

Crisis Management in the Tourism Industry

Beating the Odds?

Edited by Christof Pforr and Peter Hosie

F590./
C932 Crisis Management in the
Tourism Industry
Beating the Odds?

Edited by

CHRISTOF PFORR
Curtin University of Technology, Australia

PETER HOSIE
University of Wollongong in Dubai, UAE





© Christof Pforr and Peter Hosie 2009

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission of the publisher.

Christof Pforr and Peter Hosie have asserted their moral right under the Copyright, Designs and Patents Act, 1988, to be identified as the editors of this work.

Published by

Ashgate Publishing Limited

Wey Court East Union Road

Farnham Surrey, GU9 7PT

England

Ashgate Publishing Company

Suite 420

101 Cherry Street

Burlington

VT 05401-4405

USA

www.ashgate.com

British Library Cataloguing in Publication Data

Crisis management in the tourism industry: beating the

odds? - (New directions in tourism analysis)

1. Tourism - Management 2. Crisis management

I. Pforr, Christof II. Hosie, Peter, 1957-

338.4'791068

Library of Congress Cataloging-in-Publication Data

Pforr, Christof.

Crisis management in the tourism industry: beating the odds? / by Christof Pforr and Peter Hosie.

p. cm. -- (New directions in tourism analysis)

ISBN 978-0-7546-7380-4

1. Tourism--Management. 2. Crisis management. I. Hosie, Peter, 1957- II. Title.

G155.A1P486 2008 910.68'4--dc22

2008040980

ISBN 978-0-7546-7380-4



CRISIS MANAGEMENT IN THE TOURISM INDUSTRY

New Directions in Tourism Analysis

Series Editor: Dimitri Ioannides, Missouri State University, USA

Although tourism is becoming increasingly popular as both a taught subject and an area for empirical investigation, the theoretical underpinnings of many approaches have tended to be eclectic and somewhat underdeveloped. However, recent developments indicate that the field of tourism studies is beginning to develop in a more theoretically informed manner, but this has not yet been matched by current publications.

The aim of this series is to fill this gap with high quality monographs or edited collections that seek to develop tourism analysis at both theoretical and substantive levels using approaches which are broadly derived from allied social science disciplines such as Sociology, Social Anthropology, Human and Social Geography, and Cultural Studies. As tourism studies covers a wide range of activities and sub fields, certain areas such as Hospitality Management and Business, which are already well provided for, would be excluded. The series will therefore fill a gap in the current overall pattern of publication.

Suggested themes to be covered by the series, either singly or in combination, include — consumption; cultural change; development; gender; globalisation; political economy; social theory; sustainability.

Also in the series

Cultural Tourism and Sustainable Local Development Edited by Luigi Fusco Girard and Peter Nijkamp ISBN 978-0-7546-7391-0

Landscape, Tourism, and Meaning

Edited by Daniel C. Knudsen, Michelle M. Metro-Roland,

Anne K. Soper and Charles E. Greer

ISBN 978-0-7546-4943-4

Tourism and the Branded City
Film and Identity on the Pacific Rim
Stephanie Hemelryk Donald and John G. Gammack
ISBN 978-0-7546-4829-1

Raj Rhapsodies: Tourism, Heritage and the Seduction of History

Edited by Carol Henderson and Maxine Weisgrau

ISBN 978-0-7546-7067-4

About the Editors

Dr Christof Pforr Staatsex. (Pol. Sci. and Geo) *UniTü*, PhD *NTU* is Associate Professor in Tourism Management, Research Director and Course Coordinator with the School of Management, Curtin Business School, Curtin University of Technology, Perth, Western Australia. Prior to joining Curtin in 2003, Dr Pforr held academic positions at the Northern Territory University, the University of Canberra and Edith Cowan University. Since 2000, he has contributed to more than 70 publications and numerous international research collaborations, in addition to national projects under the umbrella of the Sustainable Tourism Cooperative Research Centre and the Desert Knowledge Cooperative Research Centre. He is co-editor of the *Asia Pacific Journal of Economics & Business* and book review editor of the *International Journal of Tourism Policy*.

