Crisis Management in Cruise Tourism: A Case Study of Dubrovnik

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Purpose – The main purpose of this research was to investigate the existence of crisis management within Dubrovnik stakeholders of cruise tourism.

Design/Methods/Approach – In this paper, the author decided to use two paradigms: pragmatism and positivism, which are usually followed by quantitative techniques of data collection. A structured questionnaire enabled the author to collect quantitative data that were processed by descriptive statistics.

Findings/ Practical implications – From this research we have determined that most of the Dubrovnik stakeholders of cruise tourism do not have a developed system of crisis management and have not developed leadership in crisis management either. Taking into account the information that we obtained in this study, the author's opinion is that it is necessary to offer a strategic framework of leadership in crisis management that could be used by small and medium-sized cruise tourism stakeholders in Dubrovnik.

Research limitations – The main limitations of this research paper were that only one cruise company was interviewed and that the author of this research paper was not able to verify whether there was indeed a crisis management strategy in the organizations that claimed to have one.

Originality/value – This article depicts current trends in crisis management among Dubrovnik stakeholders of cruise tourism and offers a strategic framework for leadership in crisis management that could be used by small and medium Dubrovnik stakeholders of cruise tourism.

Key words: Cruise tourism in Dubrovnik, Crisis management, Crisis leadership

Introduction

Cruise tourism as known today has its roots in 1966 when Ted Arison, a young Israeli colonel and former fighter in the Arab-Israeli wars, immigrated to the United States and started a business venture that would many years later be known as the Carnival Corporation (Dickinson & Vladimir, 2008, p. 20). In 1970, cruise tourism recorded around 500,000 tourists (Berger, 2004, p. 3), who used cruises as a form of their vacation; over four decades later, in 2014, that number was 22.1 million tourists (CLIA, 2015a, p. 6). Although in the beginning cruise tourism was mainly focused on the North American market and des- tinations that are located in the Caribbean Sea, to- day's cruise tourism has a wider global distribution in which Mediterranean cruises account for 19.5% of the world's cruise tourism (CLIA, 2015b, p.1).

Although cruise tourism is extremely vulnerable to business risks and impacts of adverse events that may lead to crisis, this topic remains quite unexplored. Operational risks that can lead to negative economic consequences for cruise tourism have been examined by London (2010), who, in an interesting way, in the case of cruise tourism in New Zealand, presented five risk management strategies: Establishment of a committee for the co-ordination of

cruise tourism, Cruise culture development, Education and training, Creation of national cruise manuals, and Creation of trust and recognition of cruise brand. Hoogkamer (2013) wrote about the challenges of preserving cities of historical importance (using the example of Charleston, South Carolina, USA) under the influence of cruise tourism. In her work, she drew attention to the threats that are the consequences of cruise tourism: pollution by ships, uncoordinated development of destinations under the pressure of the cruise industry, and the loss of intangible heritage influenced by the mass influx of tourists from cruise ships (ibid.).

The newly established situation of cruise tourism in Dubrovnik carries a number of hidden threats that could lead to crisis situations with negative consequences. Dubrovnik has a significant economic benefit from cruise tourism, which is reflected in direct spending of tourists from cruise ships in Dubrovnik as well as indirect benefits that are reflected in the spread of awareness about Dubrovnik as a desirable cultural and historical destination. Bearing in mind that rapid success carries hidden risks and dangers that may, under unfavourable combinations of circumstances, lead to crises, the author of this paper believes that Dubrovnik cruise tourism stakeholders are inadequately prepared for managing crisis situations.

Cruise Tourism in a Cultural and Historical Destination (Dubrovnik)

Data on the physical traffic of cruise tourism in Dubrovnik is officially monitored and published by the Dubrovnik port authority; according to their data, in 2014, Dubrovnik recorded 806,588 tourists brought by cruisers during their 463 arrivals (www.portdubrovnik.hr, 2014). The economic contribution of cruise tourism in Dubrovnik is extremely important, so IZTZG (Institute for Tourism, Zagreb, 2007, p. 75) estimates that 599,462 tourists from cruise ships produced income between 20 and 23 million euros in 2006. If we assume that the dynamics of the consumption of tourists from cruise ships was the same in 2014, it appears that 806,588 tourists from cruise ships produced revenues of around 29 million euros.

As one of the leading cruise destinations in the Mediterranean, Dubrovnik faces challenging impacts of cruise tourism, so it is not surprising that

many authors from different viewpoints have written about the impact of cruise tourism there. Thus, IZTZG (2007) and later Benic (2011) described the impacts of cruise tourism on the economy, society, and environment. The negative impact of cruise ships on the environment has been investigated by several authors (Milosevic & Jurjevic, 2004; Jelavic & Kurtela, 2007; IZTZG, 2007; Caric, 2010; Benic, 2011; Peric & Orsulic, 2011), while the problem of the overcrowding of Dubrovnik by tourists from cruise ships has been processed by Raguz Perucic and Pavlic (2012). The challenge of setting the limits of cruise tourism capacity, or its development and carrying capacity is taken up by Ban, Perucic, and Vrtiprah (2014). By summarizing all of the above research studies we come to several recommendations which are necessary for the quality management and sustainable development of Dubrovnik: setting a maximum daily capacity of visitors from cruise ships (8,000 per day); the implementation of the integrated management system in the port of Dubrovnik; better coordination and management of all stakeholders of Dubrovnik cruise tourism; creating a center for the coordination and management of cruise tourism in Dubrovnik; fairer distribution of cruisers or the demand during a year / week / day in order to keep the attractiveness of the destination to the satisfaction of local residents and all tourists; review of legal regulation for the protection of the environment due to the extreme sensitivity of ecosystems; constant monitoring and adaptation of business strategies.

