



## Entrepreneur's Strategic Crisis Management Capabilities in COVID-19 Pandemic: Study for Phenomenological.

Chonticha Suphanalai

Department of Business Management, Faculty of Management Sciences,  
Chandrakasem Rajabhat University, Bangkok, Thailand  
E-mail: chonticha.t@chandra.ac.th

### Abstract

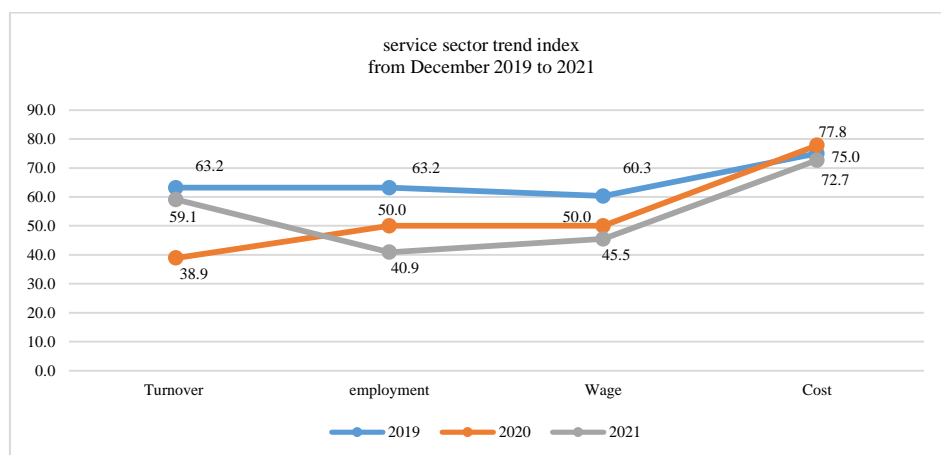
This qualitative research aimed to develop the dimensions of an entrepreneur's strategic crisis management capabilities during the COVID-19 pandemic by using the phenomenological. 10 key informants were purposively selected based on their involved experiences in the hospitality industry. Research instruments were semi-structured interviews, voice recorders, and a camera for use in the field research. Data were collected through in-depth interviews and analyzed from the text.

The research's results found that the entrepreneur's strategic crisis management capabilities in the COVID-19 pandemic dimensions are 1) entrepreneurial persistence, which is to maintain marketing positioning as long as possible and includes individual characteristics and human capital, 2) job performance, which is a quantitative result such as sale or profit, and a qualitative result such as customer satisfaction and includes the management and behavioral performance, 3) talent management, which is a skill to manage someone can create the competitive advantage and includes the talent definition, talent selection, and talent development, and 4) strategic crisis management, which is a management form to apply in special or unexpected situations for revitalizing business as quickly as possible and includes escaping strategy, solving strategy, and proactive strategy.

**Keywords:** *Entrepreneur, Strategic Crisis Management Capabilities, COVID-19 Pandemic, Grounded Theory*

### 1. Introduction

The COVID-19 pandemic situation in Thailand from the end of 2019 to the present, interrupted most businesses in the hospitality industry to damages; profits and cash flows have been decreasing rapidly. Samutsakhon is one of the provinces that have had liquidity problems from the first wave of the pandemic till the present wave. (Krungsri Research, 2020) as Samutsakhon has been the upstream industry for producing, processing, and, distribution seafood to other provinces for a long time. (The Samutsakhon provincial office of the comptroller general, 2019). It can be observed, from the survey's results from December 2019 to 2021 that the COVID-19 pandemic makes the service sector's trend index slow down (Figure 1).



**Figure 1:** The service sector's trend index from December 2019 to 2021

**Note:** (The Samutsakhon provincial office of the comptroller general, 2019; 2020; 2021)

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The entrepreneur is the key success to counterattack this crisis. If an entrepreneur has a persistence capability, for instance, honesty, emotional manipulation, and conflict management skill as well as human capital for creating competitive advantages such as long experience in the hospitality industry or a holistic understanding of the service sector (Caliendo, Goethner & Weibenberger, 2020), It can be seen that they will operate their firm effectively (Tippratun, 2019).