Associate Professor Christof Pforr School of Management Curtin Business School Curtin University of Technology GPO Box U1987 Perth WA 6845, Australia

Phone: +61 (08) 9266 7743 Fax: +61 (08) 9266 7897 Email: C.Pforr@curtin.edu.au

Dr Peter Hosie BEd *WAIT*, BA (Hons) *Murd*, MBus (Dist) *Curtin*, PhD *UWA* is Associate Professor in Management with the Faculty of Business and Management and Chair of the Research Committee at the University of Wollongong in Dubai and an Adjunct Senior Fellow with Curtin Business School, Curtin University of Technology. Before joining UOWD in 2007, he held positions at Curtin University, Edith Cowan University and the University of Western Australia. Peter has taught most aspects of Human Resource Management in Perth, Singapore, China, Taiwan, Vietnam, Austria and Dubai. He is the lead author of *Happy-Performing Managers: The Impact of Affective Wellbeing and Intrinsic Job Satisfaction in the Workplace* (Peter P. Sevastos and Cary L. Cooper) published in 2006 by Edward Elgar. A peer review process selected this book as one of the 'most promising management books of the future' for an invited keynote presentation at the high profile book track at the 2006 European Academy of Management conference. Dr Hosie has published over 100 widely cited internationally refereed articles, and conference papers,

practitioner articles and reports on Human Resource Management/Development, Crisis and Security Management, and Technologically Mediated Learning. He is a member of the Editorial Board and Web Editor for *Research and Practice in Human Resource Management*.

Dr Peter Hosie Associate Professor in Management Faculty of Business and Management University of Wollongong in Dubai Block 15, Knowledge Village P.O. Box 20183 Dubai, United Arab Emirates

Phone: +971 (04) 375 3062 Fax: +971 (04) 367 2754

Email: PeterHosie@uowdubai.ac.ae

List of Contributors

Dr David Beirman, Struan & Associates, PO Box 345, Bondi 2026 NSW, Australia

Associate Professor Deborah Blackman, University of Canberra, Faculty of Business and Government, School of Management, Canberra 2601 ACT, Australia

Dr Bella Butler, Curtin University of Technology, Curtin Business School, School of Management, Perth 6845 WA, Australia

Professor Jack Carlsen, Curtin University of Technology, Curtin Business School, Perth 6845 WA, Australia

Professor Samir Ranjan Chatterjee, Curtin University of Technology, Curtin Business School, School of Management, Perth 6845 WA, Australia

Dr Tracey J. Dickson, University of Canberra, Faculty of Business and Government, School of Tourism Management, Canberra 2601 ACT, Australia

Associate Professor Alfred Michael Dockery, Curtin University of Technology, Curtin Business School, School of Economics and Finance, Perth 6845 WA, Australia

Professor Ross K. Dowling, Edith Cowan University, School of Marketing, Tourism and Leisure, 100 Joondalup Drive, Joondalup 6027 WA, Australia

Acushla Felix, Curtin University of Technology, Curtin Business School, School of Management, Perth 6845 WA, Australia

Dr Raguragavan Ganeshasundaram, Edith Cowan University, School of Marketing, Tourism and Leisure, 100 Joondalup Drive, Joondalup 6027 WA, Australia

Associate Professor Peter Hosie, University of Wollongong in Dubai, Faculty of Business and Management, Block 15, Knowledge Village, P.O. Box 20183 Dubai, United Arab Emirates

Associate Professor Alan Nankervis, RMIT University, School of Management, 239 Bourke Street, Melbourne 3001 VIC, Australia

Dr Cecil Arthur Leonard Pearson, Curtin University of Technology, Curtin Business School, School of Management, Perth 6845 WA, Australia

Dr Christof Pforr, Curtin University of Technology, Curtin Business School, School of Management, Perth 6845 WA, Australia

Associate Professor Brent W. Ritchie, University of Queensland, School of Tourism, Ipswich 4305 QLD, Australia

Preface

Currently, there is limited published material that combines conceptual and praxis issues on crisis management specifically targeting the tourism industry. Most of the existing literature within the field of tourism management focuses on the level of destinations rather than individual operators. At present, the academic literature in this area is fragmented across at least three major disciplines: strategic management; public relations; and tourism management.

