



Top-down or outside-in? Culturally diverse approaches to hotel crisis planning

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ABSTRACT

Making improvements to the current state of crisis planning and preparedness poses a major business challenge to the global hotel industry. However, implementing crisis planning can be strengthened or weakened by improving the culture-specific attitudes and perceptions of hotel practitioners. This study explores both how and why hotel managers have culturally different motivations in their crisis planning and implementing it. To examine variations in cultural attitudes, we recruited 307 top- and middle-level hotel managers in China for questionnaires after a series of semi-structured interviews. Data were compared to an Australian benchmark dataset (n = 386) using a multi-group comparison approach. Results demonstrate that a hotel manager's culture-specific attitudes and perceptions motivate crisis planning intentions differently. Such differences require diverse management approaches to support crisis resilience (particularly the “tangible” versus “intangible” benefits attitude, “outside-in” versus “top-down” pressure regarding *social norm*, and “internal” versus “external” *behavioral control*).

1. Introduction

In recent decades, the world has greatly changed globally in economic, social and political terms, following many unexpected events such as terrorist attacks, natural disasters, and industrial accidents. Such catastrophes (e.g., 9/11, the SARS epidemic and the 2008 Mumbai hotel attacks) also caused massive losses in the hotel sector (Henderson & Ng, 2004; Kosova & Enz, 2012). Consequently, hotels have recognized the need for effective crisis management strategies to increase crisis resilience and business sustainability (Cronin & Parry, 2014). Surprisingly, and despite this acute need, crisis planning within the hotel sector remains remarkably low (Rousaki & Alcott, 2007; Wang & Ritchie, 2013).

Aiming to identify the principle factors influencing this outcome in the hotel industry, Wang and Ritchie (2010) developed the “onion” model for strategic crisis planning, which proposes three categories of factors that motivate crisis-planning behavior: individual, organizational, and environmental. Individual psychological factors have been identified as important to motivate the implementation of crisis planning in the Western world (Wang & Ritchie, 2012). According to the “iceberg” model of cultural influence (Hall, 1976), cultural dimensions underlie and thus shape peoples’ beliefs and their behaviors. However, the effects of human psychological factors on crisis planning have

seldom been investigated in distinct cultural contexts. Cross-cultural research is important, as it can test the universality of theories developed in relation to one country to other societies (Watkins, 2010). Surprisingly, few studies have empirically explored cross-cultural management decisions in the hotel sector. Most crisis-planning research has occurred in Western countries, with little attention to other cultures, such as in China, apart from research into the SARS epidemic in Hong Kong (Tew, Zhen, Tolomiczenko, & Gellatly, 2008). Wang and Ritchie (2012) argue that exploring the impetus to crisis plan across national boundaries. Cross-cultural and comparative analyses can create a new way to track the many differences in crisis planning and preparedness within this global industry. The hotel literature will achieve much-needed balance more research focuses on, and thus explains why and how regions such as China are growing strongly.

While the critical psychological factors, attitude, subjective norms, and perceived behavioral control (see the theory of planned behavior [TPB]) might vary in predicting behavior intention across countries (Hassan, Shiu, & Parry, 2016), the reasons are seldom explored. Ajzen (2005) states that each TPB predictor variable can be measured directly (e.g., by evaluating respondents’ overall attitudes) or indirectly (e.g., by evaluating respondents’ specific behavioral beliefs and related outcomes). Direct and indirect measurement approaches reflect different cognitive structures. Notably, little research investigates indirect belief-

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based measures, even though it is useful and practical because it informs us about the various factors guiding behaviors (Francis et al., 2004). That the results about the significance of TPB factors in cross-cultural studies (Hassan et al., 2016) are inconsistent also indicates why the TPB model is essential to understanding how each factor works in distinct cultural settings.

To address the above research gaps, this study explores how and why hotel managers have culturally different intentions when implementing crisis planning, determined by from which side of the East-West divide they operate. Our paper marks one of the first attempts to explore how the explanatory power of the three TPB factors differ when applied to hotel managers from different cultural backgrounds. We also analyze their intentions to implement crisis planning in separate national contexts. Second, we compare the underlying psychological beliefs that distinguish their cultures and thus supplement the TPB model and explain why managers' different cultures motivate how they implement crisis planning. China and Australia were chosen for this comparison for three reasons:

- (1) Because they represent two significantly different national cultures (Hofstede, Hofstede, & Minkov, 2010), our analysis provides rich evidence of the effect of such difference on crisis planning decision-making.
- (2) China has the largest number of hotel properties ($n = 13,707$) in the Asia-Pacific region, followed by Australia ($n = 4739$) (STR Global, 2017). The strength and robust nature of the tourism industry in both regions justify the need for a comparative analysis that is both timely and promising in how it applies to other countries.
- (3) Because we understand well both the cultures and languages involved, and what resources that hotel managers use, and thus how to achieve comparative research.

