

A Managerial Evaluation of Syrian Civil War on Turkish Firms: Crisis Management Practices

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The Syrian Civil War has transformed the Middle-East firms drastically in many ways. As the number of dead people and refugees increased, Syrian economy was torn apart, regional economic ties broke down, and surrounding businesses slumped: The first economic effect on the bordering cities, such as Hatay stems from the decrease of bilateral transactions between Syria and Turkey; Secondly, the unstoppable flow of Syrian refugees pouring into Turkey, particularly into neighboring cities became a ticking economic time bomb. The aim of the present study is to explore crisis management practices of the firms in Hatay, a Syrian bordering city in Turkey, during Syrian Civil War and to observe the responses and reactions of the firms to the economic impacts of this crisis by analyzing the underlying dimensions of the choice of crisis management styles and strategies. Subsequently, the study discusses managerial and theoretical implications for “crisis management” literature which could be useful for policy-makers. Since recent research on crisis management has established a number of empirical studies, the present study aims to contribute to the related literature by using a qualitative methodology, including in-depth interviews with top executives of firms operating in Hatay, observations, and documents/archival records.

Keywords: crisis management, Syrian Civil War, Turkish firms, management practices, refugees

Crisis Management

In business, a crisis can occur with little or no warning, anytime, and anywhere. It can happen to any firm, large or small, private or public. Most of the time, crisis is bad news for firms. But sometimes, usually with proper crisis management, crisis may also present some opportunities where the firms can get some benefits.

Crisis could be defined as a “turning point for better or worse” thus; crisis is a moment in time with a certain degree of risk and uncertainty. From the organizational point of view, the crisis definition of Pearson and Clair (1998, p. 3) is as follows:

An organizational crisis is a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly.

From a different viewpoint, taking into account that organizational crises can sometimes reflect

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opportunities to meet organizational goals, an organizational crisis can also be defined as:

(a) opportunity for the organization to attain its current goals; or (b) demand or threat on the organization which either prevents the organization from attaining its goals or actually removes or reduces an organization's ability to attain its goals, that the organization seeks to resolve because the outcomes at stake are important and the resolution strategy is uncertain. (Milburn, Schuler, & Watman, 1983, p. 1144)

Thus, crises are often reduced to exceptional major events which disrupt the development of the organization at a specific time and a specific place. Hence, the main purpose of the crisis management is to rectify the imbalance as quickly as possible. From this perspective, there are different types of crises and the most recent and widely accepted classification of crises is made by Coombs (2006):

- Attacks on organizations, such as computer hacking, rumors, workplace violence, and terrorism.
- When things go bad, such as defective products caused by firm error, loss of key personnel, industrial accidents, etc.
- When the organization misbehaves: Not addressing known risks or improper job performance that leads to an accident, legal, and regulatory violations (Crandall, Parnell, & Spillan, 2010) from Coombs (2006).

However, from organization theory perspective, crisis may serve as an amplification chamber for research on other concepts. Approaching the crisis exclusively from the angle of the event does not make it possible to draw conclusions concerning the organizational mechanisms that caused the damage. The in-depth analysis of organizational preconditions is necessary to understand the reasons of losses and to identify the process that put the organization in such a vulnerable position (Roux-Dufort, 2007). That is why the analysis of crisis as a process of organizational weakening that degenerates until the point of disruption which is called the precipitating event rather than as a single major exceptional event also leads us to the idea that crises develop in phases.

A crisis can consist of four different and distinct phases (Fink, 1986):

(1) Prodromal crisis stage, which is the warning stage, if there is any warning. A prodrome may be obvious as the start of an armed conflict in the neighboring country or may be much harder to recognize, such as having most of the customers in one small geographical area. The prodromes are important to catch and to act upon because it is easier to manage a crisis in this stage and take care of the problem.

(2) Acute crisis stage is the point of no return, point where urgent attention is needed. Some damage has already been done and the amount of additional damage depends upon the quality of the crisis management. The major difficulty of crisis management in this stage is the speed and intensity of events. It is the shortest of the four phases but because of its vehemence, it may be felt as the longest.

(3) Chronic crisis stage is the phase of cleaning up. It is also a period of recovery and of self-analysis. It can be a time for plaudits or upheavals even bankruptcies. The chronic stage can drag indefinitely. A successful crisis management strategy shortens this period.

