Improvement of Crisis Management in a Tourist Enterprise

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Abstract— **Economic crises may impact the development of a crisis situation in tourist enterprises. It is assumed that tourism is one of the sectors most sensitive to economic fluctuations, and the tourist economy is especially threatened with those crises the sources of which have an external character. However, crisis situations in enterprises are caused by numerous and various factors generating crises, of both endogenous and exogenous character. On the other hand, enterprises' crises have a significant meaning for developing the economic situation. The actual aid provided to managers dealing with an organizational crisis depends on the awareness of the anti-crisis management's significance, and especially the problems they have to face. The aim of the article is to present methodology enabling increasing the ability of tourist enterprises to manage when in a crisis.**

Keywords— crisis management, organizational learning, tourist enterprise.

I. INTRODUCTION

The adopted assumption consists in the statement that crises cover both whole organizations and parts thereof. They can also concern groups of organizations, a specific area, as well as have their individual, human dimension. In crisis situations, organizations engage in normalization processes. This means that they use known and acceptable patterns and systems: cognitive, psychological and socio-political. A natural inclination of organizations' participants is to minimise the significance of and/or rationalise events that are non-compliant with their value systems or systems of reference. Normalization mechanisms allow permanent and shared perception and understanding of a crisis yet paradoxically decrease the learning potential. What is paradoxical is that by supporting learning, at the same time they hinder it. It has been assumed that measures undertaken in a crisis can be described as processes or sub-processes of organizational learning.

An important fragment of crisis management improvement constitutes the identification and assessment of the intensification of barriers in learning from a crisis. The possibility of learning valuable lessons from a crisis is influenced by various factors, some of which are subjected to control. Designing specifically for tourism enterprises the means and methods for learning in a crisis includes three main processes: conceptualization of an organization's crisis as well as the conceptualization and identification of management methods in a crisis situation; diagnosis of a crisis management and organizational learning; and compilation of an improvement plan. The tool used for the assessment of the enterprise's learning ability may be used to strengthen crisis management. Assessment of the learning ability should concern both the implementation of anti-crisis measures and management after getting the crisis situation under control and learning from the crisis.

Financial instruments of crisis management are not always effective, either on a macro or a micro scale. An alternative solution is to use non-financial instruments such as organizational learning and knowledge management. Concentration on the long-term identification and improvement of organizational learning, allowing not only reducing the costs of the enterprise, but also its development, constitutes a potential response to a change of the organization's traditional paradigm.

Organizational learning is different in an enterprise in a crisis situation, although, despite its indeterminacy and uncertainty, the organization's participants strive to give meaning to their organizational life. In a rapidly changing environment, growing

uncertainty and increasing complexity, the possibility to forecast changes remaining outside the enterprise's control is decreasing. However, its existence in given conditions depends on the accurate forecast of those conditions and introduction of relevant changes to the organization itself.

II. THE CONTEXT OF THE TOURISM INDUSTRY

It is commonly believed that tourism is one of the industries that are particularly sensitive to economic turmoil. Unlike internal factors contributing to crises, which can be controlled by managers, external events are beyond their control, which makes them inherently characterised by a higher degree of risk and uncertainty. What is more, the characteristics of the tourism product, such as seasonality or complementarity, make these risks potentially difficult to manage, as the supply of tourism services cannot change quickly to adjust to the declining demand (Evans & Elphick, 2005).

This context of the tourism industry results in the perceived customer demand for open, direct and highly personalised contact between the tourism service provider and the customer. What is more, the existing trends in the development of international and domestic tourism, increasing competition in the tourism market, new technologies permeating into the tourism economy and the ever-changing preferences of tourists mean that quality is becoming increasingly important. At the same time, there is a growing number of new tourist destinations where the quality of the tourist product is an advantage in competing for customers (Kachniewska, 2003).

Gaining a competitive advantage in a rapidly changing environment requires tourism stakeholders to understand the directions of these changes and their implications for businesses, as well as their relevance to tourism destination development. Since the tourism sector is strongly interlinked with other sectors of the economy, tourism trends cannot be analysed in isolation from key factors affecting the global economy as a whole. The growing competition in the tourism sector, which concerns established as well as new markets, means that understanding tourism trends shapes the ability of tourism operators to develop strategies that enable them to achieve competitive advantage (Dwyer et al., 2009).

