

การสำรวจเชิงลึกบทบาทและพลวัตของการบริหารความเสี่ยงทางการเงินในภาวะวิกฤต:
ศึกษาผ่านประสบการณ์องค์กรที่มีการปรับโครงสร้างหนี้
A Qualitative Inquiry into the Role and Dynamics of Financial Risk Management
in Crisis: Experiences from Corporate Debt Restructuring

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การวิจัยส่วนใหญ่เกี่ยวกับการบริหารความเสี่ยงทางการเงินเน้นการศึกษาเชิงปริมาณภายใต้สภาพปกติและกลไกเชิงป้องกัน แต่ขาดความเข้าใจเชิงลึกเกี่ยวกับพลวัตของการบริหารความเสี่ยงในภาวะวิกฤตจริง โดยเฉพาะในกระบวนการปรับโครงสร้างหนี้ การวิจัยเชิงคุณภาพนี้ใช้ระเบียบวิธีการศึกษาหลายกรณีศึกษา โดยสัมภาษณ์เชิงลึกผู้บริหารระดับสูง (CEO และ CFO) จำนวน 8 ท่านจาก 4 องค์กรที่ผ่านการปรับโครงสร้างหนี้สำเร็จหลังวิกฤตการเงินเอเชียปี 2540 และวิกฤต COVID-19 การวิจัยนี้มีวัตถุประสงค์เพื่อ (1) อธิบายการประยุกต์ใช้การบริหารความเสี่ยงทางการเงินในทางปฏิบัติ (2) ทำความเข้าใจกระบวนการปรับตัวของผู้บริหารที่เผชิญวิกฤต และ (3) อธิบายกลยุทธ์ที่นำไปสู่การฟื้นฟูกิจการสำเร็จ

ผลการวิจัยเผยให้เห็นสามแก่นสาระหลักที่ทำลายทฤษฎีแบบดั้งเดิม ได้แก่ (1) "จากตำราสู่เงินสดคือราชา" แสดงการเปลี่ยนจากการจัดการความเสี่ยงเชิงโครงสร้างไปสู่การรักษากระแสเงินสดเพื่อความอยู่รอด (2) "CFO ในฐานะนักดับเพลิง" เผยบทบาทใหม่ที่ทักษะทางพฤติกรรมและมนุษยสัมพันธ์สำคัญกว่าทักษะทางการเงินเชิงเทคนิค และ (3) "เปิดไฟทุกใบ" คือกลยุทธ์ความโปร่งใสอย่างสุดขีดเพื่อสร้างความไว้วางใจกับเจ้าหนี้ควบคู่กับการปรับโครงสร้างการดำเนินงาน ผลการวิจัยขยายกรอบการบริหารความเสี่ยงแบบบูรณาการของ Altman et al. (2019) โดยเพิ่มมิติความสามารถทางพฤติกรรมของผู้บริหาร ทำลายมุมมองของ Hull (2023) ที่มอง CFO เป็นนักยุทธศาสตร์ และขยายทฤษฎีของ Gilson et al. (1990) โดยแสดงให้เห็นว่าความโปร่งใสเป็นตัวแปรต่อเนื่องที่มีความสัมพันธ์เชิงบวกกับโอกาสรอดพ้นจากวิกฤต การวิจัยนี้แสดงการเปลี่ยนผ่านกระบวนการตัดสินใจของการบริหารความเสี่ยงจากแนวทางเชิงป้องกันสู่ "ศาสตร์แห่งการอยู่รอด" ที่ให้ความสำคัญกับกระแสเงินสด ความไว้วางใจ และการปรับตัวทางพฤติกรรม โดยมีนัยสำคัญต่อการพัฒนาหลักสูตรการบริหารความเสี่ยง การพัฒนาสมรรถนะผู้บริหารทางการเงิน และการสร้างกลไกความโปร่งใสระหว่างลูกหนี้และเจ้าหนี้

