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Crisis Readiness in Public Organizations in Al-Baha Province, Saudi Arabia

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Abstract

Organizations are more vulnerable to crisis than ever before. A crisis can happen any time to any organizations, and none of which is immune. It usually occurs as a barrage of urgent, unexpected, and unpleasant events. Organizations that set up a crisis management plan (CMP) have greater confidence in their ability to respond effectively to such events, hence the more a crisis is prepared for, the less it will be a crisis. This paper aims to investigate public organizations in Al-Baha province, Saudi Arabia in terms of their preparedness for an organizational crisis, and to which extent. The result indicates that public organizations in Al-Baha province are partially at a high level of preparedness, suggesting that they are relatively crisis-prepared organizations.

Keywords: Crisis management, crisis readiness, pre-crisis management

1. Introduction

Crisis is said to be bad, and can only result in negative consequences. Nevertheless, Augustine (1995) claimed that "almost every crisis contains within itself the seeds of success as well as the roots of failure" (p. 148). Crisis itself may be either threat or opportunity, but is more soundly viewed as two sides of the same coin (Nathan, M, 2000). According to Pearson and Clair (1998), an organizational crisis is " a low probability, high impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect and means of resolution, as well as by a belief that decision must be made quickly"(p. 60). In organizations as in life, crises come in as many strains as the common cold. The spectrum is so wide that it is impossible to list each type. As individuals, we realize that our daily life is full with many kinds of unexpected situations; and if we do not prepare for what might encounter in accordance with the available information, our daily life would be more challenging and threatening. Likewise, organizations that do so would have the same situations, jeopardizing their stakeholders as well.

Crisis management entails minimizing the impact of an unexpected event in the life of an organization. It involves planning and coordination to prepare for, and respond, threats that may prevent or impede operational activities (Herbane, 2012). Such threats may tremendously impact organizations as a whole, resulting in economic, social, and environmental damages. The old

adage states "if you fail to plan, you plan to fail" (Fitzhenry, 1993, p.67). According to Jaques (2007), the concept of crisis management as a continuous discipline based on clusters and non-linear elements forms the basis of proposal for a rational model (Fig. 1).