(4) Crisis resolution stage is the final stage where the firm is well and whole again. When a prodrome is perceived, the objective of crisis management is to take control swiftly and conceive the most expedient route to reach crisis resolution stage and if possible by generating some benefits for the firm. But, since most of the crises evolve in cyclical fashion and when they come in bunches, this phase is also the time for spotting the prodromal light of the next oncoming crisis. Thus, it may be difficult to see when and where one crisis ends and another begins. This is especially true when the complications of one crisis trigger other crises.

The acute stage is the apex of the accumulation of the organizational dysfunctions that existed for a long time. So, the precipitating event can be defined as the point of arrival of a destabilizing process which has been long ignored. Consequently, we may deduce that:

Crises are defined as having trans-organizational causes, involving social, political, and cultural variables. They are composed of many loosely coupled interdependent events, each of them setting the stage for the next one to occur in a chain reaction. The authors state that the crisis is triggered by a specific event identifiable according to time and place. Preconditions for this triggering event are created by organizational and environmental conditions. (Forgues & Roux-Dufort, 1998, p. 3)

Since the preconditions for the triggering event are caused by the organizational dysfunctions and environmental conditions, we may also safely conclude that crises can be managed much more effectively if the firm prepares for them. Thus, crisis management may be defined as “a series of functions or processes to identify, study, and forecast crisis issues, and set forth specific ways that would enable an organization to prevent or cope with a crisis” (Kash & Darling, 1998, p. 179).

Crisis management involves two main phases. In the preparation phase, organizations aim to identify and interact with stakeholders and/or potential victims to prevent crises from happening and affecting stakeholders. In the response phase, organizations aim to minimize stakeholders’ losses that result from crises. An organization’s behavior towards stakeholders during the preparation and the response phases of crisis management may range from denial (and hence no preparation), forced compliance, and voluntary compliance to going beyond legal expectations and making extra efforts (Alpaslan, Green, & Mitroff, 2009).

Table 1

Crisis Management Behavior in Preparation and Response Phases of a Crisis

Crisis management behavior	Preparation phase	Response phase
Reactive	Deny the possibility of a particular crisis Deny the potential effects of a crisis on the firm and its stakeholders	Deny any responsibility for the crisis and its effects on stakeholders Be uncooperative, hide the truth, shut all communications
Defensive	Perform cost-benefit analyses, and prepare only for crises with high expected cost to the firm Involve stakeholders in crisis preparations, only if mandated by law	Admit some responsibility for the crisis but fight it Comply when forced, and do only what is mandated by law
Accommodative	Accept the possibility of the crisis and its effects both on the firm and on a broad set of stakeholders Involve in crisis preparations a broader set of stakeholders than mandated by law	Accept the responsibility for the crisis Voluntarily attend to the needs of the victims, and tell the truth as you know it
Proactive	Develop mutual trust and cooperation based relationships with all stakeholders Try to involve in crisis preparations all stakeholders that may be harmed by organizational decisions and actions	Anticipate that the crisis may trigger a chain reaction of other crises Get the worst about yourself out on your time before the media dig it

Source: Alpaslan, C., Green, S., & Mitroff, I. (2009). Corporate governance in the context of crises: Towards a stakeholder theory of crisis management. *Journal of Contingencies and Crisis Management*, 17(1), 38-49.

While Mitroff (1987) proposed a four-step model: detection, crises, repair, and assessment, a broader model of crisis management has been developed by Crandall et al. (2010):

- (1) Landscape survey phase where the management evaluates weaknesses within the organization and the

future possible threats from the environment, such as sectoral risks, political instabilities, technological advancements, etc;

(2) Strategic planning phase focuses on preventing crisis if possible and on planning how to mitigate the effects. Crisis planning starts with forming crisis management team;

(3) In crisis management phase efforts are focused on containing the crisis and resuming normal operations as quickly as possible;

(4) The last phase is organizational learning. The management should evaluate how the crisis has been handled and learn from what has happened.

Another approach is a relational model where crisis management is considered as a continuous discipline based on clusters and non-linear elements (Jaques, 2007). In this model, the elements are clusters and not steps to be undertaken in a sequential fashion. The pre-crisis and crisis hemispheres have obviously a temporal relationship but the individual elements may occur either overlapping or simultaneously.

