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How leaders interpret and act in a crisis?
Narratives by some Nordic leaders

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ABSTRACT

What is a crisis? The crisis literature generally refers to crises as low-probability, high-impact events that threaten the future of the organization such as fire on site, sabotage in manufacturing process etc. However, what leaders perceive as a crisis has not yet been researched as thoroughly. The purpose of this study was to investigate how leaders perceive a crisis, what they do in a crisis and what actions they prioritize. The research was conducted using semi-structured interviews where narratives were the main data collection method with the aid of a visualization tool. In a crisis situation leaders tend to prioritize some actions more than others, based on the findings these were decisionmaking, internal communication, collaboration and trust. The least prioritized actions were taking risk, training of employees and following rules and standards. A few suggestions how an organization could become more proactive are presented. With these suggestions leaders are encouraged to look at how their companies handle these matters, how they could improve their operations and to become more proactive towards crises.

Key words: Crisis management, Crisis Leadership, Leadership, Proactive thinking

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Preface

This study started to evolve from the authors' interest on leadership behaviour and how to improve overall training that leaders receive. After writing a final paper on Machiavellianism in Leadership and Communication course in Chalmers, the idea of doing project work on leadership behaviour started conceptualize. With help of our supervisor Christine Räisänen the research was chosen to consider crises and leadership in a crisis. The existing literature is not covering thoroughly what leaders do in a crisis therefore leaders in the different areas of business world were interviewed. The findings from the interviews were compared with existing theories of crisis management and leadership. This study was carried out as the final project of our post graduate education, known as Master Thesis. We would like to thank our supervisor, all the interviewees, our opponent Maja Luketa and all others who have contributed their time and knowledge to our work.

It may seem that this report is a result of many hours of work done in spring 2012, but it should be noted that it is the culmination of two years of hard work. It could have not been done without the support and help we have received from our families and friends throughout our lives. Special shout outs goes to Georgi's girlfriend, Marthina Nyström Widell, your love and support gave me the strength to keep on going in the darkest moments and Joonas' best friend Janne Kumpulainen, could have not done it without you buddy, BOO-YA!!

Göteborg May 2012

Joonas Pusila & Georgi Stojanovski

1 Introduction

What is a crisis? The crisis literature generally refers to crises as low-probability, high-impact events that threaten the future of the organization (Pearson and Clair, 1998) such as fire on site, sabotage in manufacturing process etc. However, what leaders perceive as a crisis has not yet been researched as thoroughly. Since the 1980's researchers have highlighted the crisis itself and the process of crisis management (Smith, 1990), but only a few researchers (Weick, 1993 & Hart et al., 2009) have touched on the topic of what leaders actually do in a crisis. Weick (1993) presented how leaders and individuals make sense in a crisis situation and how this sense making guides their actions. Hart et al. (2009) discusses the actions of President Bush after 9/11-terrorist attack and Hurricane Katrina considering sense making, decision making and meaning making.

If an organization does not know how their leaders think and may act during crises or vice versa, how can the organization operate efficiently during crises? This lack of know may lead to an uncertain situation where the organization can lose the ability to function, which can be a result of misunderstandings and/or panicking (Weick, 1993). Many organizations are not well prepared for crises (Pearson and Clair, 1998). One reason for this might be that some managers concentrate their efforts on the present and how to interpret past instead of thinking what the future might bring. Hence the focus is on the core business of the company and the possibility of organizational crises is often neglected (Pearson and Mitroff, 1993), such as financial crisis resulting in major lay-offs. Some organizations have a tendency to treat a crisis as reactive rather than proactive event even though the warning signs may be detectable. This can create reactive attitude that reduces the need for training employees to think more proactively (Mitroff et al., 1987). Training of employees can be one way to prepare the organization for crises and help the leaders and their teams to function more efficiently in a crisis (Bernstein and Bonafede, 2011).

