

PROACTIVE VS RESTRAINED BEHAVIOR MANAGEMENT RESPONSE TO THE CRISIS: UNDERSTANDING THE FUTURE MANAGEMENT PERCEPTION

Zrinka Zadel
Aleksandra S. Dragin
Maja B. Mijatov Ladičorbić
Kristina Košić
Ivana Ivančić

<https://doi.org/10.20867/tosee.07.34>

Abstract

Purpose – The purpose of this research was to explore the effect of pandemic development on Generation Z representatives in the sector of Tourism and Hospitality and their perception regarding required actions for ensuring the business success in times of the crisis. The most important fact is reflected in a sample structure, which obtained representatives of Generation Z, who will soon directly influence the business by taking over majority of leading positions. It was interesting to research reactions to the crisis from the perspective of generation who tackled the crisis for the first time in their life.

Methodology – The research was conducted in the period June-October 2021, on the basis of the survey in Rijeka. The sampling obtained 122 students of tourism management. Collected data were analyzed on the basis of descriptive statistics and exploratory factor analysis in SPSS.

Findings – Results shed light on the influence of the COVID-19 pandemic on the acceptability of responsive and non-responsive management strategies. The research resulted in five factors: *Communication strategy*, *Crisis management strategy*, *Marketing and financial strategy*, *Readiness for immediate adaptation to changes* and *Non-responsive strategy*.

Contribution – The main contribution is to provide a guideline for developing tourism during the time of the crises, in order to enable a recovery of the economy in wider terms, and tourism in narrow one. The research findings are contributing to a better insight into such behavior, and provide important information for disaster managers, educators, government, and policymakers for adjusting their strategies and management responses to the crisis.

Keywords: COVID-19, crisis management, Generation Z, managers in training, responsive strategies, tourism.

INTRODUCTION

In a perspective of the crisis process, life circle theory was developed through decades (Mitroff 1983; Li and Wang 2009; Hargis and Watt 2010; Shen 2018). According to Li and Wang (2009) and their life cycle theory, the crisis also has a life process, the same as people. From future managers it is expected to modify their business decisions and actions in the time of the crisis (Wang et al. 2020; Sánchez-Cañizares et al. 2020). Besides that, recovery of tourism in the period during and after the COVID-19, requires cooperation of various stakeholders (Dieguez 2020). More precisely, tourism managers

need to develop adequate adaptive measures (Kniffin et al. 2021) that include prompt managerial actions in order to reduce negative effects of the economic problems caused by the crisis. Prompt decision making process always contains two sides of the story. The first one is related to solving the occurred problems, while the second one is related to uncertainty, risks, and pressures (Dwivedi et al. 2020). No matter the fact that prompt managers' decisions are often risky, such decisions are required in the time of the crises.

1. LITERATURE REVIEW

This study was oriented towards the crisis management throughout the COVID-19 as one of the issues of the wider study developed in Novi Sad (Serbia) and Rijeka (Croatia) (Dragin et al. 2021a,b; Dragin et al. 2022a,b; Majstorović et al. 2021; Mijatov et al. 2022). The authors focused this research on developing indicators that measure the response to the following crisis in business affected by the COVID-19 pandemic among the Tourism and Hospitality managers in training. According to the Principal Component Analysis, conducted in the first pandemic year, there were four identified components, termed as Communication strategy, Marketing strategy, Human resources and crisis management strategy and Nonresponsive strategy. During the first year of the pandemic, managers in training in the field of Tourism and Hospitality are highly oriented towards Communication strategy, including its development and application (Mijatov et al. 2022). Abovementioned findings are not surprising, due to the fact that the COVID-19 outbreak was a phase when the virus was a big unknown.

This study included representatives of Generation Z (Gen Z), birth in the period between the mid-to-late 1990s and early 2010s. Gen Z representatives are perceived as well-behaved, self-contained, risk-averse, progressive, socially conscious, connected to each other, conscientious, hard-working, somewhat anxious and mindful of the future (Adelantado-Renau et al. 2019; Dragin et al. 2022 a; Gaidhani et al. 2019; Turner 2015). It is expected that Gen Z representatives would be future leaders, who will take the leading role of the baby boomers' generation (Gaidhani et al. 2019). But what kind of leaders will they be in times of risk? What crisis management strategies will they prefer?