คำสำคัญ: การบริหารความเสี่ยงทางการเงิน การปรับโครงสร้างหนี้ การบริหารวิกฤต

Abstract

Most research on financial risk management focuses on quantitative studies under normal conditions and preventive mechanisms, but lacks in-depth understanding of the dynamics of risk management in real crises, particularly in debt restructuring processes. This qualitative research employs a multi-case study methodology, conducting in-depth interviews with 8 senior executives (CEOs and CFOs) from 4 organizations that successfully completed debt restructuring after the 1997 Asian financial crisis and the COVID-19 crisis. The research aims to (1) describe the practical application of financial risk management, (2) understand the adaptation processes of executives facing crises, and (3) explain the strategies leading to successful business recovery.

The research findings reveal three key themes that challenge traditional theories: (1) "From the textbook to cash is king," demonstrating the shift from structural risk management to preserving cash flow for survival; (2) "CFO as a firefighter," revealing a new role where behavioral and interpersonal skills are more important than technical financial skills; and (3) "Putting all cards on the table," a strategy of extreme transparency to build trust with creditors alongside operational restructuring. The research findings expand on Altman et al.'s (2019) integrated risk management framework by adding the dimension of managerial behavioral capabilities, challenging Hull's (2023) view of CFOs as strategists, and expanding Gilson et al.'s (1990) theory, demonstrating that transparency is a continuous variable positively correlated with the chances of surviving a crisis. This research illustrates a paradigm shift in risk management from a preventive approach to a "science of survival" that emphasizes cash flow, trust, and behavioral adaptation. This has significant implications for developing risk management curricula, enhancing the competencies of financial managers, and establishing transparency mechanisms between debtors and creditors.

Keywords: financial risk management, debt restructuring, crisis management

1. Introduction

In a volatile global economy, financial crises demonstrate that no organization remains immune to systemic shocks. When organizations face acute financial distress and cannot meet debt obligations, debt restructuring becomes a critical survival mechanism to avoid bankruptcy (Altman, Hotchkiss, & Wang, 2019). Success depends not merely on creditor negotiations but on management's capacity to navigate liquidity risk, operational risk, and market risk under extreme pressure and resource constraints (Altman et al., 2019).

Despite academic recognition of financial risk management's importance, most research emphasizes quantitative approaches under normal conditions, creating a significant knowledge gap (Mahadewi, 2022). Limited understanding exists regarding how managers operationalize risk management during real crises, particularly in debt restructuring. Quantitative methodologies cannot adequately capture the processes, complexities, and adaptive behaviors characterizing crisis management (Mahadewi, 2022).

This gap reflects unresolved lessons from Thailand's two major crises. The 1997 Asian Financial Crisis originated in financial sector vulnerabilities: Bangkok International Banking Facilities (BIBF)-enabled foreign debt accumulation, fixed exchange rates distorting risk perceptions, and real estate bubbles (Warr, 2004; Lauridsen, 1998). When the baht floated, the private sector confronted doubled debt burdens overnight (Lauridsen, 1998), precipitating widespread bankruptcies. Post-crisis emphasis on prevention led academic knowledge toward early warning systems rather than investigating actual crisis dynamics (Bank of Thailand, 2017).

The COVID-19 pandemic exposed different vulnerabilities. Despite strengthened financial institutions from 1997 lessons, lockdowns and supply chain disruptions froze economic activity (McKibbin & Fernando, 2021). Although originating differently (1997: financial; COVID-19: operational), both crises converged on identical outcomes: liquidity shortages and debt default (Financial Stability Board, 2022; International Monetary Fund, 2021). COVID-19 demonstrated that sophisticated risk management cannot prevent crises from unexpected operational and market risks (Hull, 2023).

These crises illuminate a fundamental truth: comprehensive risk management frameworks remain vulnerable to multiple risk dimensions. When crises materialize, debt restructuring remains primary for recovery. This necessitates shifting academic focus from prevention in normal times to understanding actual crisis management processes. This qualitative research addresses this gap through multiple case studies and in-depth interviews with CEOs and CFOs from four Thai organizations that successfully completed debt restructuring following either the 1997 crisis or COVID-19 pandemic.