The purpose of this study is to investigate how leaders perceive a crisis, what they do in a crisis and what actions they prioritize. The research is conducted using semi-structured interviews where narratives were the main data collection method with the aid of a visualization tool. The existing crisis management and leadership literature were used to form the following research questions:

RQ1: What is a crisis for a leader?

RQ2: What do leaders do in a crisis?

RQ3: What actions do leaders prioritize in a crisis?

The structure of this research is the following: method, theoretical framework, findings, discussion and conclusion. First we describe the method used to conduct the research including how data was collected and analyzed. In the theoretical framework the main theories used to form background knowledge are presented. Findings are divided into three major categories prioritized and least prioritized actions, and other interesting points. In the discussion section the findings and theories are compared and discussed. Based on the discussion some suggestions how organizations can become more proactive are presented. In the conclusion the most important parts of the research are summed together.

2 Method

2.1 Data collection

For this research an interpretive approach was used to gain understanding of how leaders perceive crises, what they actually do in a crisis situation and what actions they prioritize in a crisis. Narratives were used to create an understanding of how people talk about crisis situations. These narratives were elicited in interviews following guidelines of qualitative research methods presented by Creswell (2012). Important to remember when conducting the interviews is that what the interviewees tell is not the truth necessarily, but rather their way of making sense of crisis in the particular context of the interview situation. Many such stories may help identifying some commonalities to form a framework of the research topics.

The semi-structured interviews were conducted following a guide adapted from Rosenthal (1993) and Hollway and Jefferson (2008). The interviewees were asked to tell a story of a crisis that they had been part of and what actions they took during the crisis. After their narrative, open and probing follow up questions about the story and general questions about the background of the interviewee were asked. An example of a question asked during an interview was "When you say we solved the crisis, who do you mean by we and could you elaborate how you solved the crisis?" The interviews were recorded and notes were taken.

For this study 11 participants were chosen from companies in different industries, levels, size of companies and countries. This selection was done to get a broad and heterogeneous view of crisis management in Nordic countries. The interviews lasted from 30 to 60 minutes and afterwards the interviewees received a preliminary transcript. This was to ensure that there was nothing that could be linked to them and their company to compromise their anonymity. Each interviewee was assigned with an alphabet to protect their identity and keep the research anonymous (Table 1).

| Industry	Role	Identification
Sports team (Finland)	Head Coach	A
Construction (Sweden)	CEO	B
IT & Telecommunication (Sweden)	Supervisor of organizational change	C
Construction (Sweden)	Divisional Manager	D
Construction (Sweden)	Project Manager	E
Manufacturing (Sweden)	Production Manager	F
Construction (Sweden)	Regional Manager	G
Construction (Sweden)	Consultant Project Manager	H
Shipping (Denmark)	Human Resource Manager	I
Construction (Sweden)	CEO & Head of Public Affairs	J

The visualization tool was as a memory prompt and to facilitate prioritization. 13 factors (Table 2) drawn from crisis management and leadership literature were formed and represented by one card each (Whiffen, 2007; Seeger and Ulmer, 2001; Boin and Lagadec, 2000; Weick, 1993; Hart et al., 2009).

Table 2, Factors for the visualization tool (Whiffen, 2007; Seeger and Ulmer, 2001; Boin and Lagadec, 2000; Weick, 1993; Hart et al., 2009)

Decisionmaking	Trust
Stop to think and reflect	Solve problem
Taking risks	Be creative
Delegating	Internal communication
Collaboration	External communication
Training of employees	Stakeholder relations
Follow rules and standards	