However, based on a review of available literature, it could be concluded that there is a lack of researches focused on the effect of pandemic development on Generation Z representatives in the sector of Tourism and Hospitality and their perception regarding required actions for ensuring the business success in times of the crisis. There are a lot of studies based on Generation Z representatives in the context of their intentions to travel, while their role as future managers is neglected (Jiménez-García et al. 2023; Li and Huang 2023; Perčić and Spasić 2021; Rončák et al. 2021). Generation Z representatives were also perceived as future managers, or more precisely as managers in training during their current education. Furthermore, the authors wanted to research attitudes of the managers in training affected by the effect of time that has passed between the first and second year of the pandemic. The main contribution is to provide a guideline for developing tourism during and after the time of the crises, in order to enable a recovery of the economy in wider terms, and tourism in narrow one.

Results of this research represent a part of the study launched in 2020, regarding the managers in training perceptions and intentions in behavior during the COVID-19. The research findings are contributing to a better insight into such behavior, and provide important information for disaster managers, educators, government, and policy makers for adjusting their strategies and management responses to the crisis. The literature review section is followed by detailed explanation of methodology, gained results, discussion and conclusion.

2. METHODOLOGY

The research was conducted between June and October 2021 in Rijeka, by using the questionnaire. The sampling procedure obtained a convenient sample of 122 students of Tourism and Hospitality management (23.8% of males and 76.2% of females), between 19 and 23 years. The questionnaire USManPan-1 (Majstorović, Janičić, and Dragin 2020) with 32 statements was used for researching the students' perception of required activities for enabling the business success in the crisis times. Answers were collected by the pen-and-paper procedure by the respondents who attended the lectures and showed an interest for participating in the study. Respondents provided their answers by using the Likert type rating scale, between 1 'not important at all' and 4 'completely important'. Collected data were further analyzed on the basis of descriptive statistics and exploratory factor analysis in SPSS.

3. RESULTS

The main components analysis was conducted for 32 items of the USManPan-1 scale. The Kaiser-Meyer-Olkin's indicator value is 0.738, which is over the recommended level of 0.6. Recorded statistical significance ($p = 0.000$) of the Bartlett's test of sphericity justified the application of the principal component analysis for the purpose of this study. The principal component analysis provided an insight into the five elements with values higher than 1, explaining 22.2%, 9.2%, 7.1%, 6.6% and 5.0% of the variance. Promax rotation, including the Kaiser Normalization, was implemented. Finally, the factor analysis resulted in the model with 30 items (two items were excluded from further analysis due to the low factor loadings) grouped into the five factors that explained 50.1% of the total variance. Identified factors are represented within the Table 1 and they are termed as: *Communication strategy (1)*, *Crisis management strategy (2)*, *Marketing and financial strategy (3)*, *Readiness for immediate adaptation to changes (4)* and *Non-responsive strategy (5)*.

Table 1: The factor analysis results

	Factors				
	1 $\alpha =$.858	2 $\alpha =$.762	3 $\alpha =$.711	4 $\alpha =$.603	5 $\alpha =$.683
Regularly inform employees about business performance during the crisis.	.937				
Regularly inform clients on epidemiological situation in organization.	.848				
Regularly inform employees on epidemiological situation in organization.	.782				
To organize a call-center for our employees.	.705				
To organize a call-center for our consumers.	.664				
To organize training of employees on the manner and importance of using means for protection against infection.	.618				
Regularly inform public on epidemiological situation in organization.	.611			.366	
To inform target groups about positive changes in the epidemiological situation at the destination.	.348				
To organize regular meetings of managers and employees on company's business.	.307				
To appoint a leader responsible for crisis management.		.914			
To plan business activities in advance regardless of whether the crisis is locally present or not.		.769			
To take advantage of workload reductions and organize online training for less experienced employees.		.689			
To organize an information center on epidemiological situation in company.		.508			
To offer transport service packages at lower prices.			.740		
To offer accommodation packages at lower prices.			.703		
To find new consumers of our services.			.687		
To communicate with the Ministry about financial support during the crisis.			.484		
To provide sources of replenishment of the organization's crisis budget.			.480		
To launch marketing campaigns and advertise the destination more intensively.			.439		
To plan and to prepare for the start of the first business activities immediately after the cessation of emergency measures.			.350		
To introduce a flexible chain of command in an organization.			.335		
To plan the use of financial reserves from the crisis budget.			.307		
To offer a fee for tourists who get Covid19 infection at the destination (e.g., free accommodation or transportation to home).				.739	
To wait for the recommendations of the Ministry and until then temporarily close the branch.				.713	
To plan activities only when a crisis does occur.				.622	
To reduce staff's work hours.				.539	
To relocate part of the staff to places less affected by the epidemic.				.301	
To close down parts of an organization.					.841
Not hiring new people.					.773
To lay off some number of employees.					.618