Research Objectives

The research topic is "In-depth Exploration of the Role and Dynamics of Financial Risk Management in Crisis Situations: A Study Through the Experiences of Debt Restructuring Organizations." The research objectives are as follows:

1. To describe the practical application of financial risk management during debt restructuring.
2. To understand the adaptation processes of executives facing crises.
3. To explain the adaptation approaches and strategies that led to a successful business recovery.

2. Literature review

The literature on financial risk management reveals a fundamental tension: most theoretical frameworks assume stable conditions and emphasize preventive mechanisms, yet real-world crises expose critical gaps between theory and practice. This review examines five theoretical foundations that frame this research while highlighting their limitations in explaining crisis dynamics during debt restructuring.

2.1 Financial Risk Management Theory: The Preventive Paradigm

Financial risk management theory, as articulated by Hull (2023), conceptualizes risk governance as a systematic five-component framework: identification, measurement, mitigation, reporting and monitoring, and governance. This framework prioritizes sophisticated quantitative tools—Value at Risk (VaR), stress testing, and derivatives—to manage credit, market, and liquidity risks under normal operating conditions. Hull positions the CFO as a strategic risk manager focused on oversight, compliance, and analytical precision.

However, this preventive paradigm faces a critical limitation. Stulz (2008) demonstrates that risk management failures often stem not from inadequate tools but from over-reliance on statistical models calibrated to historical data, which systematically underestimate tail risks. When crises strike, the very sophistication of these models becomes a liability, creating false confidence while obscuring emerging threats. **This raises a fundamental question: Does the role of the CFO and the nature of risk management fundamentally transform when organizations shift from prevention to survival mode?** This research challenges Hull's strategic view by examining whether CFOs become "firefighters" rather than strategists during debt restructuring.

2.2 Black Swan Theory: When Models Fail

Taleb's (2007) Black Swan Theory directly challenges the statistical foundations of conventional risk management. Black Swan events possess three defining characteristics: rarity, extreme impact, and retrospective predictability. Such events—the 1997 Asian Financial Crisis triggered by BIF liberalization, fixed exchange rates, and asset bubbles (Warr, 2004; Lauridsen,

1998), or the COVID-19 pandemic's lockdown-induced economic paralysis (McKibbin & Fernando, 2021)—invalidate normal distribution assumptions underlying most risk models.

The 1997 crisis exemplified an endogenous financial crisis where private sector entities, lacking exchange rate risk management competence, faced doubled debt burdens when the baht floated (Lauridsen, 1998). Conversely, COVID-19 represented an exogenous real economy shock: despite Thailand's strengthened financial institutions—lessons learned from 1997 (Bank of Thailand, 2017)—global supply chain disruptions and lockdowns froze economic activity, ultimately converging on the same outcome as 1997: liquidity crises and debt default (Financial Stability Board, 2022).

The critical gap emerges: While Black Swan Theory explains why traditional models fail to predict extreme events, it does not prescribe how executives should operationalize risk management when these events materialize. **What specific adaptations do managers make when their "textbook" approaches become obsolete?** This research fills this void by documenting the practical pivot from model-based prevention to cash-flow-focused survival.

2.3 Debt Restructuring Theory: Asymmetric Information and Multi-Dimensional Risk

Debt restructuring theory addresses organizational responses when financial distress makes debt obligations unsustainable. Gilson, John, and Lang (1990) identify information asymmetry as the primary barrier to successful restructuring: creditors, uncertain about debtors' true financial condition and recovery prospects, demand risk premiums or reject restructuring proposals entirely. Their solution—transparent disclosure of financial status and credible restructuring plans—reduces asymmetry and builds trust, increasing acceptance probability.