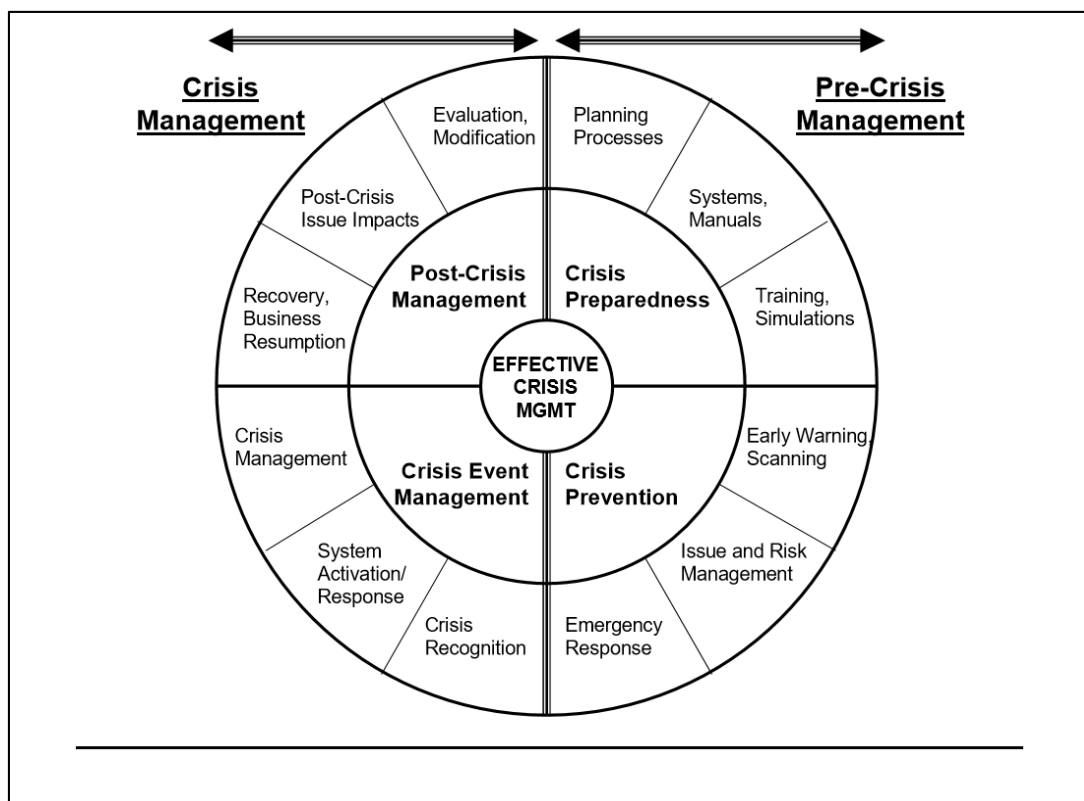


Figure 1. Issue and crisis management relational model. Source: Jaques (2007).

Following the above approaches, prevention measures and interventions can be summarized as follows (Kash & Darling, 1998).

Prevention Measures

- Strategic forecasting is a technique which involves predictions for an abrupt change when trends of the past are unusable for projecting the future. Different quantitative and qualitative forecasting techniques may be used. The aim of the strategic forecasting is to predict and assess the impact of those changes rather than to predict the specific change.

- Contingency plans are alternative plans for less certain situations than strategic predictions. Those plans are put into action if events do not occur as expected.
- Issues analysis is similar to contingency planning. The purpose is to follow and evaluate evolving trends in the external environment of the firm.
- Scenario analysis is a technique where a sequence of events which could possibly lead to a prescribed end-state is described in detail, or alternately, the possible outcomes of present choices are considered. During the analysis, possible favorable and unfavorable situations that might arise are considered and alternative solutions are developed.

Interventions

- The most important factor in crisis management is time. When a symptom is spotted, at any phase of the crisis, the management should intervene swiftly, try to take control, and conceive the most expedient route to the resolution phase.
- The effective use of communication is very significant. The information should be shared freely and honestly.
- The firm must prove that it cares, especially if people are hurt, regardless of whether or not the firm is responsible for the incident.
- A crisis management team should be established well in advance of any crisis. The team should have a clear chain of command and meet regularly to discuss possible crisis scenarios.

Methodology

Purpose of the Study

Syrian Civil War and the subsequent emergence and spread of the Islamic State of Iraq and the Levant (ISIL) have transformed the Levant in ways one could not have imagined prior to 2011. As the numbers of dead and of refugees and internally displaced kept climbing, and as families were torn apart and neighborhoods were turned into war zones, economies slumped, and regional economic ties broke down (Ianchovichina & Ivanic, 2015). These events have changed the region in profound ways, yet there are no systematic evaluations of its economic impact.