The Fragility of Cruise Tourism in a Cultural and Historical Destination (Dubrovnik)

Cruise tourism in Dubrovnik takes place around its cultural and historical heritage and is closely linked to cultural tourism. Cultural heritage is always in danger of war; sudden, violent natural disasters; political and economic pressures as well as the everyday impact of slow decay, wear and neglect (Stovel, 1998, p. 17). The dynamics of everyday life in which we live constantly increase the potential of threats that can develop into crises of cruise tourism in Dubrovnik. In the not so distant past, Dubrovnik experienced negative consequences for its entire tourism sector under the influence of conflicts, wars, political and economic pressures and in the distant past the catastrophic impact of natural forces. Marx (1851) stat-

ed that: 'History tends to repeat itself, first as a tragedy and then as a farce.' Stovel (1998, p. 13) notes that there are passive resistance and a lack of interest in conservative communities regarding the planning and preparation for emergency events. It follows that it is the utmost duty of Dubrovnik cruise tourism stakeholders to create a culture of open and constructive dialogue that would bridge the differences between themselves and those who are directly responsible for planning emergency events and those that must provide support during emergencies.

Crises and Crisis Management in Tourism
Faulkner (2001, p. 135) argues that we live in a world prone to disasters and that the number of disasters and crises affecting the tourism industry is growing. In recent years, global tourism has, in fact, experienced a number of crises and disasters, including terrorist attacks, political instability, epidemics, natural disasters and economic recessions (Ritchie, 2004, p. 669). Glaesser (2006) notes that the development and prosperity of the tourism industry are from time to time threatened under the influence of negative events (terrorist attacks in Egypt, Bali, New York; SARS; the tsunami in Asia). Tourism is unable to isolate itself from external influences, and unforeseen events may cause crises in tourism (Henderson, 2007, p.1). Contemporary crises do not recognize and disrespect national boundaries and do not restrict themselves in specific legislative areas so that smaller crises in one part of the world can cause significant impacts in other parts of the world, due to the globalization of the tourism market (Maditinos & Vassiliadis, 2008, p. 68).

Crisis and Crisis Attributes
Many authors have attempted to define 'crisis' to better understand this phenomenon; however, even today we are surprisingly in a situation in which we still have no generally accepted definition of a crisis, and the very concept of the crisis is overused (Pauchant & Mitroff, 1992; Ritchie, 2004). Pauchant and Mitroff (1992, p. 12) believe that the crisis is 'disruption that physically affects a system as a whole and threatens its basic assumptions, its subjective sense of self, its existential core.' One of the first comprehensive definitions was developed by Pearson and Clair (1998) who claims that an organizational crisis is a rather

unlikely, strong-shock event that threatens the further feasibility of the organization and is characterized by the dimness of causes and outcomes as well as by a deep belief that decisions must be made quickly (see in Crandall, Parnell & Spillan, 2010). The crisis is a sudden or developed change, which results in a problem that must be addressed immediately (Harvard Business School Essentials 2004).

Santana (2003) points out that a crisis is a process that starts from events that, if not properly addressed, have the potential to evolve and cause an adverse outcome. Taking into account, the duration of a crisis, Pearson (1996) lists three types of crises: *a sudden crisis, successive crisis,* and *prolonged crisis.* Exploring the roots of crises, Henderson (2007) finds that the causes of most crises in tourism are located in the economic, political, socio-cultural, environmental and technological domains. Indeed, crises and disasters are a universal reality, and they are an inseparable part of the human condition (Mitroff 2004, p.33). Acknowledging the fact that most crises are not defined by one event or that causes may arise repeatedly overlapping with the initial and final stages of the cycle of a crisis (Heifetz & Linsky, 2002, see Braden et al. 2004), Braden et al. (2004) have created a model that gives us a clear insight into the cycle of crises.

Crisis life-cycle Model
The crisis life-cycle is framed by time and degree disequilibrium (Braden et al. 2004, p. 5). The vertical axis illustrates the amount of stress or chaos felt by members of the organization and it can be divided into a *comfort, learning and danger zone* (Saar, 2004, see in Braden et al. 2004, p. 5). The comfort zone is considered to be the status quo, and this is where most of the organizations or bureaucracy wants to stay. Unfortunately, organizations that remain locked in a *comfort zone* hold their values, culture, and operational paradigm in a static state in relation to an environment that is forever changing (Braden et al., 2004). Above the comfort zone, there is a critical area bordered by a *learning zone* and *danger zone*. The line above *the comfort zone* has been described as the minimum amount of stress that is needed in order to change the organization. The size of the *learning zone* is directly related to the organizational ability to manage stress. Crossing over the line of the *learn-*
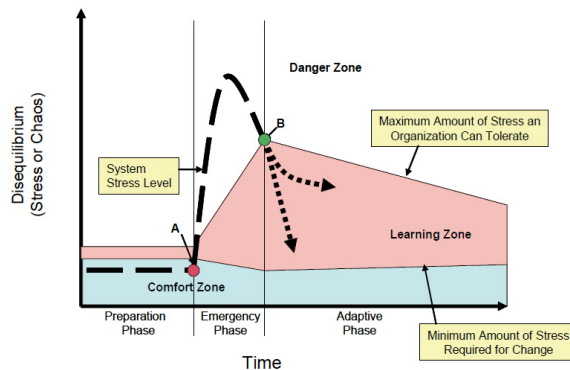
Figure 1   Crisis life-cycle model
Source   Braden et al. (2004, p. 6)

ing zone, we enter the danger zone. The line between *the learning zone* and *the danger zone* is the limit at which too much stress can cause organizational collapse. Crises typically cause a situation where the organizational stress level jumps into *the danger zone.* One quite challenging task of leadership is to create a sufficient amount of instability that will keep the organization in the *learning zone* but outside *the danger zone* (Braden et al., 2004).

Crisis Management in Tourism

Crisis management can be observed from the functional and institutional aspect. Institutional crisis management refers to a group of people who are responsible for the activities of crisis management, and they are the bearers of functional crisis management, which is related to the tasks and processes changes in the time at which a crisis occurs (Glaesser, 2006, pp. 21-22, Popesku, 2011). Indeed, understanding the type of crisis to which the destination is receptive greatly influences the development and implementation of strategies for crisis management (Ritchie, 2004, p. 675).