These cards were handed to the interviewees after they had described their experience of a crisis. They were asked to order the cards in order of priority: least prioritized at the bottom and to take away any card which they did not relate to. If they thought that some factors were equally important they could combine them. Otherwise there were no other rules for the exercise and they could form a structure they felt represented

their way of thinking. In the analysis of the ranking we used a point system. Points were given in four categories, top three, in the middle, lowest three and those taken away. Pictures 1 and 2 show examples of the exercise. FIX THE PICTURE!!!!!!
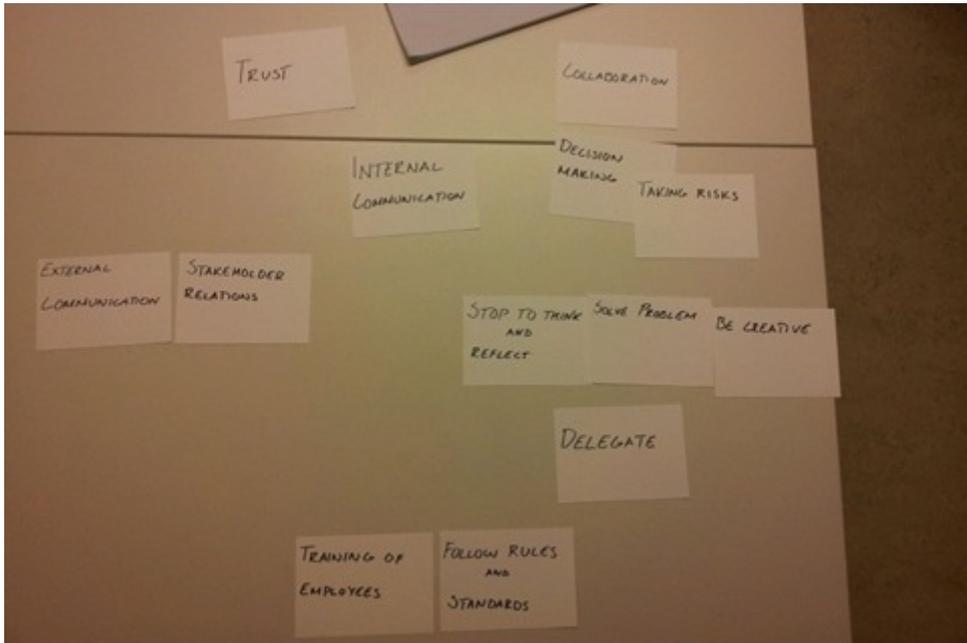
Picture 1, The visualization tool 1, (B) In this picture it is visible that the ranking did not have to be linear but could run parallel in many levels. On the top of the picture Trust and Collaboration are surrounding every other factor.
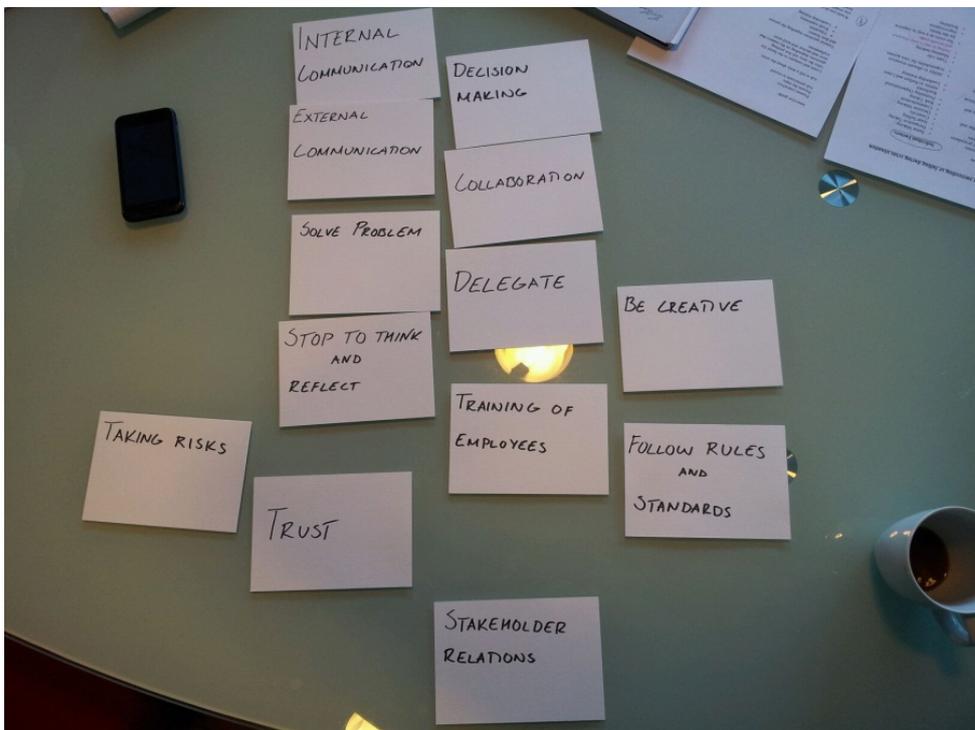
Picture 2, The visualization tool, (C) More linear example of ranking. The lowest three factors were seen as either complicated to rank or very low priority was given.