Nevertheless, entrepreneurial persistence may not be enough to fight against the crisis; it only helps slow down the crisis. Therefore, the entrepreneur has to develop strategic crisis management that is suitable for various crises, including escaping strategy, solving strategy, and proactive strategy (Vardarlier, 2016), and apply their talents to solve and drive business goals. In this way, they will not only establish the guideline for dealing with the crisis but also support the policy firm (Mahjoub, Atashsokhan, Khalilzadeh, Aghajanloo & Zohrehvandi, 2018). As stated by Zhuge Liang, the strategic consultant in three kingdoms is to “read people, tell people, and use people.”

The author as an academician in a higher education institute may, not be directly affected by the COVID-19 pandemic. However, with a whole understanding and full awareness of this phenomenon, the author, intended to study the entrepreneur’s strategic crisis management capabilities during the COVID-19 pandemic by using the phenomenological method with an interpretive paradigm and opening a social space for the voice of experts to transmit different dimensions and reflect a current crisis that have been occurring repeatedly in hope that this research will be a guideline for preparing to deal with the future crisis.

## 2. Objectives

To develop the dimensions of an entrepreneur’s strategic crisis management capabilities during the COVID-19 pandemic by using the phenomenological

## 3. Research Methodology

### 3.1 Scope of the research

1) The researcher used qualitative research as the research design and the research paradigm is social constructivism, with the phenomenological method approach as the research strategy.

2) The dimensions of an entrepreneur’s strategic crisis management capabilities during the COVID-19 pandemic are explored. The data collection method in this study combined in-depth interviews to explain entrepreneur’s strategic crisis management capabilities during the COVID-19 pandemic specifically.

### 3.2 Objective of the study

1) The content framework, for understanding the entrepreneur’s strategic crisis management capabilities during the COVID-19 pandemic was divided into 4 dimensions as follows.

1.1) *Entrepreneurial persistence*. This dimension involves individual characteristics and human capital.

1.2) *Job performance*. This dimension involves management and behavioral performance.

1.3) *Talent management*. This dimension involves talent definition, talent selection, and talent development.

1.4) *Strategic crisis management*. This dimension involves escaping strategy, solving strategy, and the proactive strategy.

2) The area framework, included the management sector of Samutsakhon province and the hospitality industry entrepreneurs had been experiencing situations and contexts as well as understanding the COVID-19 pandemic well.

3) Timing framework was, between October 2021 to January 2022.

### 3.3 Informants and data collection. Sampling

The researcher selected a total of 10 informants and theoretical sampling by consistency and relationship with the research’s objective. The outcome information was aligned in the same direction, thus



the researcher decided to get to the theoretical conclusion. Also, since the researcher focused on the management of Samutsakhon province and the hospitality industry's entrepreneurs had been experiencing the situations and contexts as well as understanding the COVID-19 pandemic well, the samples were selected purposively and logically.

### 3.4 Data collection instruments

The researcher prepared the research questions' guidelines by using semi-structured interviews that were classified into 4 dimensions; entrepreneurial persistence, job performance, talent management, and strategic crisis management. Each dimension contains the questions about the mean and the important factors. The researcher also used a voice recorder and camera and reviewed the literature to support the theoretical sensitivity.

### 3.5 Data collection process

The data collection was done through 2 steps as follows.

1) Review literature and related documents as well as empirical evidence to create a conceptual framework and question guidelines about the entrepreneur's strategic crisis management capabilities during the COVID-19 pandemic

2) In-depth interview in which, the interviewees had to give consent before answering the question, to respect human rights

Below is the list of the interviewees.

Middle Management (key informant). Suphanalai, C. (Interviewer). November, 5<sup>st</sup> 2021.

Middle Management (key informant). Suphanalai, C. (Interviewer). November, 5<sup>st</sup> 2021.

Middle Management (key informant). Suphanalai, C. (Interviewer). November, 5<sup>st</sup> 2021.

Entrepreneur. Suphanalai, C. (Interviewer). December, 15<sup>th</sup> 2021.

First-line management (key informant). Suphanalai, C. (Interviewer). December, 15<sup>th</sup> 2021.

First-line management (key informant). Suphanalai, C. (Interviewer). December, 15<sup>th</sup> 2021.

Entrepreneur (key informant). Suphanalai, C. (Interviewer). December, 15<sup>th</sup> 2021.

First-line management (key informant). Suphanalai, C. (Interviewer). January, 4<sup>th</sup> 2022.

Middle Management (key informant). Suphanalai, C. (Interviewer). January, 4<sup>th</sup> 2022.