Collaboration – both internal and external – is also important for tourism operators. One of the possible outcomes of external cooperation is the sharing of knowledge and the rotation of personnel between companies working together. Partnerships between competing companies in pursuit of common industry objectives is voluntary and reciprocal (Batorski, 2013).

The success of a tourism operator hinges upon reliable cooperation between organizational units, which is necessary in order to meet the ever-growing requirements of the customers. When risks become a reality, partners are expected to follow certain rules of professional and ethical behaviour.

It may be assumed that there are three groups of values that are particularly important in a tourism company, pertaining to the knowledge of the customers and the environment, quality and customer focus, and cooperation and networking. The Tourism Education Futures Initiative (TEFI) suggests going with a different set of values, namely stewardship, ethics, knowledge, professionalism, and mutual respect (Liburd, Mihalic, Guia, 2018).

III. CRISIS IN A TOURISM COMPANY

A crisis can be defined as 'a low-probability, high-consequence event that develops very rapidly and involves ambiguous situations with unknown causes and effects' (Roberts et al. 2007, p. 109). An organizational crisis is also generally defined as 'a critical situation that can have severe negative consequences to the organization if not handled properly' (Lin, Carley, 2002, p. 4). A tourism crisis is defined as 'circumstances in which tourists and members of the tourism industry individually or collectively, including destinations, are faced with change which is potentially destructive for every, or certain, parties' (Henderson, 2007, pp. 12–13).

Whereas crisis management is defined as 'strategies, processes and measures which are planned and put into force to prevent and cope with crisis' (Glaesser, 2006, p. 22). It can also stand for 'ongoing integrated and comprehensive effort that organizations effectively put into place in an attempt to first and foremost understand and prevent crisis, and to effectively manage those that occur, taking into account in each and every step of their planning and training activities, the interests of their stakeholders' (Henderson, 2007, p. 9).

Crisis management in tourism, in the broadest sense of the term, can be understood as 'planning for and managing tourism crises in order to protect the interests of the industry, tourists and other stakeholders involved and contain any long-term damage' (Henderson, 2007, p. 13). Such management should be based on the principles of coordination, collaboration, communication and engagement (Pender, Sharpley [eds.], 2005).

In the traditional crisis management model, which mainly concerns disasters (including natural ones), one can distinguish the following phases (Jaques, 2010): prevention, preparation, response, and recovery. The crisis management cycle, which comprises four phases, is sequential; however, based on these phases, Jaques (2007) suggested a spiral model of crisis management and juxtaposed it with linear models. This non-linear model enables returning to previous stages, skipping them altogether or taking action in parallel. The sequential character of action may have some importance and does not have to be abandoned altogether.

IV. ORGANIZATIONAL LEARNING IN A CRISIS SITUATION

An organizational crisis is relevant to learning, while learning requires reflecting on the most important lessons that can be gleaned from the crisis. It can be viewed as a catalyst for transformation, a source of renewal of the company (Batorski, 2013). It is also important to improve future crisis management capacity and the ability to avoid future crises. Management practices in an organization facing a crisis can be described as

processes or sub-processes of organizational learning (Batorski, 2013). Based on work by C. Argyris and D. Schön (1996), the distinction between single-loop (conservative) learning and double-loop (innovative) learning was established. These two (and other) fields of learning in the context of crises have been the focus of empirical research – including in recent years (Metallinou, 2018; Lee et al., 2020; Sydnes et al., 2021).