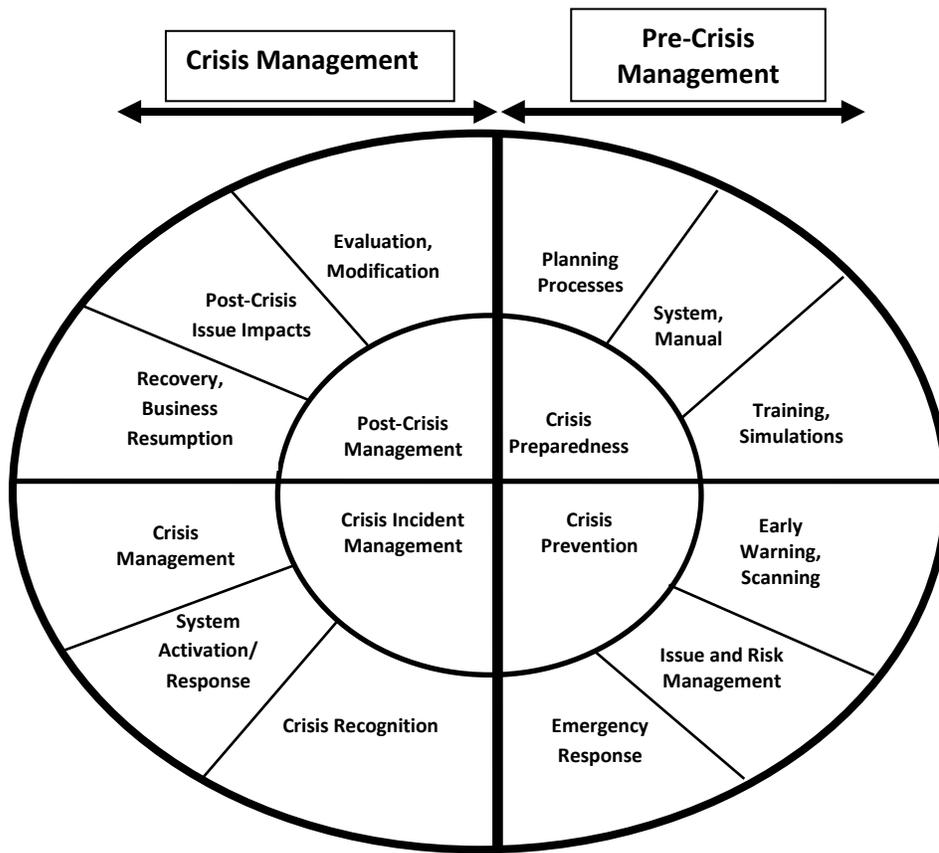


Figure 1: The Rational Model of Crisis Management. Adapted from " Issue management and crisis management: An integrated, non-linear, relational construct", by Jaques, 2007, *public relations review*, 33, p. 150.

Based on this model, four elements shown above, namely crisis preparedness, crisis prevention, post-crisis management, and crisis incident management, should be seen as clusters of related and integrated discipline, not as steps to be carried out in a sequential way. These individual elements with cluster of activities (each element includes three different activities) may occur overlapping or at the same time. It is worthwhile to note that learning from the past crises should take place at every phase of the rational model; however, the post-crisis phase provides a particular fertile ground for genuine corporate learning and system modification (Jaques, 2007). By the same token, Pollard and Hotho (2006) classified organizations within two dimensions: crisis preparedness and crisis proneness. Crisis preparedness is defined as "a state of corporate readiness to foresee and effectively address internal or exogenous adversary circumstances with the potential to inflict a multi-dimensional crisis, by consciously recognizing and proactively preparing for its inevitable occurrence"(p. 725). Crisis proneness is the opposite state that has no components mentioned above, and hence resulting in an unconscious or negligent vulnerability of the organization.

Mitroff, Pearson, and Marrington (1996) argue that the essential factor in deciding how well an organization will perform during a crisis is how well prepared it is before the crisis hits. According to Fink (2002), a comprehensive crisis management plan entails learning to ask "what-if" questions and make assumptions about the questions and answers. That is " what if such and happened? Then I would do thus and thus, and so on"(p. 56). It also called a contingency planning, which is a manual, a blueprint, a road map, covering everything as to how to deal with different crises. Bremer (2002) suggests that crisis management plan should address critical actions before, during, and after a crisis. It should aid managers in four specific areas: prevention, preparation, response, and recovery. A good crisis management plan lies in two distinct principles. First, the crisis management plan is not about researching and planning contingencies for each possible crisis, but rather about developing the capability within the organization to react flexibly and to make right swift decisions. Second, practicing the crisis management team needed during a crisis is a critical success factor in difficult situations (Clark & Harman, 2004). In sum, the more an organization denies its vulnerabilities, the more it will respond reactively to crises and clean up after the fact; however, the more crises it anticipates and the more potential crises it prepares for, the more it engages in proactive behavior (Mitroff, Shrivastava, & Udwardia, 1987).

In spite of that, a considerable number of public and private organizations in developing countries have not set up a crisis management plan (CMP). In fact, not only should organizations plan for positive events, such as new services or organizational expansions, they must also plan for adversity (Spillan & Hough, 2003; Parnell, Koseoglu, & Spillan, 2010). One profound reason for not putting a crisis management plan in place is that organizations calculate such activity quantitatively, using a cost-benefit analysis, and believe that there are no benefits of doing so. However, benefits can be achieved once a crisis hits; and the aftermath of a crisis that occurs without the existence of a crisis management plan could be compared with the result of a crisis had on organizations having a crisis management plan (Mitroff & Anagnos, 2001; Boin, 2009). The importance of the current study lies in the following:

- The strategic and economic importance of the Arabic region always puts it in the heart of global events, and hence exposed to different crises. This requires Arabic countries to be prepared to these crises in order to effectively manage them or at least minimize their effects.

- Most of Arabic communities are passing a period of social and economic transforming which accompanies a possibility of having different crises (Alrayali & Mathlom, 2011).
- To the best of my knowledge, there is a very scant attention paid to crisis management and its applications in public organizations in the Southern region of Saudi Arabia

2. Literature review

In attempt to cover this section, studies conducted in Arab world, developing countries, and developed countries are provided. Starting with Arab world, Alkhshali and Algotb (2007) conducted a study to understand the degree to which management information system was effective when used by Jordan industrial companies in dealing with a crisis; and the degree to which managers in these companies depended on scientific steps in dealing with a crisis. In doing so, researchers selected a sample of 16 industrial companies and distributed the questionnaires to managers working in these companies. Of these managers, 136 responded to the questionnaires. The study found that there was an impact of the effectiveness of management information system in managing the crisis faced by industrial companies in Jordan; and that impact was disparate at each stage of crisis management.