Entrepreneur (key informant). Suphanalai, C. (Interviewer). January, 4<sup>th</sup> 2022.

### 3.6 Rigor and Trustworthiness

The researcher used a data triangulation to validate data reliability (Podhisita, 2013) from a different sources, which means different key informants who had been working in Samutsakhon province, to confirm the data and establish a theoretical conclusion.

### 3.7 Data manipulation and analysis

The researcher selected the phenomenological to study the phenomenon systematically. The data analysis was performed into 4 steps as listed in Table 1.

**Table 1** the steps of data analysis

	Steps	Method
1	Open coding	The researcher divided the total data into sub-data then grouped the similar meaning and defined the code for the next processes. The code for identifying was ESCMC (1) to ESCMC (n)
2	Create concept	The researcher used all code-defined sub-data and grouped them as sub-data interrelation. For example; <i>human capital</i> is related to <i>tacit knowledge of humans</i> .

**Table 1** the steps of data analysis (Continue)

	Steps	Method
3	Categorize the data	The researcher grouped the data that had the same meaning to answer the research question and use them as a base to find the dimensions of the entrepreneur's strategic crisis management capabilities during the COVID-19 pandemic.
4	Connect the category	The researcher established the theoretical conclusion to create the phenomenological.

**Note:** (Charmaz, 2006)

#### 4. Results and Discussion

The meaning and important factors of the entrepreneur's strategic crisis management capabilities during the COVID-19 pandemic dimension from the informants were found as follow.

1) Entrepreneurial persistence is maintaining a marketing position in the hospitality industry as long as possible under the seek of opportunities, threats, or crises astutely. In practice, it was found that;

- Entrepreneur (2021) says that "the restaurant owner should have been working in restaurant experience because they know about the technic or method to various problem-solving. Not anyone who has just huge money but not have the passion and intentions, especially the honesty."

- Middle management (2021) says that "the necessary factors of COVID-19 entrepreneur are the special characteristics for an instant; honest to oneself and the others, unfear the crisis, and ready to fight for keeping their marketing positioning."

- Middle management (2022) says that "the entrepreneur needs to have experiences and skill about the industry before setting up their business because it can help them to solve the problem and create the competitive advantage."

- Entrepreneur (2022) says that "the human who has skill and knowledge seem like the human has the capital."

- First-line management (2022) says that "long experiences make the human capital including; pandemical skill, understanding in the industry, etc."

The practice example can conclude 2 important factors as shown in Table 2 below.

**Table 2** The important factors of entrepreneurial persistence.

	Factors	Description
1	The individual characteristics.	Individual characteristics of the entrepreneur in the hospitality industry differ from, one another since they have different experiences (positive or negative experiences). The factors include 1) operating with honesty and fairness to the staff, customers, suppliers, and stakeholders, 2) ability to control emotion when facing uncertainty or crises, and 3) readiness to deal with the crisis immediately under the risk management plan.
2	The human capital.	The specific knowledge and skills of the entrepreneur in the hospitality industry influenced by long experiences affect the business productivity. The factors include 1) specific knowledge and skill in a pandemic or a disaster management, 2) work experiences from the operational to management because they will understand the task and can solve the problem by themselves, and 3) overview knowledge about the industry in micro and macro levels as well as business environment analysis.

2) Job performance is quantitative results such as sales or profits and qualitative results such as staff and customer satisfaction. In practice, it was found that;



- Entrepreneur (2022) says that “the entrepreneur has to be a good role model because the action louder than word moreover, it makes the staff willing to do something without they have to command.”
- Middle management (2022) says that “if the entrepreneur can’t manage all conflict in their business such as the staff slander or quarrel, goal achievement is so difficult because business goal need participation from all staff.”
- Middle management (2022) says that “the entrepreneur has to expert both management and behavioral performance, who will expert just side, it’s not enough.”
- Entrepreneur (2022) says that “the good human relationship is the basic topic that entrepreneur has to build.”
- Entrepreneur (2022) says that “conflict is normal, the entrepreneur has to deal, not has to avoid.”

The practice example can conclude 2 important factors as shown in Table 3.