Altman, Hotchkiss, and Wang (2019) extend this framework by emphasizing multi-dimensional risk integration during restructuring. Organizations must simultaneously manage liquidity risk (cash flow preservation), operational risk (maintaining core functions with reduced resources), and market risk (retaining customers and suppliers amid uncertainty). Success requires integrated management across these dimensions under extreme resource constraints—a fundamentally different challenge than managing risks in isolation during stable periods.

Yet a critical question remains unanswered: What constitutes sufficient transparency? Gilson et al. (1990) demonstrate that disclosure matters, but do not specify the threshold level required during acute crises. **Does standard disclosure suffice, or do survival scenarios demand "radical transparency"—complete, continuous, and unfiltered information sharing?** Furthermore, Altman et al.'s (2019) integrated framework focuses on technical risk dimensions but overlooks the behavioral and interpersonal competencies required to execute integration under pressure. **This research explores whether behavioral**

skills—negotiation, communication, trust-building—supersede technical financial expertise during debt restructuring.

2.4 Stakeholder Theory: From Shareholder Primacy to Multi-Stakeholder Trust

Freeman's (1984) Stakeholder Theory challenges shareholder primacy by arguing that organizational success depends on managing relationships with all stakeholders: creditors, employees, suppliers, customers, and communities. During debt restructuring, this multi-stakeholder imperative intensifies. Organizations face conflicting demands: creditors seek maximum recovery; employees fear layoffs; suppliers demand payment; customers question reliability. Failure to maintain trust with any group can trigger cascading failures—creditor rejection, talent exodus, customer defection, or supplier withdrawal.

Transparency becomes the mechanism for building this essential trust. By openly disclosing financial realities and recovery plans, organizations signal commitment to honest dealing, mitigating stakeholder fears of information manipulation. This transparency foundation enables collaborative problem-solving rather than adversarial negotiations.

However, Stakeholder Theory does not address prioritization under crisis constraints: When resources are insufficient to satisfy all stakeholders simultaneously, which groups take precedence? During acute liquidity crises, must organizations prioritize creditor trust above all else to secure restructuring agreements, or does neglecting employees and suppliers undermine operational viability? **This research examines whether successful debt restructuring requires equal transparency with all stakeholders or strategic prioritization of creditor relationships.**

2.5 Restructuring Integration Theory: Financial and Operational Symbiosis

Restructuring Integration Theory, synthesized by Altman et al. (2019), posits that sustainable recovery requires simultaneous financial and operational restructuring. Financial restructuring—extending maturities, reducing interest rates, debt forgiveness, or debt-to-equity conversions—provides breathing room by making debt burdens manageable. However, if the underlying business model remains unprofitable, financial relief merely postpones failure.

Operational restructuring addresses root causes by transforming business models, processes, and cost structures to restore profitability and cash generation. Examples include cost reduction programs, efficiency improvements, product portfolio rationalization, or market repositioning. Altman et al. (2019) argue that operational restructuring determines long-term viability more decisively than financial terms because it demonstrates to creditors that the organization possesses a credible path to generating sufficient future cash flows to service restructured obligations.

This integration logic explains why creditors demand operational turnaround plans alongside financial proposals: they seek assurance that debt restructuring will not merely delay inevitable bankruptcy. **The unanswered question is whether integration alone suffices, or**

whether the behavioral dimension—how executives communicate and demonstrate operational changes—matters equally. This research investigates whether presenting operational restructuring plans to creditors serves primarily as technical validation or as a trust-building mechanism that signals management competence and commitment.

2.6 Strengthen the Research Gap/Tension

Most research on financial risk management operates under the assumption of normal conditions and emphasizes preventive approaches (Hull, 2023; Jorion, 2007), viewing the CFO as a strategist focused on governance, reporting, and using sophisticated financial tools to measure and manage risk. However, in real crisis situations, particularly during debt restructuring processes, there exists a significant gap between theory and actual practice.

Black Swan Theory (Taleb, 2007) explains unexpected events with severe impacts but does not clearly articulate how executives should modify their risk management strategies when facing such events. Freeman's (1984) Stakeholder Theory emphasizes balancing stakeholder interests but does not prioritize which stakeholders' executives should focus on first during severe crises.