2.2 Data analyzis

The first step of the analysis was to listen the recordings and identify the leaders' actions based on the narratives i.e. make sense of the situation. After identifying the

key actions, quotes explaining those were written down i.e. *"First thing you do is to calm down and understand what is happening."* The actions of the leaders from the narratives were categorized by using the factors in the visualization tool (Table 2). If some actions did not match with these factors, they were documented as other interesting points i.e. *"speed is the key in crisis management."* The next step was to analyze the visualization tool rankings and documenting quotes, which explained the arguments why the different factors were chosen by the leader for the visualization tool. After the documentation was done, the notes from the narratives and the visualization tool were compared to see if there were any contradictions. The last step of the analysis was to combine the rankings and identify the most and least prioritized actions. Table 3 presents the steps used through the analyzis.

Table 3, Steps how interviews were analyzed

Step	Action
1	Listen to the recordings and identify leader's key actions based on the narrative
2	Listen to the recordings and document quotes explaining leaders key actions
3	Allocate key actions based on the factors from the visualization tool
4	Assign left over actions to other interesting points
5	Analyze the ranking and document quotes from the visualization tool
6	Identify if contradictions between story, other interesting points and the visualization tool
7	Form the combined ranking from the visualization tool

2.3   Example interview

Here one example of interview analysis is presented. The underlining is a sign of action or factor that is important in crisis management.

What did the interviewee do in the crisis?

- His responsibility to translate the communication package into reality 20:45
  - Part of firing individual people
- Realized the crisis would hit half a year or year ago 23:25
- Defined crisis as financial crisis in corporate world
  - "In corporate language, crisis can be an important or though financial situation." 1:15
- Mini crisis itself when firing someone
  - "As a leader that is really though. That is on itself a mini crisis since in that situation you are confronted in meetings like this in a situation where you are asking people to leave you. And in an hour you are changing the whole foundation of a person's life" 30:30
- General crisis management stuff:

- Invest resources in communication
    - "What we did good was that we invested lot of time and money in the communication. Explaining the need for the change, in very structured and well thought manner" 5:40
- Different reaction from different people
    - "Number of individuals going through change curve and crisis curve. The difficulty planning for this is of course that human beings tend to react very different ways." 8:20
- Leaders have to explain something they are not sure of
    - "You are asked as a leader to elaborate, to explain the logic of the change without really knowing where you will end up yourself." 7:00
    - "They (leaders) are also going through huge personal change process. Which is not considered or understood by everyone." 7:20
- Cultural differences can create opposing opinions
- Speed is the key in crisis management
    - "In crisis to ability to act fast is critical, both for the employees but also for the company and the survival of the company" 12:50
- From global to local to individuals, a leg in crisis management
    - "Communication, translating the global direction into local thoughts and ideas, and translating it to personal interactions." 14:25
- Need to be able to communicate the vision of the end state
    - "You need to be able to communicate the future. There is something at the end of the tunnel. I wouldn't say it has to be positive. You have to communicate the end state vision." 15:05
- Leaders have had time to process the change and tend to forget that when dealing with employees
    - "But what we tend to forget as leaders is that we have been through the change curve. And now we need to realize that rest of the organization has to go through exactly the same curve."17:20
    - "Many of these reactions are just because they haven't had time to process the change. You need to keep in mind, as a leader, you have had access to much more information than the employees. Your employees are acting the same now as you were six months ago" 17:40
- Sustainable change
    - "30% is your organization 70% is your people" 19:20
- Trained leaders about tactics of the change process 33:45
- Change management theories in crisis management 34:30
- Need to be able to change focus very fast 35:15
- People will run to one direction if not guided 37:50