Another study conducted by Aljadili (2006) aimed to know the attitude of employees towards the degree to which the system of crisis management was available at different stages of crisis management in big governmental hospitals in Gaza, Palestine. The study applied the questionnaire, which was distributed to 600 employees using a stratified random sampling. The results indicated that there was a lack in the crisis management system at these hospitals, which in turn, were vulnerable to a crisis and were not prepared for.

A study conducted by Alfahid (2006) investigated the nature of the coordination among security agencies responsible for dealing with a crisis in Aljabil industrial city, Saudi Arabia. The researcher used the descriptive approach applying the questionnaire to collect the data. The study found that the coordination among these agencies was high; however, the constant ignoring of improving and developing approaches and tools used in coordinating process was the biggest obstacle facing security agencies when they coordinate.

A field study conducted in Palestine aimed to examine the attributes of crisis management in governmental organizations (Eslym, 2007). The study found that the role of planning in the process of crisis management was weak. The researcher ascribed that to the fact that managers were reactive and sought remedial measures instead of preventive ones.

Finally, a study done by Alaragi and Dagma (2000) aimed to know the attitude of supervisors towards the degree to which crisis management system was available; and the degree to which a relationship was taking place among stages of crisis management system. The result indicated that there was deficiency in crisis management system; and that deficiency was low in contained damages and recovery stages, whereas it was high in preparatory and detective signs stages, meaning that the efforts made to deal with crises were reactive, and not proactive.

On the other hand, in developed countries, several studies have been conducted, one of which aimed to understand how much improvement has been in crisis management plans and systems in companies exporting to developing countries (Roger, 2005). The researcher used a sample encompassed 183 companies exporting to developing countries. The study found that 20% of

these companies had crisis management plans and systems; and the majority of these companies inclined to use a judgmental method in crisis management planning.

An exploratory study conducted by Parnell, Koseoglu, and Spillan (2010) to investigate the perceptions and experiences of Turkish managers in relation to crisis events, and then compare and contrast crisis readiness in Turkey and the United States. In Turkey, respondents were randomly selected from a group of 1000 firms. After distributing the survey to these companies, 190 of them responded and 274 surveys were filled by managers at different levels. As to the United States, respondents were randomly chosen from the membership of a Chamber of Commerce in a midsize city in the Southeastern United States. A total of 977 surveys were distributed, with 335 surveys returned. The result indicated that a large number of these organizations did not have formal crisis management plans (Parnell, Koseoglu, & Spillan, 2010).

A descriptive analysis study was done (Fink, 1986) to analyze occurred crises, and then learned from the mistakes led to these crises. It used the questionnaire which distributed to 500 managers in different companies in the United States. The result showed that 50% of respondents said they did not have a crisis management plan for dealing with a crisis, yet eighty-nine percent of them said that crises are inevitable as death and taxes. The study concluded that crisis management plan (CMP) should periodically be tested and revised so that organizations can cope more effectively with crises that occur (Fink, 1986; Mitroff, Shrivastava, & Udwadia, 1987).

Another study was conducted by Spillan and Hough (2003) that aimed to examine crisis planning in a survey of small businesses. Specifically, it concentrated on the perceived importance of crisis planning by small business managers. Data were collected using a survey adapted from an instrument coined by Crandall et al. (1999). The survey was mailed to 1000 small businesses in Pennsylvania and New York. One hundred and sixty-two usable surveys were returned, with a response rate of 16.2% (Spillan & Hough, 2003).

The results found that crisis planning receives little attention in the small businesses surveyed; and for a majority of small businesses managers, an actual crisis situation must happen before crisis planning becomes a concern. Concern for crises is driven by experiencing crisis events, rather than by the presence of crisis management teams; and even with that experience, study found those small businesses without crisis management teams (Spillan & Hough, 2003).

The final study mentioned in this part was conducted in the UK, which included small and medium-sized enterprises (SMEs). The study aimed to explore the perceptions and experiences of SMEs' managing directors in relation to crisis management planning. It also sought out to examine differences in perceptions between planning and non-planning SMEs (Herbane, 2012).