2. Literature review

Crisis events are often defined as low-probability, high-consequence events that have the potential to develop rapidly, disrupt orderly operations, and endanger organizational viability (Fowler, Kling, & Larson, 2007). Crisis Planning involves the actions anticipated to prevent potential problems to team build, set budget, take insurance, simulate crises, and develop contingency and communication plans (Wang & Ritchie, 2012). The literature stresses the importance of crisis planning either to prevent risks, or minimize damage that occurs (Fowler et al., 2007). Reviewing the hotel crisis management literature finds that it focuses mostly on causes of crisis and industry responses (Chen, 2011), the impact on hotels (Song, Lin, Witt, & Zhang, 2011), and their recovery strategies (Tew et al., 2008). Most research is approached qualitatively (Wang & Ritchie, 2010).

2.1. The TPB model and its application in cross-cultural studies

The TPB model is one of the most widely used social-psychological models to predict individual decision-making. This model states that attitude, subjective norms, and perceived control jointly shape an individual's behavioral intentions (Ajzen, 2005). Attitude refers to an individual's positive or negative outcome evaluation in performing a behavior. Subjective norm refers to her or his perception of the social pressure to perform the behavior and perceived control refers to either's perception of the ease of performing a behavior and confidence in the ability to perform it (Ajzen, 2005, p. 118). TPB is a parsimonious model containing few but powerful components, which are used to predict many social behaviors, and entail both psychological (i.e., attitudinal) and social (i.e., subjective norms) factors (Hsu & Huang, 2012). The model also contains volitional (i.e., attitude, subjective norms) and non-volitional (i.e., perceived control) factors (Ajzen, 2005). The TPB model has been successfully applied to predict tourists' decision-making

behaviors (Han, 2015), but seldom to managers' decision-making in the hotel sector, even though its validity has been proven in general management studies (Biswas, Boyle, Mitchell, & Casimir, 2017). One exception is Wang and Ritchie (2010), who find that TPB can be applied to crisis-planning research because various non-volitional factors occur in a crisis, which may diminish the opportunity for hotel managers to undertake such planning.

Research also finds that the dimensions of national culture suggested by Hofstede moderate the strength of TPB relationships, and thus indicate how the durability of each TPB component may vary across countries (Hassan et al., 2016). For example, Quintal, Lee, and Soutar (2010) find that subjective norms and perceived control both significantly impact upon tourists' intentions to travel to Australia, using South Korean, Chinese, and Japanese samples. However, attitude is only significant in among the Japanese sample. Although more emphasis should be on the cultural differences in individual attitudes and response to norms (Riemer, Shavitt, Koo, & Markus, 2014), few studies investigate the explanatory power of cultural differences over TPB factors across nations in organizational managers' decision-making.

2.2. A cross-cultural psychology perspective towards the motivation of crisis planning intention

While international hotel chains and franchises have set up uniform management procedures to guarantee a level of service quality, national culture remains significant to shape the attitudes and behaviors of hotel managers operating within those nations (Ayoun & Moreo, 2008). For example, Pizam, Pine, Mok, and Shin (1997) find that national culture more strongly affects than the hotel industry culture shared by international hotel chains. Even when hotels globalize, their managers of different cultural backgrounds may have very different perceptions and motivations about crisis planning.

"Culture" is defined as "the collective programming of the mind which distinguishes the members of one human group from another" (Hofstede, 1980, p. 25). Much cross-cultural research sees culture as influencing individual psychology in various contexts (Taras, Kirkman, & Steel, 2010). While it is beyond the scope of this paper to discuss all possible cultural similarities and differences between China and Australia, this study focuses on two important dimensions used by Hofstede: individualism-collectivism and power distance. Because these dimensions are most used by researchers, they prove to be significant in distinguishing the effects of national values on attitudes and behaviors (Hassan et al., 2016). Individualism refers to the degree to which people in a country prefer to act as individuals rather than as members of groups, while its opposite is collectivism (Hofstede, 1993). In the individualism value survey of 76 countries, China ranked 58th for being a high collectivist society; Australia was ranked 2nd for being a high individualism society. *Power distance* refers to the extent to which lower-ranking individuals of a society accept a hierarchical system with an unequal power distribution (Hofstede, 2001). China showed high power distance (ranking 12th) while Australia showed low power distance (ranking 64th).

Hassan et al. (2016) find that one particular attribute of the individualism-collectivism relationship is how well attitudes and norms factor into social behavior. For people of individualistic cultures, mainly personal values, attitudes, perceived rights, and contracts influence social behavior. However, most prominent for people of collective cultures are duties, obligations, and norms (Bagozzi, Wong, Abe, & Bergami, 2000). The former are more independent and rely on their personal decision-making while the latter tend to comply with significant people in their society expect (Hofstede, 2001). In cultures low in power distance, people also make decisions according to their individual preferences (e.g., attitudes) with less concern about complying with the opinions (e.g., normative influences) of others (Hofstede, 2001).

In sum, individualistic and low power distance cultures focus

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