The objective of the present study is to address this gap by exploring crisis management practices of the firms in Hatay, a Syrian bordering city in Turkey, during Syrian Civil War. One of the most important objectives of the study is to observe the responses and reactions of the firms to the economic impacts of this crisis by analyzing the underlying dimensions of the choice of crisis management styles and strategies. And this study also aims to evaluate how the effects of the sanctions on Syria impact Hatay region economically and the demands of the people in Hatay dreadfully affected from the Syrian Civil War. It needs to be noted that there has always been a commercial and social relationship between Hatay region and Syria in the history.

The Crisis: Syrian Civil War

The civil unrest which first occurred in Tunisia in 2010 has deployed to other Arabic countries including Egypt, Libya, Yemen, and lastly Syria. The Syrian Civil War is a multi-sided armed conflict in which international interventions have taken place. The war grew out of the unrest of the Arab Spring and escalated to armed conflict after President Assad's government violently repressed protests calling for his removal. The war is among several factions, like the Syrian Government, a loose alliance of Syrian Arab rebel groups, the Syrian

Democratic Forces, Salafi jihadist groups (including al-Nusra Front) who often co-operate with the rebels, and the Islamic State of Iraq and the Levant (ISIL). The factions receive substantial support from foreign actors, leading many to label the conflict a proxy war waged by both regional and global powers. Since the onset of the conflict the balance of power between warring factions has varied greatly, with armed opposition groups, proxy forces (such as Hezbollah) and foreign actors (such as Russia and Iran) influenced the progression and security dynamics of the civil war and developed competing spheres of influence (Tyner, 2016).

The anti-regime protests and civil unrest that have started in Syria right after the Arab Spring has affected the country and started an era of uncertainty in the region and political instability. Political immigration as a result of the civil war in Syria has affected the neighboring countries which have border with Syria (Atasoy & Demir, 2015). More than 250,000 Syrians have lost their lives in five years of armed conflict, which began with anti-government protests before escalating into a full-scale civil war. More than 11 million others have been forced from their homes as forces loyal to President Assad and those opposed to his rule battle each other as well as jihadist militants from so-called Islamic State (BBC News, 2016).

An assessment made by Ianchovichina and Ivanic (2015) estimated the three years of war (from mid-2011 to mid-2014) have cost the greater Levant (Turkey, the Syrian Arab Republic, Iraq, Jordan, Lebanon, and the Arab Republic of Egypt) US\$35 billion in output, measured in 2007 prices. The most affected countries are of course Syria and Iraq, affected by direct costs of war. Other Levant countries' losses are mainly due to decline in trade and inflows of refugees.

The Results of the Crisis

Syrian Civil War right after the Arab Spring caused uncertainty in the region and political instability (Atasoy & Demir, 2015). These conditions affected Turkey in terms of political, economic, and diplomatic areas and security issues directly and indirectly. One of the most important negative direct effects is the sharp decrease in bilateral trade (the volume of export & import) of the neighboring cities between Syria and Turkey. The second negative direct effect is the decrease in tourism. As known, Syria and Turkey abolished visas in 16.09.2009 on a basis of reciprocity (CNN Türk, 2009) enabling daily tourists and tourists from Middle East to come to East Mediterranean and Southeast Anatolia easily which has a direct economic impact on the income of the tourism industry. The third negative direct effect is the problem of the firms' investment financing. Because of the current bilateral relations with Syria, the firms have serious difficulties in paying the debts because of the drastic decrease in trade volume with Syria. The last negative direct effect is the significant profit loss of the logistics and transportation industries as a result of closure of the border gate (Cilvegözü), which connects Hatay to Syria and Middle East. The last direct negative effect could be defined as the real estate industry which has changed a lot. Before the crisis, Gaziantep and other cities used to be one of the most important attractions for to buy a house for rich Syrians and other citizens from Middle East, but now it is one of the top destinations for renting a house.

Another cause of uncertainty and instability for Turkey are the refugees/asylum seekers. According to the Office of the United Nations High Commissioner for Refugees (UNHCR), also known as the UN Refugee Agency, refugees are defined as "The people fleeing conflict or persecution who are defined and protected in international law, and must not be expelled or returned to situations where their life and freedom are at risk."