The data were collected using a mail questionnaire coined by the researcher for the purpose of the study. From a list of 20,914 small and medium-sized enterprises (SMEs), a random selection of 1,000 firms led to the sampling frame used. Of the sample, 958.215 usable responses were returned, providing a response rate of 22.4%. The result revealed six factors that correspond to resilience through planning, financial impact, operational crisis management, the perfect storm, the aftermath of survival and atrophy (Herbane, 2012).

As to resilience through planning, it contains five items: planned better, resilience via crisis management, crisis management not needed, operational changes, and recovery costs, which explains the largest variance 25%. The planned better item has the highest positive loading of 88%, comparing to the negative loading of 74% that was given to the statement that a crisis management plan is not needed because the manager has detailed knowledge of the business. It

concluded that a planned response to a crisis is preferred rather than a reactive response (Herbane, 2012).

3. Methodology

To conduct this study, a survey was handed to managers at the top and middle management levels in public organizations, Al Baha province, Saudi Arabia. The methods used regarding data collection, research question and hypotheses, determination of survey reliability, and data analysis and results are described in the following sections.

Data collection

Data were collected using a survey developed by (Aslym, 2007). This survey was modified by the researcher in order to meet the requirements for the current study. It included three sections. Section I requested demographic information: a job's position, a participant's age, a work's experience, and an educational level. It should be noted that gender variable was excluded for some technical considerations. Section II included 8 items regarding actions taken by organizations before a crisis (pre-crisis management); and the respondent was requested to rate these items, using a five-point Likert scale (strongly agree to strongly disagree). Section III included 4 items regarding actions taken by organizations after a crisis (crisis management); and the respondent was requested to rate these items, using a five-point Likert scale (strongly agree to strongly disagree). A cover letter with brief instructions, including the confidentiality consideration for the participants was included. The surveys were given to the participants by the researcher himself. After two weeks, the researcher personally received the returned questionnaires. One hundred and seventy-six surveys were distributed; and one hundred and four were returned, providing a response rate of 60%.

Research Question and Hypothesis

Besides, the information mentioned in the introduction and literature sections, crisis management plan runs into four obstacles that are shared by public organizations in developing countries and in some developed countries as well. First obstacle, crisis management plan is relatively expensive. Second obstacle, planning and preparing for unknown events is intrinsically hard. It is hard enough to plan for crises that are likely to occur. Third obstacle, crisis management plan is fraught with governmental tension, evoking the question of who will be protected against what, when, and where. Hence, the unavoidable follow-up question is: who will pay for it (Boin, 2009). Final obstacle is that nonprofit organizations are less likely to have personnel to handle this area (Burnett, 1998). With the preceding discussion in mind, one research question and one related hypothesis are proposed to examine the crisis readiness in public organizations in Al Baha province, Saudi Arabia.

Research Question: Are public organizations in Al Baha province prepared for an organizational crisis, and to which extent?

Hypothesis: Public organizations in Al Baha province, Saudi Arabia are at a high level of preparedness for an organizational crisis.

Reliability Analysis

For the current study, the Cronbach alpha of internal consistency was calculated in order to demonstrate the reliability of the survey's scale. The analysis indicated that reliability for both subscales was 0.79. Specifically, the alpha coefficients are: pre-crisis management actions = 0.79;

crisis management actions = 0.79. The summed scale showed a 0.87 coefficient. Hence, the internal consistency for the survey's scale deemed sufficient (Nunnally, 1994).

Data Analysis and Results

Since the goal of this study is to examine the readiness in public organizations in Al Baha province, Saudi Arabia, One Sample T-test was used to evaluate the study hypothesis for mean differences. The descriptive analysis was conducted for the entire data set. As for the demographic variables, the job position included two categories, and hence 37.5% of participants were at the top management level, and 62.5% were at the middle management level. For the educational level, the percentage of participants is: 35.6% for bachelor, 31.7 % for diploma, 16.3% for high school, 13.5% for master, and finally 2.9% for less than high school. The participants with work experience ranged from 18 to 26 years had the highest percentage of 44.2%, following by 28.8% for the participants with work experience ranged from 9 to 17 years. The participants with work experience ranged from 27-35 years had a percentage of 22.1%, following by the lowest percentage of 4.8% for the participants with work experience ranged from 0 to 8 years. Finally, the participant's age included four categories and the percentage for each category was: 62.5% for the category ranged from 38 to 47 years old, 17.3% for the category ranged from 48 to 57 years old, 16.3% for the category ranged from 28 to 37 years old, and 3.8% for the category ranged from 18 to 27 years old.