Strategic framework of Crisis Management in Tourism

The interweaving of human and natural systems has led to an extremely complex situation in which all of today's organizations and tourist destinations, during their life cycle, may be confronted at some point with inevitable changes that may lead to a crisis or disaster (Faulkner, 2001). All businesses are on the brink of chaos, and leaders must accept the fact that although their businesses are currently not in crisis,

they are still in the introductory phase or in the crisis preparation phase (Fink, 2000). Ritchie (2004) offers a strategic framework for the management of crises and catastrophes in the public and private sectors of the tourism industry, and his model consists of three main stages: prevention and planning; implementation; and evaluation and suggestions.

Crisis and Disaster Management: a Holistic Strategic Approach

Crisis and Disaster Prevention and Planning

During the phase Pre-event and Prodromal stage*,* there is a number of activities that can be undertaken by the private and public sector regarding developing strategies and plans to prevent or mitigate the impact of a crisis or disaster (Ritchie, 2004, p. 674). Proactive, strategic planning significantly reduces risks, failures in communication, improves the management of resources and mitigates the manifested effects of a crisis (Heath, 1998, p. 17).

Strategic Implementation

When a negative event begins to develop into a crisis, for managers this is a clear signal that they are entering the *Prodromal stage* phase of the crisis cycle (Ritchie, 2004, p. 675). Ritchie (ibid., pp. 675-679) argues that if managers are aware of the impending crisis, and in this regard during the earlier stages have developed clear contingency or emergency procedures, then the following steps lie ahead:

– *Strategic evaluation and strategic control* boil down to the quick choice of strategies and their implementation to limit the harm caused by the crisis.

– *Crisis communication and control* is a communication strategy prepared in detail that is primarily engaged in providing accurate and consistent information to the public, with the empowerment of the image of an organization that has faced the crisis.

– *Resource management* of a destination or organization is nothing more than the process of reorganizing and reconfiguring all existing resources. It is very important that the standard bureaucratic management structure is replaced by a freer structure that provides greater flexibility.
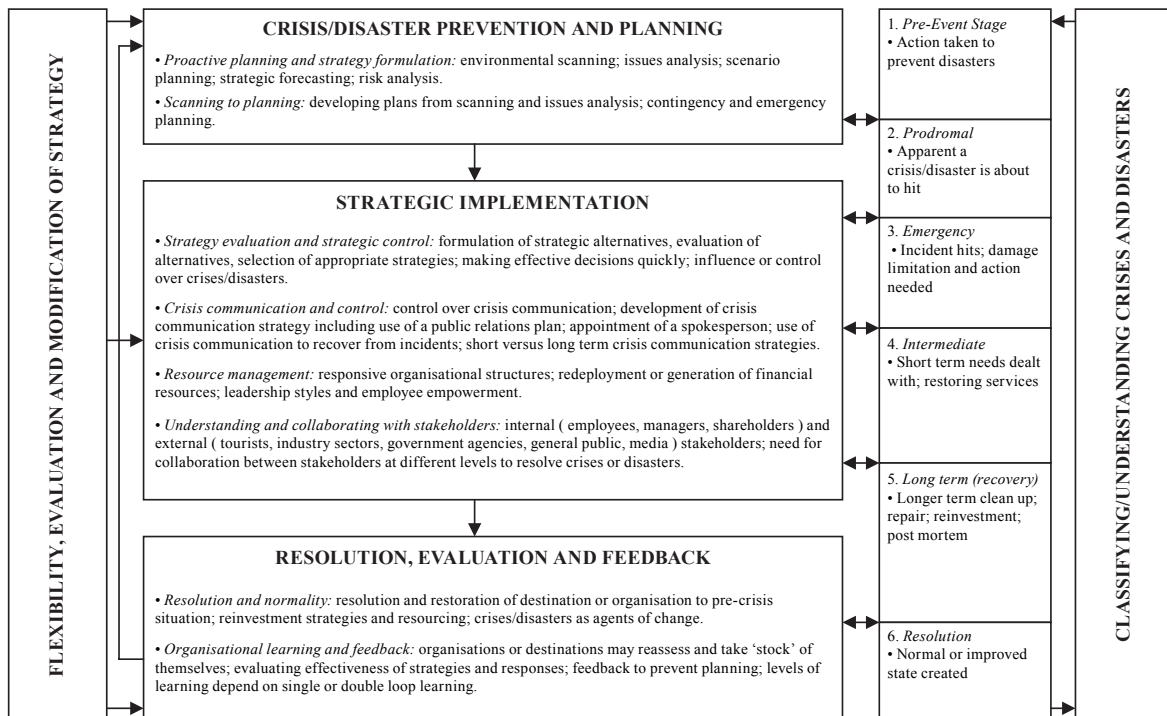
CRISIS/DISASTER PREVENTION AND PLANNING

• *Proactive planning and strategy formulation:* environmental scanning; issues analysis; scenario planning; strategic forecasting; risk analysis.

• *Scanning to planning:* developing plans from scanning and issues analysis; contingency and emergency planning.

STRATEGIC IMPLEMENTATION

• *Strategy evaluation and strategic control:* formulation of strategic alternatives, evaluation of alternatives, selection of appropriate strategies; making effective decisions quickly; influence or control over crises/disasters.

• *Crisis communication and control:* control over crisis communication; development of crisis communication strategy including use of a public relations plan; appointment of a spokesperson; use of crisis communication to recover from incidents; short versus long term crisis communication strategies.

• *Resource management:* responsive organisational structures; redeployment or generation of financial resources; leadership styles and employee empowerment.

• *Understanding and collaborating with stakeholders:* internal (employees, managers, shareholders) and external (tourists, industry sectors, government agencies, general public, media) stakeholders; need for collaboration between stakeholders at different levels to resolve crises or disasters.

RESOLUTION, EVALUATION AND FEEDBACK

• *Resolution and normality:* resolution and restoration of destination or organisation to pre-crisis situation; reinvestment strategies and resourcing; crises/disasters as agents of change.

• *Organisational learning and feedback:* organisations or destinations may reassess and take 'stock' of themselves; evaluating effectiveness of strategies and responses; feedback to prevent planning; levels of learning depend on single or double loop learning.