3 Theoretical Framework

3.1 Crisis

The field of crisis management contains various views of what a crisis is. Ansell et al. (2010) describe a crisis as when the threat of an event is perceived to go against the core values or life-sustaining functions of a social system, and requires urgent remedial action under conditions of deep uncertainty. Whereas Bernstein and Bonafede (2011) define crisis as any situation that is threatening or could threaten to harm people or property, seriously interrupt business, damage reputation, and/or negatively impact share values. However Persons and Clair's (1998) definition takes the main points from management, psychological, social-political and technological-structural sciences. Therefore to understand Persons and Clair's definition, it is important to know what their definition is based on. Management research defines organizational crisis as:

> *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.*

The management view mainly takes account the organization in the definition, but do not consider the groups and individuals within the organization. Whereas psychological view on crises (Persons and Clair, 1998): *The crisis cannot be separated from the viewpoint of the one who is undergoing it,* explains the need to consider how each individual is perceiving the crisis. Social-Political presents different view on crisis (Persons and Clair, 1998):

> *A disaster or a cultural collapse takes place because of some inaccuracy or inadequacy in the accepted norms and beliefs.... There is an accumulation of a number of events.*

This view shows that the group or society, which is affected by the crisis have had influence on the creation of the crisis by not challenging their norms and beliefs. Technological-structural view on crisis takes account tools and structures created by people (Persons and Clair, 1998):

> *Ever since the first stone tools appeared more than two million years ago in East Africa, humanity has evolved in tandem with tools and machines it has invented. But now the evolutionary tracks of humankind and technology are beginning to overlap so completely that the very meaning of "human being" may change. In this new relationship, technology is expanding humankind beyond the limits of flesh and blood, spawning a futuristic species that sees farther, runs faster, even lives longer than the standard, unalloyed biological human that are at odds with the picture of the world and its hazards.*

From this definition it is visible that tools and structures are evolving faster than humans and therefore causing crises since humans cannot control these anymore. Pearson and Clair reworked the previous views and formed one multidimensional view of organizational crisis:

> *An organizational crisis is a low-probability, high impact situation that is perceived by critical stakeholders to threaten the viability of the organization and that is subjectively experienced by these individuals as personally and socially threatening. Ambiguity of cause, effect, and means of resolution of the organizational crisis will lead to disillusionment or loss of psychic and shared meaning, as well as to the shattering of commonly held beliefs and values and individuals' basic assumptions.*

During the crisis, decision making is pressed by perceived time constraints and colored by cognitive limitations.

The multidimensional definition takes account also individual (psychological), groups (social-political) and role of tools (technological-structural) perspectives and not just the effects of a crisis to an organization. We think that organizations are the sum of these three elements and therefore this multidimensional view is the most appropriate definition for our thesis.