**Table 3** The important factors of job performance.

Factors	Description
1 The management performance.	The capability to manage their business to achieve the goal and maintain the market position as long as possible though they are facing either normal or abnormal situations. The factors include 1) making the vision real in both short and long terms, 2) conflict management and oratory skills for dealing with the staff problems, and 3) negotiation skills with insider and outsider stakeholders as well as coordination for business benefit.
2 The behavioral performance.	The entrepreneur’s expression to the others, such as staff, customers, business partners, and governance. The factors include 1) good relationships among the colleagues and all-level staff, 2) commanding skills and being a good role model both front and behind, and 3) gaining prestige and faith from all-level staff.

3) Talent Management is the skills and abilities to manage their talents when, assigned to create a competitive advantage for the business. In practice, it was found that;

- Entrepreneur (2021) says that “chef is the talents for the restaurant business, because the good taste affected from who has long experience and specific skill if the entrepreneur selects somebody to be chef, I think their customer will decrease gradually and disappear in finally. So, Chef is the important position for creating the competitive advantage.”
- Middle management (2021) says that “the entrepreneur has to find the necessary position in your firm and define a clear job description and specification. After that it is to recruit a talented person from various sources. But don’t forget to develop them for increasing value in themselves.”
- First-line management (2022) says that “headhunter is the best source to find the talent, even take a lot of money, but you will get the right person.”
- Entrepreneur (2022) says that “one of the best ways to develop talent people is to open space for creating ideas, for instance, if a talented employee in your firm is a chef, you have to let them propose new recipe ideas, or if they are a reception, you have to let them apply their conversation skill to invite customers and make them come back again but don’t forget to recognize them.”
- Entrepreneur (2022) says that “the entrepreneur has to plan the talent career path and push them to a higher position, but the important thing to choose the right person for promoting is setting the holistic competency evaluation and potential system. For example, if you want to know whether, he or she cooks delicious food, you have to taste them and give real feedback. Because your sincere comment will help them to improve their ability, and finally you will know who should you choose”

The practice example can conclude 3 important factors as shown in Table 4.

**Table 4** The important factors of talent management.

	<b>Factors</b>	<b>Description</b>
1	The talent definition.	Setting the capabilities and core competencies from talents as well as the role that focused on proactive operations. The factors include 1) assigning the talented employee to a position that affects the driving of business goals, 2) specifying the core competencies that are necessary for the task, which has to measure and evaluate the performance concretely way, and 3) improving capabilities area by the situation and environmental changes.
2	The talent selection.	The talent recruiting and selection process from various quality sources. The factors include 1) the effective talent recruiting and selection system. Sometimes the entrepreneur may have to use the headhunter if they want the real talents, 2) setting the strategic scramble from a competitor in the same or other industries, and 3) setting the holistic competency evaluation and potential system.
3	The talent development	Maintain and develop talents for working in business and try to achieve higher skills. The factors include 1) offering the opportunities to train or learn necessary skills, 2) opening the talent space for proposing creative ideas such as new recipes, and 3) setting a succession plan for the talented employee who will be selected for a higher position.

4) Strategic Crisis Management is the strategic and management form to apply in special or unexpected situations that induce negative results. Strategic crisis management helps the business to survive with minimal loss and revitalize its business as quickly as possible. In practice, it was found that;

- First-line management (2021) says that “the owner has to manage the crisis before it turns to interrupt their firm.”

- Middle management (2021) says that “setting the problem prevention planning before the crisis actually occurs is a necessary task for the entrepreneur. Moreover, it is essential to make employees understand this plan because, when the crisis begins, they will have to deal with it by themselves.”

- Middle management (2022) says that “the entrepreneur has to analyze the business environment and uses their strength to drive the business goal. For example, during the COVID-19 pandemic, the entrepreneur who has the solving skill will bring their distinctive point to solve the problem by making the customer feel like as before”

- Entrepreneur (2022) says that “the team can deal with the crisis better than the owner does it alone if the firm has a risk management plan, especially the financial plan.

- Entrepreneur (2022) says that “if possible, the entrepreneur has to set up the warning system to remind themselves before the crisis actually occurs. The warning system may be an informal type such as joining the entrepreneur club for precepting and learning new issue.”