This research challenges traditional views by demonstrating that during crises, CFOs cannot function merely as strategists but must become "firefighters" who rely more on behavioral skills and communication abilities than sophisticated financial tools. This dimension is missing from Hull's (2023) effective risk management framework. Additionally, the research reveals that during crises, risk management is not about risk diversification or using financial derivatives, but about shifting all focus to cash flow preservation for survival—which differs from Altman et al.'s (2019) Integrated Risk Management concept that still emphasizes balance among different risk dimensions.

3. Methodology

This research delves into the role and dynamics of financial risk management in crisis situations, specifically examining the experiences of organizations that have successfully restructured their debt. This is qualitative research employing a multiple case study methodology. In this context, a "case" refers to an organization that has successfully completed debt restructuring. By studying multiple cases, the researcher can conduct a cross-case analysis to identify patterns that are more reliable than studying a single case.

3.1 Research Design

This study employed a **qualitative research design**, specifically a **multiple case study** approach. The multiple case study methodology was chosen to explore organizations that successfully underwent debt restructuring, allowing for in-depth examination of each case individually while enabling **cross-case analysis** to identify patterns and common themes across different contexts.

The research design focused on understanding three main objectives: (1) describing the practical application process of financial risk management during debt restructuring, (2) understanding the adaptation process of executives facing crisis conditions, and (3) explaining the adaptive strategies that lead to successful corporate turnaround. This design enabled the researchers to explore, understand, and capture the dynamics of how financial risk management operates in real crisis situations, rather than in theoretical or normal conditions.

The study utilized **thematic analysis** as the primary analytical approach, which involved systematic coding and identification of patterns across cases. The analysis process included both **within-case analysis** (examining each case individually) and **cross-case analysis** (comparing patterns across all cases) to identify universal themes and unique aspects.

3.2 Population and Sample

The population of interest consisted of organizations that had successfully completed debt restructuring processes following major economic crises in Thailand. The sample was selected using **purposive sampling** (also known as judgmental sampling), a non-probabilistic sampling technique commonly used in qualitative research.

Key informant selection criteria included:

1. Organizations that successfully underwent debt restructuring
2. The debt restructuring occurred during or after major crises (specifically the 1997 Asian Financial Crisis or the COVID-19 pandemic).
3. Organizations currently operational and financially recovered
4. Key executives (CEO or CFO) who directly participated in the restructuring process
5. Executives willing to participate in in-depth interviews
6. Organizations representing diverse industries
7. Achievement of data saturation (the point where no new themes emerge)

The final sample consisted of **8 high-level executives** (CEOs and CFOs) from **4 organizations**. The four case organizations (labeled A, B, C, and D) represented different crisis contexts: Case A experienced the 1997 Asian Financial Crisis, while Cases B, C, and D underwent debt restructuring during the COVID-19 pandemic.

The selection of four case study organizations and interviews with eight executives follows the principle of data saturation in qualitative research. After interviewing the third case study, researchers found that the three main themes— (1) From Textbook to Cash-is-King, (2) CFO as Firefighter, and (3) Cards on the Table—began appearing repeatedly across all cases clearly.

However, researchers decided to conduct the fourth case study interview as a confirmatory case and to ensure industry diversity coverage. No new themes emerged from the fourth case study, and all three main themes remained consistent and reinforced the findings, consistent with Guest et al.'s (2006) principle stating that data saturation in qualitative

research typically occurs within the first 12 case studies and, in many cases, may occur earlier if case studies share similar crisis contexts.

Interviewing eight executives from four organizations (CEO and CFO from each organization) provided comprehensive data covering both strategic perspectives (from CEOs) and financial operational perspectives (from CFOs), establishing data credibility through within-organization triangulation. Coverage of four diverse industry groups as shown in Table 1 (manufacturing, retail, services, and construction) and diversity in crisis types (1997 financial crisis and COVID-19 crisis) enhances the transferability of research findings to other contexts.