An asylum-seeker is defined as:

Someone whose request for sanctuary has yet to be processed. National asylum systems are in place to determine who

qualifies for international protection. However, during mass movements of refugees, usually as a result of conflict or violence, it is not always possible or necessary to conduct individual interviews with every asylum seeker who crosses a border. These groups are often called “prima facie” refugees. (UNHCR, 2016. Retrieved from <http://www.unhcr.org/refugees.html>)

The increasing democratic requisition and demand in Syria after Arab Spring has urged Assad regime to use a repressive policy and this caused turmoil in the region, specifically a crisis including bloody dispute between regime supporters and opponents (Altundeğer & Yılmaz, 2016). Due to conflict of interests of countries, like USA, Russia, China, and Iran aggravated the crisis in Syria (Hughes, 2014). The following immigration movement resulted in the relocation of millions of people from their homes seeking refuge in the neighboring countries and created some social, cultural, and economic problems for Turkey, as a country being one of the top destinations (Altundeğer & Yılmaz, 2016). The immigration to Turkey from Syria started in April, 2011 and the Syrians were first defined as “guests” and after that they have been given provisional protection status as a result of a decision by Turkish Ministry of the Interior which provides unlimited stay, protection against sending back by force, supplies for emergency needs. In other words, Syrians were not recognized as “refugees”, but they were recognized as “asylum seekers” which do not include the rights for refugees, therefore Turkish government introduced some new practices for Syrians (Kap, 2014).

Turkey became the world’s largest refugee host country in 2014. Due to geographical location, Turkey used to be the main transit country for the wave of migration in the past, but now, it has become a “migration country” which refers an attractive target destination for migrants (Kap, 2014). As of 30 June, the Directorate General of Migration Management (DGMM) announced that 2,733,044 Syrians were registered in Turkey, out of whom 256,300 were hosted in refugee camps, and 2,476,744 were residing in host communities (Operational Update/UNHCR, 2016). Although there has been a sharp increase in numbers, it should have been clear already that Europe and the other countries were still not shouldering its fair share of the global refugee burden. Lebanon, with a population of 4.5 million, was providing sanctuary to more than a million refugees. By the end of 2015, Europe is going to have “allowed in” well over a million people, one way or another which is not an unmanageable number in proportion to Europe’s population of around 500 million (Finch, 2015).

There are neighboring cities in Turkey with 10 million population which has increased by the 1.2 million Syrians. Between April 2011 and November 2014, Turkey spent 4.5 billion dollars for Syrians whereas the amount of financial aid from United Nations (UN) and European countries was 246 million dollars (Ortadoğu Stratejik Arastirmalar Merkezi, 2015). The deprived and impoverished job seekers among the Syrians in Turkey constitute a burden on the country’s labor market and on its formal and informal social safety nets (Bahout, 2014).

Location of the Study, Hatay

Since the beginning of the Syrian Civil War a lot of people have died, or have fled the country and become refugees. Six point five million people have been internally displaced. Many who remain have been left in poor living conditions suffering shortages of food and drinking water (Arslan, Zeren, Çelikel, Ortanca, & Demirkiran, 2014). The drastic dissolution of Syria due to the civil war directly impacts the stability of Turkey in different ways. The economic sanctions on Syria affect Hatay’s economy dreadfully (Reçber & Ayhan, 2013).

Hatay is a province in southern Turkey, on the Mediterranean coast. The administrative capital is Antakya (Antioch) and the other major city in the province is the port city of Iskenderun (Alexandretta). It is bordered

by Syria to the south and east and the Turkish provinces of Adana and Osmaniye to the north. It is estimated that 420,000 Syrians have been currently living in Hatay (Hatay Governorship, 2016). According to official figures, 5% of Syrian population in Hatay lives in refugee camps whereas 95% of majority lives in the urban life which shows the lack of infrastructure and humanitarian aid in Hatay (Hatay Migration Administration, 2016).



Figure 2. The map of Hatay and neighboring cities and countries.