As the world is becoming more globalized, companies are increasingly depending on each other, for example car manufactured in Sweden includes parts manufactured in factories in all over the world. Therefore the leaders should understand that actions outside of the company can affect it as much as the actions within the company (Boin and Lagadec, 2000). The authors argued that globalization will make crises harder to predict and control as crises become polymorphs affecting the organization outside its borders, spreading in the shape of domino effects where the changes could be irreversible. The crisis will grow in complexity where it is not due to a single event, but rooted in deep misbalance between different parts of the surrounding system, where it appears in an inconceivable and random way. The crisis will affect the whole organization as fundamental problems within will enhance the crisis, since the crisis will create a ripple effect where no longer conventional procedures are sufficient to deal with the crisis. The rules of the game will change and in a fast and random manner with an absence of a quick fix. One example of this kind of chain reaction is from 2007-2011 when Toyota had to call back 9 million cars around the world due to various reasons i.e. design and materials chosen, which started unravel as the previous one was solved (NY Times).

3.2 Types of crises

Crises can appear in many different shapes with different durations and impacts affecting the organization, group or/and the individual. They can be divided into three general categories depending on the nature of the crisis (Table 4):

Table 4, Type of crises (Bernstein & Bonafede, 2011)

Type of crisis	Description	Example
Creeping Crises	Developed over a series of events where pattern has not been identified	Damaging rumors
Slow-Burn Crises	Advance warnings, but the situation has not yet caused any actual damage	Most lawsuits that can develop into crises
Sudden Crises	The damage has already occurred and will get worse the longer it takes to respond	Fire an on-site, accident

In creeping crises leaders need to be either strong about assigning the ownership of the problem so the crises could be solved or pay more attention to employees comments about the warning signals. An example of creeping crisis is the climate change or the fall of euro. In slow-burning crises leaders need to look at the indicators in and around the organizations. Usually these warning signs are manifested in multiple different ways, for example within the organization some divisions are not

performing up to standards or outside of the organization there could be rapid changes in the environment. Based on these warnings signs leaders would need to start taking precautionary measures such as redesigning the operations to lessen the effects from the changes in the environment. An example of slow-burn crisis is the financial crisis in 2008 where banks were giving subprime mortgages that the loan takers could not pay back and selling those loans to investors. In sudden crisis the action is mostly about damage control, but a good leader would think about how to improve the operations for the future (Seeger and Ulmer, 2001). An example of sudden crisis is death of an employee.

People perceive crises different for some it can be a creeping crisis which has been observed for a longer time, while others realize the crisis first when the problem has escalated to a sudden crisis. Depending on how and when the crisis gets the attention of the receiver, they might react differently. Some might enter a state of chock, because of the sudden overwhelming surprise, where others had time to prepare themselves both by taking precautions and calming their mental state (Fink et al, 1971). When entering a state of crisis management, leaders need to understand that people around them might interpret the crisis situation differently or not even understand they are in a crisis. Therefore leaders would need to consider the viewpoint of their employees in order to get the whole picture of the crisis and not neglect the employees need for time to understand the situation (Pearson & Clair, 1998). Example of different interpretations of crisis situation is the PUSH boycotts in the 80's where the leaders of the nation, companies and civilians had different view on the working opportunities of the minorities.

3.3   Crisis management

Crisis management originated in the 1980's North America (Smith, 1990) and the first recorded case is said to be Johnson & Johnson's Tylenol crisis in 1982. The crisis started as people started dying from the Tylenol medicine since cyanide had been injected in to the medicine capsules. This caused nearly 500 million USD worth of products to be recalled (Mitroff & Anagnos, 2001). Johnson & Johnson used communication to inform customers and public authorities about their current situation and their future actions. The organizations procedures where used as guideline for crisis management many years after the crisis had been solved (Ulmer, 2001).