3.3 Data and Data Source

The study employed a **mixed-methods data collection** approach with both primary and secondary data sources to ensure **triangulation** and enhance the trustworthiness of findings.

Primary Data Sources

In-depth interviews served as the primary data collection method. The interviews were conducted using a **semi-structured interview guide** that allowed for flexibility in exploring participants' experiences while maintaining focus on key research questions.

Key features of the interview process included

- Video conference format with informed consent procedures
- Use of probing techniques to explore dynamics and gain deeper understanding
- Field notes recorded during interviews to capture context, body language, and initial interpretations
- Verbatim transcriptions of all interviews for analysis.
- Continuation of interviews across multiple cases until data saturation was achieved (typically 3-5 cases per organization)

Secondary Data Sources

Documentary analysis was used as a complementary data source for triangulation purposes. Secondary data included:

- Annual reports
- Financial statements
- News articles and media coverage
- Internal company documents (where available)

Data Quality Measures

To ensure trustworthiness, the study implemented several quality measures based on Guba and Lincoln's (1985) criteria:

1. **Credibility**—through data source triangulation (interviews + documents) and member checking (verifying findings with participants)

2. **Transferability**—through thick description of contexts, situations, and processes

3. **Confirmability**—through reflexivity practices and peer debriefing

The data collection process followed a systematic four-phase approach: (1) Preparation and Access Phase, (2) Primary Data Collection Phase, (3) Secondary Data Collection Phase, and (4) Data Preparation Phase. This structured approach ensured comprehensive and rigorous data gathering that enabled robust thematic analysis.

Table 1: Overview of the context of the case study.

Case study	Industrial group	Organization size	Main crises faced
A	Real estate	Large businesses	1997 Financial Crisis (Foreign Debt)
B	Transportation/Services (Aviation)	Large businesses	COVID-19 Crisis (Income Suspension)
C	Service (Hotel)	Large businesses	COVID-19 Crisis (Income Suspension)
D	Retail	Large businesses	Pre-COVID-19 Financial Crisis (Mixed)

Source: Researcher's summary

3.4 Data Analysis

This research employed thematic analysis, consisting of five main steps: (1) familiarization with the data, which involved reading verbatim transcripts repeatedly while reviewing field notes and secondary documents; (2) initial coding using open coding and line-by-line analysis to extract key statements reflecting experiences of facing crises, decision-making processes, challenges, and strategies used; (3) identifying and developing themes by grouping codes with similar meanings into sub-themes and then developing them into main themes that could address all three research objectives; (4) within-case analysis, which involved analyzing each organization separately to understand internal dynamics and using detailed contextual descriptions; and (5) cross-case analysis, which compared results from all cases to identify common patterns or universal themes and unique aspects in order to synthesize robust conclusions and fill the knowledge gaps as specified.

4. Results

Cross-case analysis reveals significant differences between Case Study A (1997 financial crisis) and Case Studies B, C, and D (2020 COVID-19 crisis) regarding "Cards on the Table" or radical transparency.

In Case Study A, which faced the 1997 financial crisis, building transparency with creditors was more challenging due to the political context and financial system uncertainty

at that time. Executives needed to build trust from zero in an environment where creditors had no confidence in the overall financial system. As Case A's executive stated, "We had to prove every number, every word, because no one trusted anyone during that period." Building transparency therefore required considerable time and repeated verification.

In contrast, Case Studies B, C, and D facing the COVID-19 crisis, an exogenous shock affecting all organizations simultaneously, found building transparency easier because creditors understood that the crisis did not result from organizational mismanagement. As Case C's executive stated, "Creditors sympathized with us because everyone faced the same problem. We just had to show them what we were doing to cope." Transparency in this case focused on demonstrating action plans and consistent communication rather than proving basic credibility.

This difference demonstrates that crisis context (internal vs. external, unstable vs. stable financial system) affects communication strategies and trust-building approaches. While the principle of transparency remains the same, the methods and ease of implementation differ significantly.