FLEXIBILITY, EVALUATION AND MODIFICATION OF STRATEGY

1. *Pre-Event Stage*
• Action taken to prevent disasters

2. *Prodromal*
• Apparent a crisis/disaster is about to hit

3. *Emergency*
• Incident hits; damage limitation and action needed

4. *Intermediate*
• Short term needs dealt with; restoring services

5. *Long term (recovery)*
• Longer term clean up; repair; reinvestment; post mortem

6. *Resolution*
• Normal or improved state created

CLASSIFYING/UNDERSTANDING CRISES AND DISASTERS

Figure 2   Crisis and disaster management: a holistic strategic approach
Source   Ritchie (2004, p . 674).

– *Understanding and collaborating with stakeholders* is essential in order to successfully plan and manage crises in the tourism industry. The logic of this relationship lies in a strong interrelation between individuals and groups within the tourism industry, and their need to develop a successful strategy for resolving crises when they occur.

Resolution, Evaluation, and Feedback
Strategically speaking, the last phase takes place while the organization or destination are recovering from the crisis and returning to normal activities (Ritchie, 2004, p. 679). The improved state of an organization and a destination is possible only if the organization gains new knowledge from the crisis, changes its procedures and modifies strategies that have not proven to be effective; it is these actions that are pillars of the prevention and proactive planning (Ritchie, 2004, p. 679).

Crisis Communication and Crisis Communication Strategies
Communication is an extremely important instrument during all phases of crisis management.

Therefore, it is of great importance to communicate through the media to accurately frame the crisis in the public perception (Harvard Business School Essentials, 2004, p. 94). Crisis communication is the management of the perception of the reality that takes place, and it has the function of retelling the public what is happening (or what you want the public to know what is happening); essentially, crisis communication shapes public opinion (Fink, 2013, p. 8).

Many authors have written about the importance of crisis communication strategies (Pauchant and Mitroff, 1992; Coombs, 2007a, 2011; Crandall, Pranell & Spillane, 2010; Fink, 2013); however, Crandall, Pranell and Spillane (2010, p. 150) argue that an effective crisis communication strategy is necessary to successfully manage the crisis. Indeed, various crises require different crisis communication strategies; for this reason, organizations must, first of all, understand exactly in what kind of crisis it is possible to apply the appropriate crisis communication strategy (Fink 2013, p. 180). Via the conceptualization of the

phenomenon, Coombs (2006, 2007b, p. 170) proposes four strategies of crisis communication (three primary and one secondary) depending on the perception of responsibility for a crisis that has occurred:

Primary

1. *Denial*: frames the group of communication strategies which aims to prove the absence of a crisis or to separate all connections between the organization affected by the crisis and the crisis. Three tactics are used in the framework of this strategy: *Attacking the accuser*, *Denial* and the *Role of scapegoat*.

2. *Reduction*: is a communication strategy that is used when an organization accepts the existence of a crisis and when it tries to show that it has very little control over the crisis that has occurred. The tactics used on this occasion are *Excuse* and *Justification*.

3. *Reconstruction*: is a communication strategy that is used when an organization affected by a crisis attempts to rebuild its legitimacy and protect its reputation, while *Compensation* and *Apology* are two tactics used on this occasion.

Secondary

4. Bolstering: is a group of strategies that show the organization and its relationship with stakeholders in a positive light. When using *Bolstering* strategy, the tactics used are *Reminding*, *Ingratiation,* and the *Victim*.

Events That May Adversely Affect Cruise Tourism in Dubrovnik

Glaesser (2006, p. 16) defines a negative event as an incident within an organizational environment that can threaten, weaken and destroy the competitive advantages or significant goals of the organization. In many ways, this view of a negative event and its potential is reminiscent of Gleick's (1987) theory of chaos, in which the state of chaos can be explained as a phenomenon with a hidden pattern, whereby chaotic systems have sensitive connections with the initial state and are unpredictable in their outcome. Lorenz (1993) further notes how even a small change in the initial data input can lead to very different outcomes. He metaphorically calls this event the 'butterfly effect' and argues that the behaviour of chaot-

ic systems cannot give long-term predictions but at best can only give accurate short-term forecasts. Several authors believe that the chaos theory is extremely useful for understanding complex systems, such as crisis events, because chaos theory views the world as a complex system of constant motion and change (Kiel, 1995; Morgan, 1997; Sellnow et al. 2002, see in Crandall, Pranell & Spillane, 2010).

In the spirit of the preceding, cruise tourism in Dubrovnik as a system has the characteristics of constant movement and change; therefore, it carries a certain level of predisposition to crises. Because of the specific aspects of cruise tourism in Dubrovnik, negative events that may lead to a crisis are numerous, but most of them can be grouped into several types according to the cause: *terrorism* (state terrorism, bio-terrorism, religious terrorism, nuclear terrorism and cyber-terrorism); *political* (political instability, social unrest, the strengthening of ultra-right and ultra-left structures, a war in the region, relations between NATO and Russia (the crisis in Ukraine)); *economic* (stock market crash, inflation, currency fluctuations, recession and credit contractions); *health and epidemiological* (acute gastroenteritis caused by Norwalk virus, severe acute respiratory syndrome (SARS), Ebola, avian flu (H5N1) and Legionnaires disease) and *environmental* (elevated air temperature, sea pollution by wastewater from cruisers, a devastating magnitude earthquake (natural disaster), drought and air pollution by cruise ships).

Crisis Leadership

The concept of crisis leadership is based on 'thinking the unthinkable', where the 'unthinkable' is the event with an extremely low probability but with very high consequences, and the events that are leading up to the crisis (Mitroff, 2004, p. 14). Mitroff (ibid., p. 10) argues that *Crisis leadership* is a much more successful way to manage the crises because of its proactive character as opposed to *Crisis management,* which is essentially of a reactive nature as it deals with crises only after they occurred.

Characteristics of the leaders of *Crisis leadership*

In the first written scientific study on the strategies of war, von Clausewitz (1832) noted that, before each battle started, great military leaders like Napoleon

Bonaparte, first visualize what is needed to be accomplished in order to win, and then follow their intuition, adapting their activities along the way to the unexpected events they encounter (see in Pfeifer, 2013). George (2009), making a parallel between crises and wars, argues that both have very uncertain outcomes, which is why the generals and leaders of organizations during crises and wars are at the limits of their abilities while they are forced to use all their wisdom and courage to successfully move the organization out of the crisis, that is, to win the war.