The first factor gathered the statements related to regular informing of employees regarding the business performance during the crisis, as well as on overall epidemiological situation in the organization. Besides that, this factor also obtained the item which is pointing to organization of training of employees on the manner and importance of using means for protection against infection. Informing activities are also oriented towards the clients, which is supported by another item grouped into the first factor, thus indicating an importance of regular informing of clients and wider public (specifically the target groups of concrete business) on epidemiological situation in organization and positive changes in the epidemiological situation at the destination. Finally, organization of call-centers for consumers and employees represent another important aspect of the first factor, in line with organization of regular meetings of managers and employees on company's business. Considering the abovementioned items, the first factor was labelled as *Communication strategy*.

The second factor obtained the statements regarding the positioning of the leader responsible for the crisis management, as well as to planning business activities in advance regardless of whether the crisis is locally present or not, to taking advantage of workload reductions and organize online training for less experienced employees and to organizing an information center on epidemiological situation in company. All together resulted in labelling this factor as *Crisis management strategy*.

Items grouped into the third factor are mainly related to marketing activities, aimed to offer the transport and accommodation service packages at lower prices, to find new consumers of services, to launch marketing campaigns and advertise destination more intensively, as well as to plan and to prepare for the start of the first business activities immediately after the cessation of emergency measures. On the other hand, items of the third factor are also focused on activities in the field of managing financial resources, such as communication with the Ministry about financial support during the crisis, providing sources of replenishment of the organization's crisis budget, planning the usage of financial reserves from the crisis budget, as important aspects of introducing a flexible chain of command in an organization during the crisis. In respect to that, this factor was labelled as *Marketing and financial strategy*.

Furthermore, fourth factor obtained the items related to planning the activities only when a crisis does occur and thus offering free accommodation or transportation to home for tourists who get COVID-19 infection at the destination for example. Besides that, this factor also obtained the items related to reducing the working hours, relocating part of the staff to places less affected by the epidemic and waiting for the recommendations of the Ministry and until then temporarily close the branch. In respect to that, this factor was termed as *Readiness for immediate adaptation to changes*.

The final fifth factor gathered the items related to closing down parts of an organization, not hiring new people and lay off some number of employees. Accordingly, this factor was labelled as *Non-responsive strategy*.

On the basis of the results of statistical analyses (Table 2), the highest and approximate mean values for factors termed as *Communication strategy* and *Marketing and financial strategy* might be noticed.

Table 2: Results of descriptive statistics

	Communication strategy	Crisis management strategy	Marketing and financial strategy	Readiness for immediate adaptation to changes	Non-responsive strategy
Mean	3.44	3.31	3.38	2.68	2.05
Median	3.55	3.25	3.33	2.60	2.00
Std. Deviation	.49	.57	.378	.55	.70
Skewness	-1.01	-1.16	-.71	-.13	.37
Std. Error of Skewness	.22	.22	.22	.22	.22
Kurtosis	1.11	1.98	1.10	-.03	-.21
Std. Error of Kurtosis	.44	.44	.44	.44	.44

DISCUSSION AND CONCLUSION

This study is a part of wider two-year research, which started in Novi Sad (Serbia), extended to Rijeka (Croatia). Both are medium-sized cities that are going through the economic transitional period (in the past, the industrial sector dominated, but currently a lot of attention is focused on the service sector). Also, these are settlements of neighboring countries. Besides that, these two cities held the European Capital of Culture title during COVID-19 pandemic. Both cities served as places of data collection, with a sample consisting of students of the same educational profile and the same level of study. No matter the fact, differences in obtained research results are additionally supporting the assumption of the effects of time on the respondents' perception of required actions during the crisis for ensuring the business success.