According to the data shared by Antakya Chamber of Commerce and Industry, Syria has been the premier country in the front rank for Hatay's export in 2015, followed by Saudi Arabia, Iraq, Egypt, and Lebanon. Hatay, as a border city, has been significantly affected by the decrease of the border trade with Syria as a result of the Syrian Civil War. The slowdown of Hatay's economy affected the other border cities and their trade volumes. Not only the firms exporting directly to Syria, but also the firms exporting to other Middle East countries have been critically affected by the civil war. After the closure of the border gate (Cilvegözü), which connects Hatay to Syria and Middle East, the volume of main industries' including trade (import and export), logistics, and tourism have drastically decreased. The tourism industry in Hatay has been influenced in a negative way because of the Syrian Civil War and terrorism in Turkey including hotel reservation cancellations by the local and foreign tour agencies, 30% decrease in occupancy rates and loss of income of the tourism firms operating in Hatay. Moreover, unregistered employment rates in Hatay have significantly increased because of the Syrians working in different branches of business, much more cheaply than the normal conditions.

Data Collection

This study uses in-depth interview technique as a research methodology for data collection. Qualitative research is now used to explore and understand a diversity of social and public policy issues, either as an independent research strategy or in combination with some form of statistical inquiry (Ritchie & Spencer, 1994). This qualitative study was designed to examine factors which influence firms in Hatay, because of the Syrian Civil War in terms of economic impact and crisis management.

The data collection of the study was conducted between 22 August 2016 and 26 August 2016 in Hatay by two associate professors. Data collection period consisted of serial meetings with the top executives of the

firms or firm owners including six firms, two chamber of commerce and industry, one bank branch, one union of chambers of artists and artisans, one commodity exchange, one municipality, and one logistics & cargo union visits which shows a heterogeneous distribution. The list of the visits could be seen in Table 2.

Table 2

The List of the Visits

Firm name	Contact person
Defne Chemicals	Firm owner: Ferit Kuseyri
Antyağ Olive Oil	Firm owner: Reşat Kuseyri
STM Mining	Chairman of the Executive Board: Mustafa Arslan
Halisgold Natural Virgin Olive Oil	General manager: Cemal Bulanık
Hateks Textile	CEO: Abud Abdo
Çakran-Halil International Trade and Marketing	Firm owner: Mehmet Çakran
Hatay Union of Chambers of Artist and Artisans	Union president: Kadir Teksöz
Private Bank-Antakya Branch	Branch manager
Hatay Logistics & Cargo Union	Chairman of the Executive Board: İbrahim Güler
Antakya Commodity Exchange	Chairman of the Executive Board: M. Ali Kuseyri
Reyhanlı Municipality	The mayor: Hüseyin Şanverdi
Antakya Chamber of Commerce and Industry	President of the assembly: Selahattin Eskiocak
Antakya Chamber of Commerce and Industry	Chairman of the Executive Board: Hikmet Çiçin
Reyhanlı Chamber of Commerce and Industry	Chairman of the Board of Directors: Necmettin Zaroğlu

Findings

The impact of the Syrian Civil War has been perceived as an organizational crisis by the Hatay firms. As per the definition (Pearson & Clair, 1998):

- It was a low probability event. Not a single firm executive in Hatay was able to foresee the incoming crisis between Turkey and Syria. According to the firm owners, bilateral relations with Turkey and Syria used to be very good, including common ministry meetings, incentives, and support for investments that started in 2009. That is why it was presumed for Syria to have some demonstrations, become more democratic, and have good bilateral relations with Turkey. Nobody thought about an alternative scenario.

- It was a high-impact event that threatened the viability of the firms. As mentioned above, the main industries in Hatay are logistics, agriculture, and trade. These logistics firms have been critically affected by the civil war. After the closure of the border gate (Cilvegözü), which connects Hatay to Syria and Middle East, the volume of logistics industry has drastically decreased. Most of the logistics firms were bankrupt and the remaining ones had to downsize in order to survive. Not only the firms exporting directly to Syria, but also the firms exporting to other Middle East countries have also been critically affected by the closure of the border gate (Cilvegözü). These trade and agriculture firms stopped exporting. Olive oil firms and agriculture firms have lost their markets because of the legal/illegal entrance of Syrian oil and other products to Turkey. Moreover, border trade has significant effects on economic life which could be defined as closing the gap among developed and underdeveloped areas; decreasing unemployment rates and relieving the negative effects of bureaucratic limitations on foreign trade (Kara, 2005).

- It was characterized by ambiguity of cause, effect, and means of resolution. When the crisis first occurred,

firms in Hatay could not be able to understand the reasons of the crisis, hence they could not calculate the possible risks and they tried to survive with daily precautions. They did not develop alternative plans or scenarios for to overcome the crisis because of not knowing what to do.

- There was a belief that decisions must be made swiftly. All the firm executives in Hatay stated that they understood to take precautions immediately when they experienced great losses.