Few publications have covered the more demanding task of integrating the literature and applied research into crisis management within the context of tourism. Crisis Management in the Tourism Industry: Beating the Odds? is unique in this context as it combines theory, practice and experience in preparing for and responding to crisis events in tourism. In addition, the presentation of case studies from regional and country specific locations around the world is one of the great strengths of the book. These cases are standalone illustrations of the issues and challenges inherent in crisis management in the tourism industry.

Essentially, the book represents a collection of edited and integrated chapters dealing with managing crises in tourism in relation to policy, planning and response issues surrounding crisis management in the tourism industry. *Beating the Odds?* is primarily a policy and practice book, supported by accessible international case studies. It is also a reflective volume meant both as a contribution to the body of knowledge and as a general book for practitioners. With contributions from a diverse range of experts, the book covers various contexts to provide academics, students and professionals with a rich source of information on contemporary issues facing this volatile industry. A balanced mix of practical and conceptual issues informs what organisations and businesses can do to avoid crises and how best to recover from such events.

Beating the Odds? is intended for a niche market demanding a conceptually sound book with an applied focus on crisis management in the tourism industry. As a specialised book, it contributes to the understanding of development of policies and strategies for the preparation of and response to crises in tourism in different contexts. A blend of descriptive and analytical methodologies is used to circumscribe the issues. Theoretical considerations underpin a consolidated discussion and analysis of the various policy and practical issues faced by stakeholders from industry, government and the wider community by addressing the socio-economic impacts of crises in tourism. A closer integration of these disparate discourses is undertaken to ensure a more accessible approach to the issues impacting on crisis management in the tourism industry.

Acknowledgements

On 13–14 November 2006, the inaugural *1st Services Management Symposium* provided a lively professional forum with many networking opportunities to discuss and analyse seminal issues facing the public and private sectors in relation to crisis management in the tourism and hospitality industry. Over these two days, local and internationally recognised industry and public sector experts generously shared their research and policy expertise.

Crisis Management in the Tourism Industry: Beating the Odds? is an edited book emanating from the proceedings of the Services Management Symposium. What emerged is a book that is global in scope and focused on both theoretical and practical issues affecting crisis management in the tourism industry. Beating the Odds' intended audience are the very people who attended the seminar – internationally recognised industry and public sector experts in the field. In addition, undergraduate and postgraduate students from a diversity of backgrounds will be attracted to this consolidated volume addressing contemporary issues about crisis management in tourism and related disciplines like management.

Curtin Business School, Curtin University of Technology (Perth, Western Australia) funded the *Services Management Symposium* through a grant from its Area of Research Excellence, *Management of Services Organisations in the Asia Pacific*. In addition, Dr Pforr received active support and encouragement during the compilation and editing of the book from the Curtin Business School as did Dr Hosie from the Curtin Business School and University of Wollongong in Dubai.

The Editors also wish to thank Anthea Wesley for managing the review process, proof reading and formatting the text.

Christof Pforr and Peter Hosie, May 2008

Contents

List of Figures		vii
List of Tables		ix
-	About the Editors	
List of	List of Contributors	
	Preface	
	Acknowledgements	
1	Introduction: Beating the Odds? Christof Pforr and Peter Hosie	1
	PART 1	
2	Crisis Management and Security: Strategise versus Improvise in a Turbulent Environment Bella Butler	7
3	From Conception to Implementation: Towards a Crisis Management Framework Samir Ranjan Chatterjee and Cecil Arthur Leonard Pearson	23
4	Crisis Management in Tourism: A Review of the Emergent Literature Christof Pforr	37
5	Tourism Crisis Management, Knowledge Management and Organisational Learning Deborah Blackman and Brent W. Ritchie	53
6	Human Resource Development: Proactive Preparation to Manage Crises Peter Hosie	75
	PART 2	
7	Vulnerability Analysis and Sustainability in Tourism: Lessons from Phuket Alan Nankervis	93