This study was oriented to the second year of COVID-19 pandemic. The research conducted among Tourism and Hospitality students on their perception of required actions for ensuring the business success in times of the crisis resulted in five factors: *Communication strategy*, *Crisis management strategy*, *Marketing and financial strategy*, *Readiness for immediate adaptation to changes* and *Non-responsive strategy*. It could be noticed that analyses resulted in additional factor in Rijeka (2021), comparing to results gained in Novi Sad (2020) (Mijatov et al. 2022), where four factors emerged: *Communication strategy*, *Marketing strategy*, *Human resources and crisis management strategy* and *Non-responsive strategy*. More precisely, it could be noticed that *Communication* and *Non-responsive strategy* are identified in both studies. *Marketing strategy*, identified in Novi Sad, is extended by financial issues in the study of Rijeka. On the other hand, it could be noticed that the *Crisis management strategy* is wider in Novi Sad (dealing with important HR issues), while *Readiness for immediate adaptation to changes* represents the factor identified only in Rijeka. Similar mean values are encouraging in terms of the *Non-responsive strategy* in both countries, considering the fact that students perceive such strategy as the most desirable one for enabling the business success in the time of the crisis. Finally, it could be said that differences in type of destinations are causing the differences in the perception of required actions. More

details in the field of responsive strategies are noticed in Rijeka, as destination that is intensively oriented towards tourism, comparing to Novi Sad, where tourism still did not reach the peak as the primary sector of the city's development, regardless the fact that situation is getting better each year (excluding the period of the crisis).

The main limitation of this paper is the lack of research studies on the topic. Represented research results are contributing the process of making the guidelines for developing tourism during and after the time of the crises. The limitation in the research also refers to the sampling, which is not based on a global sample, which would achieve general conclusions related to cross-cultural research on a larger scale. Future research should provide insight into the situation throughout the third year of the pandemic, as well as the future years after the COVID-19 crisis. More precisely, the next planned step is to conduct the research on wider sample that will include students of Tourism in Timisoara, Weszprem (ECoCs 2023), besides those from Rijeka and Novi Sad.

ACKNOWLEDGEMENTS

This paper has been financially supported by the University of Rijeka, for the project ZIP-UNIRI-116-1-20.

This research is also a part of the project approved by the Autonomous Province of Vojvodina, Provincial Secretariat for Higher Education and Scientific-Research Activity, Program 0201, with the project title "Research of the entrepreneurial potentials among the local population for using the thermo-mineral water resources of Vojvodina", registration number: 142-451-3137/2022-04 (2021–2024). The authors are grateful to the respondents who participated in the study.