During crises, the leaders are greatly tempted; indeed, Boin et al. (2005) observe that the success or failure of leaders depends on the results of their confrontation with five critical tasks: *giving a meaning to a crisis*; *decision making during a crisis*; *giving significance to a crisis*; *ending a crisis*; and *learning from a crisis*. Recognizing morals and lessons from previous crises is one of the most important features that separate the successful from the unsuccessful crisis leaders (George, 2009)

Characteristics of *Crisis leadership*

Lagadec (1993, p. 54) points out that success in managing the crises lies with the structures developed before the occurrence of the crisis. Weick and Sutcliffe (2007) state several features that adorn the organizations with *Crisis leadership;* they call those organization *Resilient organizations*. Such organizations are built on a well thought-out basis that lies on five fundamental principles being: *failure preoccupation, resistance to simplifying, sensitivity during activity, commitment to flexibility and respect for expertise* (Weick & Sutcliffe, 2007). The significance of flexibility in organizations that cultivate the culture of the *Crisis leadership* is seen by McCann and Selsky (2012). The main attributes of the organizations of *Crisis leadership* are: appropriateness, awareness, orientation towards action, resourcefulness, and connections (McCann & Selsky, 2012)

Strategies of *Crisis leadership*

After analysing many historical crises, Braden et al. (2004, p. 16), developed seven essential strategies of Crisis leadership, shown in Figure 3.
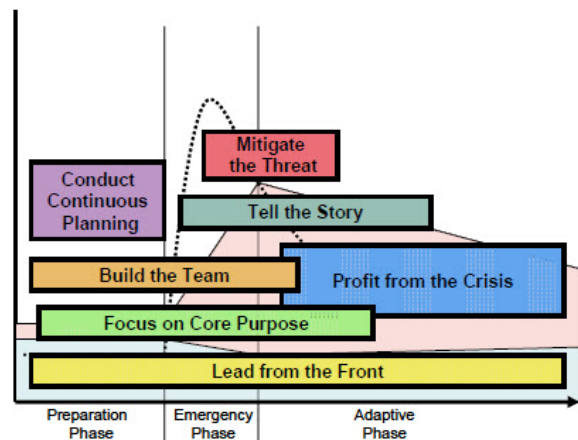

Figure 3   Strategies of crisis leadership
Source   Braden et al. (2004, p. 17)

Strategies of Crisis leadership

Lead From the Front

During crises, people express a desire for a strong, reliable, and visibly engaged leader (Harvard Business School Essentials, 2004, p. 86). At the very least, the leader of the Crisis leadership must be visible, balanced, brave, dedicated and attentive (Braden et al., 2004, p. 24); during the crisis, he must exhibit the following characteristics:

– *visibility and image* are what the most effective leaders (e.g. Winston Churchill, Lee Iacocca, Rudolph Giuliani) demonstrate during crises (Harvard Business School Essentials, 2004, p. 87);

– *to demonstrate courage* is a very important aspect of being a leader, in which he/she continues to act despite feeling fear (Collins, 2003, p. 54);

– *to show commitment* is the ability of a leader to show his determination to carry out all the tasks in the work (Braden et al. 2004, p. 27);

– *to maintain perspective* is the ability of a leader not to lose the ultimate goal of his sight regardless of the phase of the cycle of crisis in which he is found (Braden et al., 2004, p. 27).

Focusing on Core Purpose

During his stay in Auschwitz and other Nazi concentration camps, Frankl (1985, p. 95) the creator of logotherapy, observed that people who have faith in a better future also have a greater chance of surviv-

al. Braden et al. (2004) summarize several key principles of this strategy:

– *know and understand core purpose*: happens when the leader of the *Crisis leadership* accepts that identifying the organization's higher purpose is of colossal importance because it provides the foundation for every decision and action within a crisis plan;

– *to instil value and align with reality*: it is the duty of a leader to close all gaps between organizational values, organizational behaviour and the reality in which the organization is (Heifetz & Linsky, 2004, see in Braden et al. 2004, p. 33);

– *to provide vision and embody values* is the instrument of unification that the leader uses to stabilize the employees of the organization during the crisis;

– *to consistently assess and update purpose* is when the leader updates the organization's higher purpose and values to ensure the relevance of the current and future environment (Braden et al., 2004).

Build the Team
In order to successfully survive the crisis, it is of great importance that a leader builds quality teams diagonally in and outside the organization, paying attention to:

– *nurturing relationship*: since the personal ties are structural elements of all teams;

– *internal team building*: is the process in which the leader provides feedback to employees during the crisis and in return gets an emotional connection from which he derives benefits such as loyalty, support, patience and cooperation of employees (Klann, 2003, p. 33);

– *external team building*: is the next step where a leader must not forget the external stakeholders of the organization (Braden et. al., 2004).

Conduct Continuous Planning
Continuous planning boils down to finding and executing a large number of decisions before a crisis occurs (Harvard Business School Essentials, 2004, p.

36). Braden et al. (2004) distinguish the following processes of continuous planning:

– *identify risks and potential crises:* the environment is analysed, and the main risks in the operating environment are recognized and avoided (Harvard Business School Essentials, 2004, p. 2);

– *establish and monitor sensors*: a necessary step for the simple reason that all crises send early warning signs;

– *develop a crisis action plan*: the process of the formation of the detailed document that provides a methodology for crisis management;

– *test the plan*: the obligation of a leader that should not be neglected under the influence of the assumption that untested crisis action plan works in reality as conceived and written on paper (Braden et. al., 2004).

Mitigate the Threat
Braden et al. (2004) recommend the following measures that lead to successful mitigation of a crisis:

– *take the action*: at the moment immediately after the impact of the crisis when the leader must identify the problem and determine the measures aimed at stabilizing the situation (Harvard Business School Essentials, 2004, p. 67);

– *being on "scene"* is the responsibility of leaders sending a strong, clear message that they fully understand the seriousness of the situation (Harvard Business School Essentials, 2004, p. 69);

– *consultation with a team expert*: is common when a leader is flooded by sensitive decisions because of which he needs help (Braden et. al., 2004).