The practice example, can conclude 3 important factors as shown in Table 5:

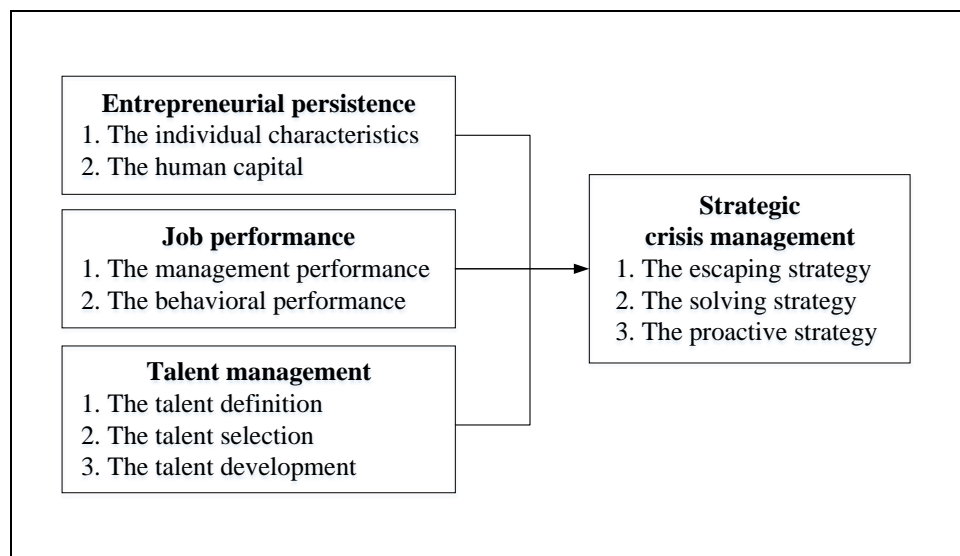
**Table 5** The important factors of strategic crisis management.

	<b>Factors</b>	<b>Description</b>
1	The escaping strategy.	The future prediction and setting of the strategy before the crisis occurs to prevent the negative result, such as performance and competitive advantage. The factors include 1) setting the problem prevention planning before the crisis occurs, 2) broadcasting the policy, method, and problem-solving technic when facing the crisis to all management levels, and 3) encouraging all staff to be knowledgeable about the situation that leads to crisis, to bring problem prevention planning to use immediately.

**Table 5** The important factors of strategic crisis management. (Continue)

Factors	Description
2 The solving strategy.	The perception and analysis of the crisis antecedent, and operation under the best information make an efficient decision. The factors include 1) bringing the business strength from the analysis of the internal environment for driving the goal, 2) stimulating all staff to have the motivation to manage the crisis by participation, and 3) focusing on decreasing the production cost than product amount, to make the customer perceive the quality like before.
3 The proactive strategy	Turning the crisis into an opportunity is to apply the strategy that was prepared beforehand, especially the financial strategy, while their competitors are panic. The factors include 1) setting a strategic crisis management team for solving the crisis, 2) creating the risk management plan that covers the risk assessment and, risk determination and solutions, and 3) developing a warning system for summarizing data to the strategic crisis management team.

From the meaning and important factors of the dimensions of the entrepreneur's strategic crisis management capabilities during the COVID-19 pandemic mentioned above, the researcher presented the theoretical framework for the business to apply and for future studies as shown in Figure 2.

**Figure 2:** Theoretical framework

**Note:** (The researcher)

## 5. Conclusion

The dimensions of the entrepreneur's strategic crisis management capabilities during the COVID-19 pandemic that the researcher found were related to many studies including 1) entrepreneurial persistence (individual characteristics and human capital) (Patel & Thatcher, 2014; Caliendo, Goethner & Weibenberger, 2020), 2) job performance (management and behavioral performances) (Tippratum, 2019), 3) talent management (talent definition, talent selection, and talent development) (Vardarlier, 2016), and 4) strategic crisis management (escaping strategy, solving strategy, and proactive strategy) (Vardarlier, 2016; Kao, Wang & Farquhar, 2020). Besides, it was related to the research by Thongpak & Pooipakdee (2021) that studied the guideline for service modification and development of green restaurant "Yam Yenin Bangkok" during the

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COVID-19 pandemic and found the modification guideline and services development to determining of employees' hygiene and safety at work., the service management guideline modified by the entrepreneurs based on social distancing measures, the modified management that an entrepreneur analyzes in occur of lifestyle behavior and modified consumers' behavior, the marketing promotion that the entrepreneurs applied to market strategies, namely, home-delivery, promotional activities, and support for other entrepreneurs throughout the supply chain; upstream, midstream, and downstream, to survive the crisis together.

## 6. Acknowledgements

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