REFERENCES

- Adelantado-Renau, M., Moliner-Urdiales, D., Cavero-Redondo, I., Beltran-Valls, M. R., Martínez-Vizcaino, V., and Álvarez-Bueno, C. (2019), "Association between screen media use and academic performance among children and adolescents: A systematic review and meta-analysis", *JAMA pediatrics*, Vol. 173, No.11, pp. 1058-1067. doi:10.1001/jamapediatrics.2019.3176.
- Dieguez, T. (2020), "Tourism Marketing Strategies During COVID-19 Pandemic: Iran, A Case Study Analysis", *International Journal of Innovative Science and Research Technology*, Vol. 5, No. 9, pp. 1492-1496. <https://ijisrt.com/assets/upload/files/IJISRT20SEP580.pdf>.
- Dragin, A., Mijatov, M., Zadel, Z., Košić, K., and Pivac, T. (2021a), "The impact of the COVID-19 Pandemic on Tourism", 7th International Scientific Conference GEOBALCANICA 2021 Ohrid, Republic of the North Macedonia, pp. 147-162, DOI: <https://doi.org/10.18509/GBP210147d> (<http://geobalcanica.org/proceedings-2021/>).
- Dragin, A., Zadel, Z., Mijatov, M., Stojanović, V., Jovanović, T., Lazić, L., Zelenović Vasiljević, T., and Milenković, N. (2021b), "Covid-19 Consequences on European Capital of Culture Projects and Challenges Managers are Facing in New Tourism Era", *ToSEE - Tourism in Southern and Eastern Europe: 6th International Scientific Conference ToSEE: Smart, Experience, Excellence & ToFEEL – Feelings, Excitement, Education, Leisure*, 30 June - 02 July 2021, Opatija, Croatia, University of Rijeka, Faculty of Tourism and Hospitality Management, pp. 195-213 ISSN 2706-2406 (<https://tosee.fthm.hr/index.php/conference-proceedings/category/11-tourism-in-southern-and-eastern-europe-2021-conference-proceedings>).
- Dragin, A. S., Majstorović, N., Mijatov, M., Janičić, B., and Stojanović, V. (2022a), "Clusters of Generation Z and Travel Risks Perception: Constraining VS Push-Pull Factors", in Mohanty, P., Sharma, A.,

- Kennel, J., Hassan, A. (Ed.) *The Emerald Handbook of Destination Recovery in Tourism and Hospitality*, Emerald, Bingley, UK, pp. 375-395.
- Dragin, A. S., Mijatov, M. B., Majstorović, N., Janičić, B., and Korovljević, D. (2022b), "COVID-19 Pandemic and Young Tourists' Travel Risk Perceptions", in Brunn, S.D., Gilbreath, D. (Ed.), *COVID-19 and a World of Ad Hoc Geographies*, Springer Cham, New York, Vol. 3, pp. 1755-1775.
- Dwivedi, Y. K., Hughes, D. L., Coombs, C., Constantiou, I., Duan, Y., Edwards, J. S., and Upadhyay, N. (2020), "Impact of COVID-19 pandemic on information management research and practice: Transforming education, work and life", *International Journal of Information Management*, Vol. 55, No. 102211, pp. 1-6. <https://doi.org/10.1016/j.ijinfomgt.2020.102211>.
- Gaidhani, S., Arora, L., and Sharma, Bh. K. (2019), "Understanding the attitude of Generation Z towards workplace", *International Journal of Management, Technology and Engineering*, Vol. 9, No. 1, pp. 2804-2812. <https://www.researchgate.net/publication/331346456>.
- Hargis, M. and Watt, J. D. (2010), "Organizational perception management: A framework to overcome crisis events", *Organization Development Journal*, Vol. 28, No. 1, pp. 73. <https://www.researchgate.net/publication/288292596>.
- Jiménez-García, M., Ruiz-Chico, J., and Peña-Sánchez, A. R. (2023), "Generation Z and intention to travel: Effects of the perception of COVID-19". *RIMCIS – International and Multidisciplinary Journal of Social Sciences*, Vol. 12, No. 1, pp. 40-68.
- Kniffin, K. M., Narayanan, J., Anseel, F., Antonakis, J., Ashford, S. P., Bakker, A. B., and Vugt, M. V. (2021), "COVID-19 and the workplace: Implications, issues, and insights for future research and action", *American Psychologist*, Vol. 76, No. 1, pp. 63-77. <https://doi.org/10.1037/amp0000716>.
- Li, C. and Huang, X. (2023), "How Does COVID-19 Risk Perception Affect Wellness Tourist Intention: Findings on Chinese Generation Z", *Sustainability*, Vol. 15, No. 1, pp. 141 (1-20).
- Li, Z. and Wang, H. (2009), "Research on the enterprise crisis management system basic on knowledge demand", In *Proceedings The 2009 International Symposium on Web Information Systems and Applications (WISA 2009)* (p. 5). Academy Publisher. <https://citeseerx.ist.psu.edu/document?repid=rep1&type=pdf&doi=b11505d3ef131c549208a84443243771e0fee31e#page=17>.
- Majstorović, N., Dragin, A. S., Mijatov, M. B., Stojanović, V., Zadel, Z., and Zelenović Vasiljević, T. (2021), "Socio-Economic Sustainability of Cultural Tourism in Mediterranean during the Covid-19 Pandemic", Buoincontri, P., Errichiello, L., Micera, R. (Ed.), *Post Covid-19 Tourism: A Pathway Towards Sustainable Development in the Mediterranean Region*, McGraw Hill Publishing, New York, pp. 241-262.
- Majstorović, N., Janičić, B., and Dragin, A. (2020), *Questionnaire of Management in Pandemic (USManPan-1)*. [Unpublished manuscript].
- Mijatov, M. B., Dragin, A. S., Majstorović, N., Janičić, B., and Zadel, Z. (2022), "The impacts of the COVID-19 on youth tourism and hospitality managers in-training", in Brunn, S.D., Gilbreath, D. (Ed.), *COVID-19 and a World of Ad Hoc Geographies*, Springer Cham, New York, Vol. 3, pp. 1879-1895.
- Mitroff, I. I. (1983), "Archetypal social systems analysis: On the deeper structure of human systems", *Academy of Management Review*, Vol. 8, No. 3, pp. 387-397. <https://doi.org/10.2307/257827>.
- Perčić, K. and Spasić, N. (2021), "How millennials and Generation Z organise travel during the COVID-19 pandemic", *Hotel and Tourism Management*, Vol. 9, No. 2, pp. 79-94.
- Rončák, M., Scholz, P., and Linderová, I. (2021), "Safety concerns and travel behavior of Generation Z: Case study from the Czech Republic", *Sustainability*, Vol. 13, No. 23, 13439 (1-17).
- Sánchez-Cañizares, S. M., Cabeza-Ramírez, L. J., Muñoz-Fernández, G., and Fuentes-García, F. J. (2020), "Impact of the perceived risk from Covid-19 on intention to travel", *Current Issues in Tourism*, pp. 1-15. <https://doi.org/10.1080/13683500.2020.1829571>.
- Shen, K. (2018), "Growth of rural tourism based on tourism destination life-circle theory-taking Xinyang Haotang Village as an example", *Journal of Xinyang Normal University Natural Science Edition*, Vol. 31, No. 1, pp. 68-72.
- Turner, A. (2015), "Generation Z: Technology and social interest", *Journal of Individual Psychology*, Vol. 71, No. 2, pp. 103-113. <https://doi.org/10.1353/jip.2015.0021>.
- Wang, Y., Hong, A., Li, X., and Gao, J. (2020), "Marketing innovations during a global crisis: A study of China firms' response to COVID-19", *Journal of Business Research*, Vol. 116, pp. 214-220. <https://doi.org/10.1016/j.jbusres.2020.05.029>.