Tell the Story
Effective communication is critical for leaders when framing the story in the perception of public opinion (Harvard Business School Essentials, 2004, p. 94). In the framework of this strategy, Braden et al. (2004) state the following needs:

– *spokesman*: is a role that is at the position assigned to the leader who possesses inner discipline and balance;

- *timely and honest communication*: is essential to successful crisis management; a leader must promptly provide all available information (i.e. his message) must be truthful and accurate during the crisis (Harvard Business School Essentials, 2004, p. 94);

- *shaping the message*: is the virtuosity of leaders during which they decide on a principled message that they want to convey through their stories (Braden et. al., 2004).

Profit From a Crisis

Strong links that were created during the early phase of the cycle of crisis become more accentuated as the crisis drags on; consequently, it is the duty of the leaders to take a step towards a rapid resolution of the crisis (Harvard Business School Essentials, 2004, p. 80). Braden et al. (2004) provide the following tactical steps to end the crisis:

- *normalization of business*: beginning immediately after the leader pulled the organization from the danger zone;

- *learning from the crisis*: acting soon after the completion of the crisis; all participants in the crisis should distinguish what went well during the crisis and what did not, or what can be learned from the crisis (Harvard Business School Essentials, 2004, p. 114);

- *adjustment of the organization*: is the ideal opportunity for the leader to show the necessity of reinventing the organization itself and the danger of returning organizational operations to the *status quo* (Braden et. al., 2004).

Research Methodology

The aim of the research was to investigate the existence of crisis management within the stakeholders of cruise tourism in Dubrovnik as well as the differences in the perception of negative events that may lead to a crisis in Dubrovnik cruise tourism. To fulfil the objective of the research it is necessary to answer the following questions:

1. Is there crisis management within the stakeholders of cruise tourism in Dubrovnik, and is there a readily appointed leadership (organizational philosophy, responsible person, and organization-

al structure) in crisis management within stakeholders of cruise tourism in Dubrovnik?

2. Are there any differences (among stakeholders of cruise tourism in Dubrovnik) in the perception of negative events that could lead to crises of cruise tourism in Dubrovnik, regarding specific demographic variables including sex, age, level of education, occupation and the role of cruise tourism in Dubrovnik (cruise company - destination)?

In this paper, the author decided to use two paradigms: pragmatism and positivism, which are usually followed by quantitative and qualitative techniques of data collection. The review of existing literature indicates that many authors have written specifically in tourism but not about crisis management in cruise tourism. The research strategy was based on an active research since the author, because of the nature of his work, is directly involved in cruise tourism and during the preparation of this work had the opportunity to observe social developments in cruise tourism, both on the ship and on land. In addition to the research, an established theory in order to better understand certain behaviours was used. A structured questionnaire enabled the author to collect quantitative data that were processed with descriptive statistics. In addition to the structured questionnaire, secondary data and personal observations of the author were also used. Archival research was also used in this study to acquire the necessary data from archived reports and documents. The time design of the research had a transversal character, and 'transversal studies mostly use a questionnaire as a strategy' (Easterby-Smith et al., 2008, Robson 2002, cited Saunders et al., 2009, p. 155). In this paper, the author used the 'quick snapshot' method to investigate certain phenomena in a given period. Using the obtained answers to the research questions, the authors' observations and the help of relevant literature, the author will present a strategic framework for the leadership of crisis management for small and medium stakeholders of Dubrovnik cruise tourism.

Research Results

After exponential growth, cruise tourism in Dubrovnik has consolidated and become an indispensable segment of tourism activities relying on a

growing number of stakeholders in Dubrovnik. Although cruise tourism in Dubrovnik is located in the mature stage of the life cycle of the destination, crisis management, both as an abstract concept and in the full sense of the word, is still unknown to the vast majority of stakeholders.

Designing the Questionnaire and Statistical Methods
In this research, the author used a semi-structured questionnaire that is designed to provide with the data on the perception of negative events that could lead to a crisis in cruise tourism in Dubrovnik. The questionnaire also gave us information as to whether there is crisis management with stakeholders of cruise tourism in Dubrovnik or whether there is leadership in crisis management with stakeholders of cruise tourism in Dubrovnik. The questionnaire is designed under the strong influence of Henderson's (2007) typology of threats that can lead to crises in tourism but also under the influence of Beirman's (2003) and Lepp & Gibson's (2003) similar factors. Taking into account the work of the above-mentioned authors, the current geopolitical situation in the world, as well as the author's many years of experience with 14 cruise ships on which he worked as the head of the business unit, the author of this work, through dialogue with his colleagues in the cruise industry, and with his close acquaintances from the Dubrovnik cruise sector, decided on a questionnaire containing 25 adverse events that may lead to a crisis in cruise tourism in Dubrovnik. The negative events cited were grouped into five dimensions (*terrorism, political events, economic impact, health / epidemiological impacts and climate / environmental impacts*). The perception of individual adverse events was measured with a Likert scale from one (strongly disagree) to five (strongly agree). The total values of individual dimensions were obtained by summing the values of negative events within the specified dimensions.

The second part of the questionnaire used a Likert scale from one (strongly disagree) to five (strongly agree) to measure the agreement with the findings relating to the existence of crisis management and the degree of agreement with the statement whether there is leadership in the crisis management with stakeholders in cruise tourism in Dubrovnik.

The third part of the questionnaire was used to obtain the basic demographic characteristics of respondents. All quantitative data obtained through a structured questionnaire were analysed using the statistical software package SPSS 21. Descriptive data analysis was performed to determine the intensity of mean values and standard deviations of agreement with the statements of the respondents. After descriptive analysis of the data, there was a more intensive analysis using an independent t-test of mean values, analysis of variance (ANOVA) and Tukey post hoc test. Each dimension of the questionnaire has a minimum value of 5 points and a maximum value of 25 points.