According to Coombs's (2006) classification, the crisis sustained by Hatay firms due to Syrian Civil War can be listed under the category "when things go bad such as defective products caused by firm error, loss of key personnel, industrial accidents, etc".

Furthermore, the in-depth interviews in Hatay have clearly shown that, as stated by Roux-Dufort (2007, p. 108), for each firm the crisis actually was "a process of organizational weakening that degenerates until a point of disruption". For example, some of the firms that were interviewed explained that they were not affected heavily by the crisis because of the diversification in terms of market and product range though lack of crisis management plans.

The firms, included in the study could be mainly defined as small and medium-sized family firms, flexible with a high ability for adapting change and having young and qualified employee profiles. These firms from the strategic management perspective have weaknesses like not having a strategic plan or alternative scenarios or focusing only one market with a narrow product line, being dependent upon on only one trade line (Cilvegözü, for example) and not having the ability to be proactive. This shows that organizational weaknesses in firms result in adaptation failures for change. In other words, firms should be ready strategically for any circumstances including unexpected issues, or crisis.

Following the approach of Fink (1986), the interviews identified the four different and distinct phases of the crisis as follows:

(1) Prodromal (warning) stage may be acknowledged as the unrest of the Arab Spring. Arab Spring started in Tunisia on 18 December 2010. Protests in Syria started on 26 January 2011.

(2) Acute (point of no return) stage begins with the closure of Cilvegözü (border gate between Hatay and Syria) on 20 July 2012. From this date on no freight can officially be transported through Syria.

(3) Chronic (cleaning up) stage will begin when the armed conflict in Syria stops and the trade operations returns to normal. For some firms, this stage may also begin when they start operating efficiently in other markets or using alternative means of transportation for export.

(4) Resolution (final) stage depends upon the management quality of each firm. Some firms may recover quite fast while some others with poor managerial skills may need some more time to become fully operational again.

Crisis management behavior of the firms in Hatay including preparation and response phases can be characterized as reactive for both phases. Firms, being mainly family SME's without any strategic management practices, have not performed any analysis and were not aware of the incoming crisis till the triggering event (acute stage). In the response phase also, they all denied their responsibility (poor organizational conditions and blamed the government policies (Forgues & Roux-Dufort, 1998). Some were defensive in the response phases, they admitted that they had to be better prepared and they tried to fight the crisis off by developing alternative action plans.

If we analyze the organizational crisis in Hatay, according to the crisis management model of Jaques (2007), we can readily infer that there was no pre-crisis management in the firms. Crisis was recognized only at the acute stage and managed with daily measures. Some of the firms seemed to take at least one lesson from the

crisis. They mentioned the importance of “being ready” and praised strategic management practices.

Conclusion

In this research, crisis management practices of the firms in Hatay, a Syrian bordering city in Turkey, during Syrian Civil War is explored. As is the case in Turkey, most of these firms are family owned firms. These firms were unable to manage the crisis effectively because they were not prepared and they were unaware of crisis management practices. Furthermore, their limited resources made them especially vulnerable to the catastrophic consequences. This study showed clearly the importance of crisis management in family firms and small and medium-sized firms.

It has been found out that, for a better crisis management, firms have to focus more on the identification of crisis-fostering environments and be aware of their organizational weaknesses. Firms in Hatay, due to their organizational imperfections and managerial ignorance, could not see the incoming crisis and they all paid very heavy prices. Very few, who had better management practices, managed to handle the crisis more efficiently and successfully. Due to lack of strategic management practices, the executives of Hatay firms usually had focused their attention on daily affairs, rather than organizational vulnerabilities which have major effect on the sustainability and long-term profitability of the firm. Thus, our study shows that there is a correlation between the lack of strategic management practices and the lack of crisis management practices, mainly crisis preparedness. An effective strategic management process may enable the firms to address the crisis situation ahead of time by formulation of effective scenario planning and proper execution.

Unfortunately, most of those executives that were interviewed did not perceive this crisis as an opportunity for organizational change. Due to lack of organizational learning, they considered this crisis as a totally negative experience, rather than an experience which may lead to some organizational improvement. The reason of reluctance to learn from crises can be a promising avenue for future research in crisis management.

As a country, it could be put forward that Turkey, after the Syrian Civil War, should make some urgent re-arrangements for economy, education, business life, employment, health issues, security, city infrastructure, traffic, and socio-cultural life.

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