Zrinka Zadel, PhD, Full Professor
University of Rijeka, Faculty of Tourism and Hospitality Management
Primorska 42, Opatija, Croatia
+385-51-294183
zrinka.zadel@fthm.hr

Aleksandra S. Dragin, PhD, Full Professor
University of Novi Sad, Faculty of Sciences
Department of Geography, Tourism and Hotel Management
Trg Dositeja Obradovića 3, Novi Sad, Serbia
Faculty of Law and Social Sciences and School of Engineering of Jaen,
University of Jaen, Jaen, Spain
+381-63-8306114
sadragin@gmail.com

Maja B. Mijatov Ladičorbić, PhD, Research Associate
The Corresponding Author
University of Novi Sad, Faculty of Sciences
Department of Geography, Tourism and Hotel Management
Trg Dositeja Obradovića 3, Novi Sad, Serbia
+381-64-2036990
majamijatov@gmail.com

Kristina Košić, PhD, Full Professor
University of Novi Sad, Faculty of Sciences
Department of Geography, Tourism and Hotel Management
Trg Dositeja Obradovića 3, Novi Sad, Serbia
+381-63-569116
tinicaus@yahoo.com

Ivana Ivančić, PhD, Assistant Professor
University of Rijeka, Faculty of Tourism and Hospitality Management
Primorska 42, Opatija, Croatia
+385-51-294692
ivanai@fthm.hr