8	Terrorism, Tourism, Wellbeing and Sense of Security: The Case of Australia Alfred Michael Dockery	107
9	Disaster Response and Tourism Recovery Strategies in the Maldives Jack Carlsen	131
10	Training for Crises Responses: A Case Study of Chinese Medical Professionals Cecil Arthur Leonard Pearson and Samir Ranjan Chatterjee	151
11	Precautions Against Future Tsunamis: A Case Study of Galle District, Sri Lanka Acushla Felix, Ross K. Dowling and Raguragavan Ganeshasundaram	171
12	An Exploration of Risk Management Strategies in Regional Tourism Businesses: The Case of the Eurobodalla Region <i>Tracey J. Dickson</i>	187
13	Crisis and Post-Crisis Tourism Destination Recovery Marketing Strategies David Beirman	207
14	Conclusion: Beating the Odds! Peter Hosie and Christof Pforr	225
Index		241

List of Figures

3.1	Typologies of cognitive context in crisis	25
3.2	Managerial context in crisis response	26
3.3	Framework for crisis management learning	30
3.4	Competency and resource in response capability	31
5.1	Crisis and disaster management:	
	A strategic and holistic framework	56
5.2	Double loop learning	59
5.3	Four forms of knowledge	63
6.1	PPRR crisis management model	83
7.1	Vulnerability Analysis Model (VAM)	99
8.1	Means for satisfaction variables and number of interviews	
	completed by week; HILDA Wave 1	113
8.2	Means for satisfaction variables and number of interviews	
	completed by week; HILDA Wave 2	118
8.3	Short term resident departures, Australia	122
8.4	Short term arrivals, Australia	123
8.5	Short term resident departures, Australia, relative to	
	pre-September 11 trend	125
8.6	Short term arrivals, Australia, relative to pre-September 11 trend	126
9.1	Republic of Maldives	134
9.2	UK arrivals and annual change 2001–2006	140
9.3	Italian arrivals and annual change 2001–2006	141
9.4	German arrivals and annual change 2001–2006	142
9.5	Japanese arrivals and annual change 2001–2006	143
9.6	French arrivals and annual change 2001–2006	144
9.7	Chinese arrivals and annual change 2001–2006	146
9.8	Russian arrivals and annual change 2001–September 2006	146
9.9	Indian arrivals and annual change 2001–2007	147
10.1	Questionnaire	160
12.1	Location of Eurobodalla area	188

12.2	Imbedding risk management within the organisation's culture	195
13.1	Comparative annual tourist arrivals, Singapore and Hong Kong 2002–2003	213
13.2	Monthly comparisons of Singapore's inbound tourism 2002, 2003 and 2004	213
13.3	Israel's inbound international tourism 2000-2006	217

List of Tables

5.1	Core processes of evaluative enquiry	61
5.2	Crises evaluation processes using core processes of	
	evaluative enquiry	64
8.1	Satisfaction with life, how safe you feel and feeling part of the	
	local community, means, HILDA Wave 1, by marital status	111
8.2	Mean satisfaction ratings: The week before (5/9/01–11/9/01)	
	and after (12/9/01–18/9/01) September 11	114
8.3	Effect of September 11 on wellbeing, 'difference-in-difference' estimators	117
8.4	Mean satisfaction ratings: Before and after the Bali bombings,	
	HILDA Wave 2	119
8.5	Effect of Bali bombings on satisfaction, 'difference-in-difference'	
	estimators	121
9.1	Tourist arrivals from the five main markets 2004 and 2005	132
10.1	Respondent means for scale items $(N = 24)$	161
12.1	Position held by respondents	193
12.2	Tourism sectors of respondents	193
12.3	Organisation size; equivalent full time employees	194
12.4	Actions taken to learn from previous serious incidents	
	compared to years in business	194
12. 5	Factors that may have potential impact upon business	
	objectives in the next 12 months	196
12.6	Risk management plans in place for risk with potential	
	negative outcomes	197
12.7	Components of risk management plans for risks with potential	
W 1607 USS	negative outcomes	198
12.8	Source of information for developing risk management plans	199
12.9	Strategies used to minimise potential risks to business	200
12.10	Frequency of reviewing risk management plans compared to	
	years in business	201
12.11	Frequency of reviewing of risk management plans compared to	
	organisational size	201

12.12 Other strategies that would be of assistance to manage risks to business

202