improvements can be made and should be integrated into crisis and disaster management.

5. Conclusion and future research directions

This paper has outlined the importance of understanding crises and disasters for the tourism industry because the industry is highly susceptible to change and crises/disasters. However, a small but growing body of research on crisis and disaster management has been conducted in the tourism industry. This may be due, in part, to the chaotic and complex nature of these incidents and an inability by some managers and researchers to understand such phenomena. However, an analysis of the nature of crises and disasters can provide insights for how these may be managed. This is particularly important in the context of a fragmented industry such as tourism which is often impacted by external factors. A strategic, holistic and proactive approach to crisis management in the tourism industry is required through:

- developing proactive scanning and planning;
- implementing strategies when crises or disasters occur; and,
- evaluating the effectiveness of these strategies to ensure continual refinement of crisis management strategies.

Flexibility and continual monitoring is required by organisations and destinations to design and implement effective strategies to deal with chaos and change. As noted previously in this paper organisations should take a holistic approach to managing crises and may have to reconfigure their management structure, consider aspects related to resource allocation and organisational culture, all which may influence the effectiveness of crisis management. Furthermore, there is a need for cooperation between a wide number of stakeholders both
internal and external to the organisation to effectively plan and manage crises and disasters. Leadership is required to provide direction to the industry in times of crisis and to bring stakeholders together at an organisational and destination level for integrated crisis/disaster management. In particular, spokespeople are needed to effectively deal with the media particularly for tourism crises or disasters.

Future research and the development of theoretical or conceptual frameworks are required on crisis and disaster management generally, but particularly focusing on the tourism industry. In particular, there is a need for researchers to move beyond simplistic prescriptive models which may provide check lists or information on what managers should do before, during or after crises toward descriptive models which develop and/or test models, concepts or theories related to crisis management to examine why crises were managed (in)effectively in the tourism industry. Theories or concepts from other discipline areas could shed further light on crisis management for the tourism industry are illustrated in Table 2 along with research fields which are related to crisis and disaster management in tourism.

There is also a need for research following different paradigmatic positions to improve our understanding of crisis and disaster management in the tourism industry, including:

- chaos and complexity theory applied to crises and disasters;
- positivistic approaches to quantify levels of preparedness and reactions of the industry to crises and disasters and help predict incidents through computer stimulation modelling;
- phenomenological approaches to explore attitudes and opinions of managers in the public and private sector towards crisis and disaster management; and,
- case study approaches are needed to test models and concepts surrounding crisis management in the tourism industry.

These research approaches should provide additional insights into crises and disasters helping the tourism industry to understand chaos and change. This will hopefully allow the industry to embrace these incidents as an everyday part of life and begin to plan and manage them in a strategic and holistic way, potentially reducing their impacts on business and society. As crises and disasters increase this will be a key skill for both tourism managers and planners in both the public and private sector.

Acknowledgements

The author would like to acknowledge the assistance of the School of Service Management, University of Brighton who provided some time release to develop this article as well as the constructive comments from the anonymous reviewers of this paper. However, any interpretation or omissions are the sole responsibility of this author.

References