5. Conclusion, Discussion, and Recommendation

5.1 Conclusion and discussion

Point 1: Expanding Integrated Risk Management Theory

The research findings extend the scope of Altman et al.'s (2019) Integrated Risk Management Framework by adding a crucial but neglected dimension in traditional risk management literature: the **Behavioral and Soft Skills Dimension** of financial executives.

Altman et al. (2019) propose a multi-dimensional risk management framework covering credit risk, liquidity risk, market risk, and operational risk, emphasizing the integration of financial tools and systematic management processes. However, this research demonstrates that in real crises, **risk management success does not depend solely on sophisticated financial tools** but depends on CFOs' abilities to (1) communicate effectively with creditors under pressure, (2) build trust through radical transparency, and (3) make quick decisions under incomplete information conditions.

Therefore, the integrated risk management framework should add a **fifth dimension: Managerial Behavioral Competency**, including negotiation skills, trust-building, emotional intelligence, and decision-making ability under high uncertainty. This dimension is not supplementary but a core component necessary for surviving financial crises.

Point 2: Challenging the Traditional View of the CFO Role

The research findings clearly challenge Hull's (2023) traditional view of the CFO role. Hull (2023) describes that in effective risk management frameworks, CFOs serve as **Strategic**

Risk Managers focusing on governance, reporting, and using sophisticated financial tools to measure and manage risk under normal conditions.

However, the research findings reveal that during crises, the CFO role shifts from **strategist** to **"firefighter"** dealing with immediate emergencies without time for in-depth analysis or complex tools. As one executive stated, "In the negotiation room with creditors, nobody cares whether you have VaR models or Credit Derivatives. They just ask, 'Can you pay, and when?'" This transformation demonstrates that **the CFO role is not static** but depends on organizational context, and during crises, the most critical skills are communication ability and trust-building, not technical expertise.

Point 3: Expanding Transparency Theory in Debt Restructuring

The research findings also expand understanding of transparency's role in debt restructuring processes presented by Gilson et al. (1990). Gilson et al.'s (1990) work shows that information disclosure reduces debt restructuring costs but does not explain what level of transparency is needed or what types of information should be covered.

This research reveals that successful organizations do not use merely "normal" transparency but employ **"Radical Transparency"** meaning (1) disclosing all financial information, including unfavorable data, (2) updating financial status weekly or daily during crises, and (3) disclosing detailed recovery plans including assumptions and associated risks. As an executive explained, "We opened all account books for creditors to see. Nothing hidden, because if anything happened later that we didn't disclose, we would lose trust forever." This level of transparency exceeds legal or general practice requirements and represents what organizations voluntarily choose to do to build maximum trust.

This expanded understanding demonstrates that during crises, **transparency is not a binary variable but a continuous variable** with different intensity levels, and transparency level has a positive relationship with crisis survival probability.

5.2 Recommendation

5.2.1 Recommendations from the Research Findings.

For Organizations and Executives

Organizations should develop crisis capabilities beyond preventive models. Implement real-time cash flow systems simulating zero-revenue scenarios for Black Swan preparedness. Executive programs must incorporate behavioral competencies—crisis communication, negotiation, trust-building—preparing CFOs for "firefighter" roles. Establish transparency cultures proactively; radical disclosure cannot develop overnight during crises.

For Financial Institutions

Establish early-stage communication channels promoting debtor transparency. Management capability and communication quality predict recovery success as reliably as collateral.

5.2.2 Recommendation for Future Research

CFO Competency Models: Develop frameworks identifying crisis-specific skills and measurable instruments for executive selection and development.

Creditor Perspectives: Investigate creditor decision-making to understand which factors—trust signals, operational plans, transparency levels—influence restructuring acceptance.

Failed Case Analysis: Compare failed versus successful cases to identify true critical success factors and develop predictive frameworks.

Quantitative Validation: Develop transparency indicators and test relationships with restructuring success across large samples.

Cross-Cultural Studies: Replicate research across different cultures and financial structures to distinguish universal from context-dependent factors.

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