The Sampling of Respondents and Collecting Data
The target population of this study were the leading Dubrovnik stakeholders of cruise tourism in Dubrovnik, as well as employees in the Disney Cruise Line company. The research was quite challenging because Dubrovnik cruise tourism is extremely fragmented and broad; consequently, the author decided to include the leading tour operators who serve approximately 70% of the cruise companies, followed by the largest hotel chains in Dubrovnik, the tourism community of Dubrovnik, the Dubrovnik port authority, the city council, the well-known restaurants, a few guides as well as two professors from the local university (RIT). The author also thought it would be useful to include the representatives of the cruise industry, for which he chose the employees on the Disney Magic cruise ship who stayed on board during his visit to Dubrovnik. Taking into account the circumstances of the research, the author distributed 100 questionnaires in the period from 11 March 2015 to 10 April 2015. The first completed questionnaires were returned to the author on 13 March 2015; by 17 April 2015, a total of 76 completed questionnaires had been collected, which amounts to a 76% of the selected target population.

Demographic Characteristics of the Sample
The obtained demographic data will provide a better understanding of the specificity of the sample when viewing the test results. Demographic characteristics of the sample are shown in Table 1.

The total sample consisted of 76 respondents, and the gender representation was fairly equal. The age

Table 1   Demographic characteristics of the sample

Demographic Variable	n	Valid%
Gender		
Male	42	55%
Female	34	45%
Age		
30-40	45	59%
41-50	18	23%
51+	13	18%
Cruise company vs Dubrovnik stakeholders		
Cruise company	24	32%
Dubrovnik stakeholders	52	68%
Level of Education		
High school (secondary school)	7	10%
Associate degree	21	28%
Bachelor's degree	28	36%
Master's degree and doctoral degrees	20	26%
Occupations		
Owner	4	6%
Executive	10	13%
Steering committee member	6	8%
Senior manager in business unit	18	24%
Junior manager in business unit	11	14%
Clerk in business unit	14	18%
Tourist guide	11	14%
Human resource/teacher/ professor	2	3%
Role within cruise tourism		
Cruise company	24	32%
The city council	3	4%
Human resource	2	3%
Port authority	2	3%
Restaurants	4	5%
Hoteliers	13	17%

Demographic Variable	n	Valid%
Tour operators	10	13%
Tourism community	5	6%
Guides	13	17%

of the sample was dominated by a group made up of respondents aged 30-40 years. Dubrovnik stakeholders were represented with 68% in the sample, and the education level of respondents was evenly distributed except for respondents with secondary education, who were in the minority and account for only 10% of the sample. The sample broadly covered the occupations of respondents, so in Table 1 we note that the perceptions of senior managers, clerks, and executives of organizations are leading followed by junior managers with 14% and finally the owners with 6%. The role within cruise tourism of respondents reflected the current image of Dubrovnik cruise tourism, in that the cruise companies are represented with 32% of the respondents, followed by hoteliers and guides with 17% and tour operators with 13% of respondents.

**The Existence of Crisis Management
with Stakeholders of Dubrovnik Cruise Tourism**
Table 2 is a clear indication of the fact that crisis management is very poorly represented among stakeholders of Dubrovnik cruise tourism; however, those respondents who claimed that their organizations have crisis management have also agreed that there is a crisis management leadership within their organizations.

Table 2   The existence of crisis management in cruise tourism stakeholders

The existence of crisis management	Yes	No
Cruise company		24
The city council	3	
Human resource	2	
Port authority	2	
Restaurants		4
Hoteliers		13
Tour operators		10
Tourism community		5

The existence of crisis management	Yes	No
Guides		13

Agreement with the statement about whether there is leadership in the crisis management

Cruise company	Without answer
The city council	Agree
Human resource	Agree
Port authority	Agree
Restaurants	Without answer
Hoteliers	Without answer
Tour operators	Without answer
Tourism community	Without answer
Guides	Without answer

Perceptions of Respondents on the Dimensions of Negative Events that Could Lead to a Crisis in Cruise Tourism in Dubrovnik

Table 3   Mean values of the perceived dimensions of negative events that may lead to crises of cruise tourism in Dubrovnik

Perceived dimensions of negative events	N	Mean (M)	Std. Deviation (SD)
Health / epidemiological	76	16.63	4. 86
Economic	76	15.48	3. 98
Climate / environmental	76	14.61	4. 21
Terrorism	76	18.64	4. 49
Political events	76	17.44	3. 98

From Table 3, it can be concluded that the respondents perceived the negative events clustered around the dimensions *Terrorism* (M = 18.64) to be the highest potential risk, while negative events grouped around *Climate / environmental* dimension were perceived as a threat with the lowest potential (M = 14.61). The highest mean value of the dimension *Terrorism* can be easily understood when taking into account the current circumstances in which terrorist attacks of all kinds have become a commonplace in

media with extremely active reporting frequently using explicit pictures and videos. In contrast, the lowest mean value of *Climate / environmental* dimension can be explained by the low interest for understanding problems and by a low level of information of respondents on negative events clustered around *Climate / environmental* dimension.

The Ratio of Respondents' Perceptions on the Dimensions of Negative Events that May Lead to a Crisis in Cruise Tourism in Dubrovnik and Specific Demographic Variables

We obtained the answer to this research question using an independent t-test, variance analysis (ANOVA) and Tukey post hoc test. The results of the independent t-test showed only significant differences in the perception of negative events that may lead to a crisis in cruise tourism in Dubrovnik with a group of male and female respondents for the *Health / epidemiological* dimension. The male respondents had a higher value of mean values than the female respondents did. This data may be explained by the fact that male respondents were more common at higher managerial positions in this study, whereby they had the opportunity to come into contact with multiple sources of information and thus to develop a bolder perception of potential dangers hidden in the *Health / epidemiological* dimension.

The perception of negative events that may lead to crises with stakeholders of cruise tourism in Dubrovnik is tested using the independent t-test and variance analysis (ANOVA); however, with the remaining groups of specific demographic variables, significant differences in the perception of negative events that may lead to operations crisis in cruise tourism in Dubrovnik were not observed.