A crisis, on the one hand, makes it possible to uncover hidden facts that the organization had not been aware of before the crisis occurred. On the other hand, due to the form in which it manifests itself and its characteristics, it can hinder the organizational learning that is so essential to renewal. Crises induce cognitive inertia, anxiety and distress in participants (Roux-Dufort, 2000). In a crisis situation, managers seek to return to a state of equilibrium rather than look for opportunities for change. Organizations engage in normalization processes (Roux-Dufort, 2000). These mechanisms enable a sustained and shared perception and understanding of the crisis, all while reducing the potential for learning, which may be seen as paradoxical. While supporting conservative learning, which is concerned only with changes in ways of doing things, they simultaneously inhibit innovative learning, in which both assumptions and values and norms and ways of doing things change (Batorski, 2013). Conservative learning, which is based on the ability to detect and correct an error within the context of a given set of operational norms, is most useful in efficient crisis management. In contrast, double-loop learning fosters innovation and aids the questioning of objectives while being more relevant to long-term survival (Bratnicki, 1993). The conflict between knowledge discovery and knowledge use also remains a potential issue (Batorski, 2013).

The following factors impact the possibility of learning valuable lessons from the crisis (Batorski, 2021):
* the recovery potential linked to the crisis situation,
* normalization mechanisms as a barrier to learning,
* the organization's ability to take advantage of double-loop learning and management's awareness of its importance in learning from crisis,
* the ability of the organization to use single-loop learning.

The recovery potential linked to the crisis situation is an uncontrollable factor. The functioning of the normalization mechanisms is partly controllable, while the factors that can be fully controlled by the organization include its ability to take advantage of double-loop learning and the managers' awareness of its importance, as well as the ability to exploit single-loop learning (Batorski, 2021).

V. Improving Crisis Management in a Tourism Enterprise

The design of a learning enterprise in crisis, carried out with an external consultant, may comprise three main processes:
* the conceptualization of the organization's crisis, followed by the conceptualization and identification of crisis management approaches,
* the diagnosis of crisis management and organizational

learning,
* the development of a crisis management capacity building and organizational learning plan.

Many high-level managers make statements about the significance of the crisis for the company without fully understanding the nature of the crisis itself. That is why it is an important improvement step for managers to consciously explore the crisis and understand its impact on the organization. This stage can be described as the conceptualization of the crisis impacting the organization. The process of conceptualising a crisis involves a group of managers seeking answers to the following four questions:
* What objectives can be achieved through an organizational crisis?
* What are the possible consequences of a failure to properly manage the crisis?
* What would make you say that you are facing a crisis?
* When did you face a crisis?

The stage of conceptualization and identification of approaches to crisis management resembles the stage discussed above, but instead of the crisis concerning the organization, the conceptualization focuses on crisis management efforts, including the management methods used in the improved enterprise. Managers are asked the following questions:
* What objectives can be achieved through crisis management?
* When can it be said that a crisis management approach is being used in a company?
* When and how was a crisis in the company managed?
* How can you characterise the crisis management approaches used by the company?

The process of the diagnosis of crisis management and organizational learning can involve a group of managers at different levels. It uses a diagnostic tool – a questionnaire on management in difficult situations – to obtain information on crisis management and organizational learning factors, as well as individual and collective assessment (Batorski, 2013).

The discussion and exchange of experiences by the participants in the improvement project should revolve around issues pertaining to the process barriers and the areas of crisis management in the company. The starting point for the discussion includes the ways in which each process is understood and the associated control questions. Participants jointly discuss and identify strengths, weaknesses, opportunities and threats for the various crisis management factors. They then also jointly identify key elements that are possible to transform. If necessary, appropriate comments are recorded. The procedure outlined is repeated for all crisis management agents.

Through learning processes that involve changes to the existing organizational culture, a tourism enterprise can acquire the desired organizational values. Values can be seen as a reference for the choices made, the decisions taken, and therefore as a source for attitudes, norms and behaviours (Stankiewicz, Moczulska, 2013). According to Marek Bugdol (2006, p. 9), one can assume that values 'define in general terms the desired end states that guide human effort'. To influence

employee behaviour, they need to be embedded in the organizational culture (Bugdol, 2010).

The types and phases of organizational learning and the lists of values desired in a tourism enterprise can set the framework for a survey that is the basis for shaping organizational learning processes in a way that facilitates the acquisition of desired values by the employees of a tourism enterprise (Table 1). In a team-based assessment of a company's learning capacity, two basic levels of organizational learning (single-loop learning and double-loop learning) and its phases (knowledge discovery and knowledge use) can be considered. Qualitative surveys should furthermore provide answers to the following questions:

• What organizational values have been embedded in the organizational culture through organizational learning?