In order to evaluate the degree to which public organizations in Al Baha province are preparing for a crisis event, the following equation was applied, using the five-scale (1, 2,3,4,5) and three levels.

The Class Interval = the Highest Limit – the Lowest Limit / Number of levels

----- = (5-1/3= 1.33); the lowest limit + the class interval (1+ 1.33=2.33); and the highest limit – the class interval (5-1.33=3.67).

Therefore, the mean ranged from 1 < 2.33 is considered a low level of preparedness; the mean ranged from 2.33 < 3.67 is a medium level of preparedness; and the mean ranged from 3.67 to 5 is a high level of preparedness (Algharib, 1987). From deceptive statistic, pre-crisis actions show a greater mean (M= 3.86) compared to post-crisis actions (M= 3.72). Hence, both categories fall in a high level of preparedness, meaning that public organizations in Al-Baha province are highly prepared for an organizational crisis.

Table 1. One-Sample Test (High Level of Preparedness)

	Test Value = 3.67			
	T	DF	Sig. (2-tailed)	Mean
Pre-crisis	2.965	103	.004	3.864
Post-crisis	0.720	103	.473	3.724

At 5% level of significance, (Table 1.) shows that public organizations in Al-Baha province are partially at a high level of preparedness (a comprehensive crisis management plan) since the sample evidence for pre-crisis actions is statistically significant ($P < 0.05$; 2-tailed); and not for post-crisis actions wherein the sample evidence is not statistically significant ($P > 0.05$; 2-tailed). Consequently, to a certain extent, the study hypothesis is supported.

4. Discussion

The finding of the current study reveals that the public organizations in Al-Baha province, Saudi Arabia are relatively at a high level of preparedness. Fink (2002) explained that the high level of preparedness is called a contingency planning or a comprehensive crisis management plan. This level of preparedness includes everything from A to Z on how to deal with different types of crises and with the mechanics of a crisis. Because the study hypothesis is partially supported, the definition of a comprehensive management plan provided by Fink (2002) would not be completely applied to crisis readiness in public organizations in Al Baha province, Saudi Arabia. The result of analysis displays a significant difference in mean for pre-crisis actions ($M= 3.864$); however, the result of analysis displays no a significant difference in mean for post-crisis actions ($M =3.724$). This may imply that the crisis management plan set up by public organizations in Al Baha province is not adequate, up to date, testing, auditing, making adjustment in the light of experience, and/or completed. It lacks of some essential elements portrayed in the Rational Model of Crisis Management (Jaques, 2007). Under that circumstance, as Pollard and Hotho (2006) pointed out, the crisis management plan offered in public organizations, Al Baha province can generate a fabricated sense of readiness where in reality it does not exist.

The result consists with many studies conducted in this regard (e.g., Spillan and Hough, 2003; Aljadili, 2006; Eslym, 2007; Roger, 2005; Fink, 1986). Indeed, proper readiness should consistently and equally take into account before, during, and after crisis actions taken to manage a crisis event. Focusing on one stage and marginalizing others can result in poor readiness. No wonder, since the current study was taken place in a developing country, where the crisis management and its application is somewhat a new area of concern, the finding may reflect novice managers in the new world of crises and crisis management.

5. Conclusion

The existence of a crisis management plan is necessary; however, ignoring the warning signs or triggers of an impending crisis through over-dependence on the existence of the plan would jeopardize an entire organization and its stakeholders. In the current study, result suggests that public organizations in Al Baha province are partially prepared for a crisis event. The lack of some important elements of the plan set up by public organizations in Al Baha province may lead to a weak plan, in which its stages are falling apart. It is recommended that a proper crisis management plan should focus on, coordinate, and incorporate pre-crisis and post-crisis actions, and if not a crisis response is very likely to aggravate a crisis event, resulting in destructive outcomes. By the same token, modern organizations are frequently known as "organic"; and this is because they are not immune from a variety of forces embedded in their surrounding environments. Nevertheless, successful organizations have the ability to adapt by recognizing important environmental factors, analyzing them, evaluating the impacts and reacting to them more effectively and efficiently.

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