Conclusion

The main purpose of this research was to investigate the existence of crisis management within stakeholders of cruise tourism in Dubrovnik. Before addressing the potential dangers that are hidden behind the successful image of cruise tourism in Dubrovnik, it was of paramount importance to understand the general life cycle of a crisis, mainly because of the very delicate nature of the industry. A literature review on crisis management in tourism brings to our attention the fact that the main foci in crisis manage-
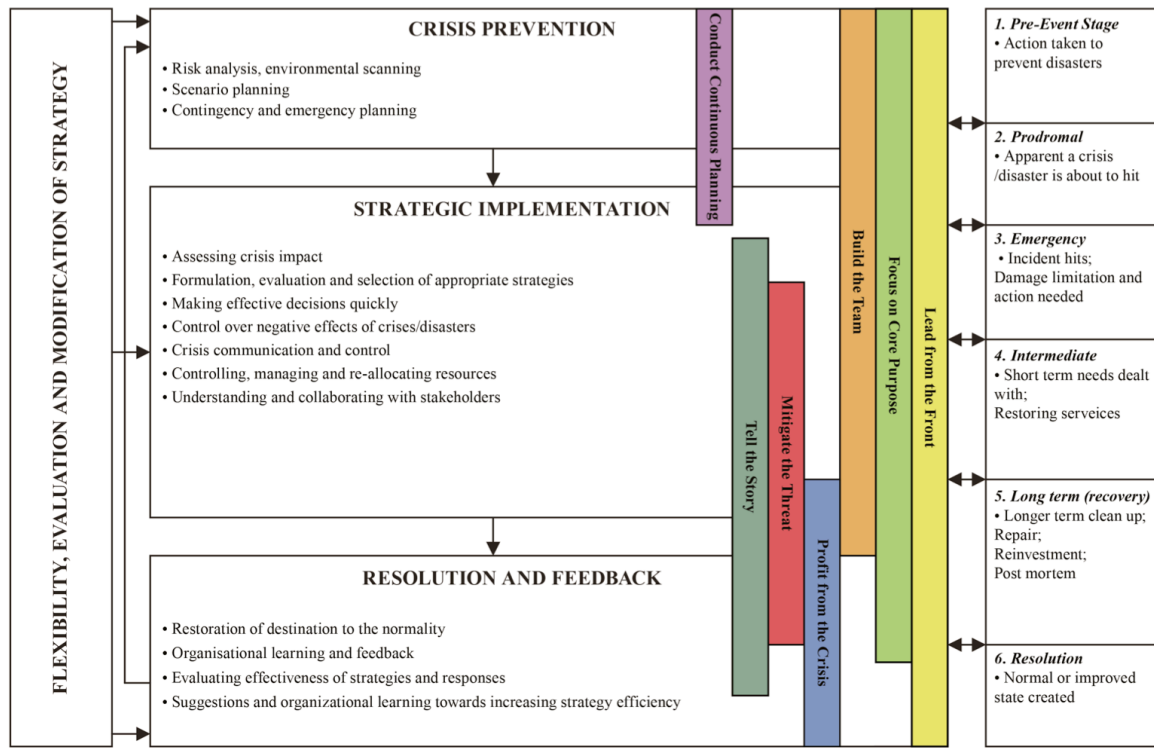
Figure 4   The strategic framework of leadership in crisis management for small and medium-sized cruise tourism stake-holders Dubrovnik

Source   after Faulkner (2001, p. 144), Ritchie (2004, p. 674), Braden at el. (2004, p. 17), Rossi (2008, p. 11).

ment had reactive characteristics. The author of this paper understands that this type of management is very often an accepted reality; however, it is absolutely necessary to challenge this paradigm in order to understand that pro-active leadership is the key aspect of successful crisis management.

From this research, we determined that most of Dubrovnik stakeholders of cruise tourism do not have a developed system of crisis management and do not have developed leadership in crisis management either. Taking into account the information obtained in this study, the author's opinion is that it is crucial to offer a strategic framework of leadership in crisis management that could be used by small and medium-sized cruise tourism stakeholders in Dubrovnik. The proposed strategic framework shown in Figure 4 is derived from existing models developed by Faulkner (2001), Ritchie (2004), Braden et al. (2005) and Rossi (2008).

The proposed strategic framework for the leadership in crisis management for small and medium-sized cruise tourism stakeholders in Dubrovnik shown in Figure 4 was developed under the strong influence of Ritchie (2004) and Braden et al. (2004) whose models were described in detail and presented in Sections *Strategic framework of crisis management in tourism* and *Strategies of Crisis leadership*. Bearing in mind the importance of cruise tourism in Dubrovnik and the current turbulent context in which we live and in which tourism business activities take place, it is of decisive importance for Dubrovnik stakeholders of cruise tourism to place crisis management at the very core of their organizations. By developing leadership in crisis management as an organizational philosophy, appointing well-trained individuals with correct attitudes as crisis management leaders and placing a crisis management at the center of the organization itself, Dubrovnik stakeholders of cruise tourism would have the leadership

in crisis management with all its pro-active properties. By adopting leadership in crisis management, small and medium-sized cruise tourism stakeholders in Dubrovnik can avoid many crises and, in the case of those that are inevitable, leadership in crisis management can achieve control and management when addressing the state of emergency, or a fast recovery and organizational learning at the end of the crisis.

It would be beneficial for future studies to investigate crisis management and especially leadership in crisis management in cruise companies and port of calls that have experienced negative events that lead to the crisis. In the case of the Carnival Corporation, a case study approach would be very valuable in determining the effectiveness of strategic frameworks and leadership concepts that were used during their crisis (induced by the Costa Concordia shipwreck). Another interesting study would be a critical analysis of crisis management strategies within stakeholders of Dubrovnik cruise tourism who are claiming that they have such strategies. It is hoped that this pioneering study of crisis management in cruise tourism will encourage further academic research due to the limited literature on this topic. It is also hoped that practitioners and managers in cruise tourism will recognize the benefits of leadership in crisis management and that they will welcome such approach. If the cruise tourism stakeholders embrace negative events that can lead to crisis and establish leadership in crisis management as part of their organizational culture, then they will be able to reduce potentially negative impacts on cruise tourism and the local communities in ports of call in general.

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