• What actions have enabled the learning of shared values or a change in their weights?

• How were the ways of working that corresponded to shared values changed?

• What are the links between the phases, levels and types of learning and the ways in which shared values are shaped?

• How effective are the learning processes in shaping organizational values?

• How were conflicts of values resolved?

TABLE 1 TYPES AND PHASES OF LEARNING AND VALUES RELEVANT TO TOURISM

Single-loop and double-loop learning	Knowledge discovery and use	Values relevant to the tourism business (Batorski, 2015)	TEFI values (Liburd, Mihalic, Guia, 2018)
Changing norms, values and fundamental assumptions about how the company operates and the corresponding ways of doing things by interpreting past experiences (direct or indirect) Changing norms, values and fundamental assumptions about the functioning of the company and corresponding ways of doing things through a better understanding of problems Changing norms, values and fundamental assumptions about the functioning of the company and the corresponding ways of doing things by competence acquisition Changing the ways of doing things by interpreting past experiences (direct or indirect) Changing the ways of doing things by better understanding the problems Changing the ways of doing things by competence acquisition	Discovering knowledge through interpretation of past experiences (direct or indirect) Discovering knowledge through better understanding of problems Discovering knowledge through competence acquisition Using knowledge through interpretation of past experiences (direct or indirect) Using knowledge through better understanding of problems Using knowledge through competence acquisition	Values pertaining to customer and environment knowledge, connected to quality and customer focus as well as to collaboration and networking	Sustainability – natural Sustainability – soc.-cult. Sustainability – economic Responsibility – sust. behaviour Service to the community Ethics Honesty Transparency Authentic self Expertise and skills Critical thinking Creativity and innovativeness Networking – direct Networking – Internet and Web2.0 Professionalism Leadership Practicality Service to the customers Timeliness Teamwork Diversity Inclusion Equity/ equality Humility Collaboration & partnership

Source: own study based on (Argyris, Schön, 1996), (Batorski, 2015), (Liburd, Mihalic, Guia, 2018), (Stern, 1997).

Strengthening organizational learning and crisis management requires careful planning. The plan for creating an organization capable of consciously learning in a crisis should be based on a vision of development and strategy created by a group of top managers. The actors responsible for implementing the plan should participate in discussions on the benefits of productive organizational learning, the possible consequences of poor crisis management, and measuring the effectiveness of these processes.

The crisis management and organizational learning capacity strengthening plan should identify:

• the main steps to achieve the goal of creating a company learning in crisis,
• the sequence and timing of each stage,
• initiatives to induce and sustain the desired changes,
• resources needed to ensure the effectiveness of the projects,
• performance and progress indicators,
• employees involved in the implementation of the plan.

VI. CONCLUSIONS

Organizational learning requires efficient communication, i.e., that the information that employees share with each other needs to be clear and comprehensible. Furthermore, productive learning is possible when a company is distinguished by its openness in terms of information. This means, for instance, informing employees of any decisions that are significant for the company and encouraging them to share information with each other. Openness also involves providing a free flow of information that allows employees to be involved in company affairs.

A company whose managers want to learn valuable lessons from the crisis should accelerate and enhance organizational learning. In doing so, they should keep in mind that the potential usefulness of double-loop learning concerns mainly learning lessons from a crisis, whereas single-loop learning will be mainly useful for the implementation of anti-crisis and post-

crisis management.

Creating an environment conducive to organizational learning in a crisis requires making specific changes in: managerial power and leadership, organizational culture, the strategy-making process, and in organizational structure and operating systems.. How and what organizational participants learn in a crisis, are determined by the managerial infrastructure and, above all, the organizational culture of the enterprise. The social processes stimulated by organizational culture can be conducive to risk-taking, experimentation, and learning. It should focus on collaboration and create a sense of security, thus establishing the conditions for employees to be creative and grow. Changing the existing organizational culture is not a quick or easy process. Improving crisis management in a tourism enterprise can involve taking its current state as a starting point for implementing long-term change.

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