There are multiple definitions of crisis management. Seeger and Ulmer (2001) define crisis management as set of guidelines regarding the effective assessment, response, mitigation and relief of a crisis. Whereas Bernstein and Bonafede (2011) definition is *"The art of avoiding trouble when you can and reacting appropriately when you cannot."* Pearson and Clair's (1998) definition of crisis management is based on the multidimensional view of crisis and how the factors involved are managed in effective and collective manner:

> *Effective crisis management involves minimizing potential risk before a triggering event. In response to a triggering event, effective crisis management involves improvising and interacting by key stakeholders so that individual and collective sense making, shared meaning, and roles are reconstructed. Following a triggering event, effective crisis management entails individual and organizational readjustment of basic assumptions, as well as behavioral and emotional responses aimed at recovery and readjustment.*

To understand crisis management better, it is important to know the different phases that it includes, pre-crisis management, crisis-impact/rescue and post-crisis management or bankruptcy (Smith, 1990). The transition from pre-crisis management to crisis-impact phase is undergone after the triggering event. This event is a place where intervention can have effect and this is usually seen as the start of a crisis (Weick, 1988). Even though current literature mentions pre-crisis management, many tools and processes are focused on the crisis-impact/rescue phase. This could hinder the proactive abilities of an organization, since the employees might not receive proper education for proactiveness, which could affect their mind-sets. If the proactive thinking is missing, this could mean that employees do not take small problems seriously enough, which could result in larger crises. This meaning that managing small problems more effectively could lead to fewer large crises (Weick, 1988). Mitroff et al. (1987) promoted the idea that crisis management is a never-ending process and that organizations would need to act in a way that crisis can happen at any day. This means that organizations would need to consider their organizational culture and how that promotes attitudes and behaviors towards proactive crisis management. If the culture has negative effects on preparedness, the organization would need to consider implementing cultural change (Smith, 1990).

Pearson and Clair (1998) propose that companies which have a crisis management group or team will more likely be successful with their crisis management efforts. There are several reasons for this, for example in a team responsibility, information, resources and decision making are divided between members, which will speed the process and give greater outcome compared to a situation if individuals had worked alone. Weick (1993) also points out the importance of group mentality for crisis management. Weick explained that the firemen in Mann Gulch crisis started to panic and lose their ability to function as one unit and this was labelled as group disintegration. This shows that when group effort is required for successful handling of the situation, even professional individuals can fail if the group fails to function. Therefore it is important to know how individuals might react to a crisis situation in order to maintain group mentality and functionality of the group.

As mentioned earlier, there are different types of crisis and how individuals perceive crises. These factors also affect crisis management as Weick (1993, p.633) noted. This is because when crisis hits suddenly, it can create a vu jàdé-feeling which is a result of a person feeling they have never been in that specific situation, do not know who could help them or how this situation could be solved. To prevent people from falling into this state and to ensure that people could maintain their ability to function as part of effective crisis management unit it could be beneficial to put more emphasis on pre-crisis actions. Few of these pre-crisis actions include, prevention, planning for crises and training employees for crises situations. This is important since every one working in an organization which is undergoing a crisis, is going to be in charge of certain tasks (Bernstein & Bonafede, 2011). Bernstein and Bonafede (2011) explain that the time and money invested in crisis management will equal savings that are multiple times higher than the initial investment.

3.4 Crisis leadership

The crisis leadership literature describes factors and tasks that are important for a leader in a crisis. Mitroff (2005) proposes six different types of intelligent quotients (IQ) and one skill that a good crisis leader should possess. Table 5 shows Mitroff's (2005) characteristics:

Table 5, Crisis leader characteristics

Characteristics	Practical implications
Emotional IQ	Ability to withstand pressure
Creative IQ	Think outside of the box but include it within the solution
Spiritual IQ	Do not lose purpose of life
Social IQ	Good political skills
Technical IQ	Know what you are doing and thinking what others would do
Integrative IQ	Ability to combine other IQ's into functional unit
Ability to put all IQ's into use while adopting new skills	

To understand how these IQ's would present themselves in real life few examples are given. A crisis is a stressful situation since failing to manage it properly can have devastating effects. Therefore leaders would need to be able to function under higher pressure than normal. Some crises situations require creative thinking to solve the problem, since the daily operations of the organization did not prevent the crisis from happening. Even though a crisis can be seen as devastating at first, leaders need to remember that there are also opportunities to come out stronger (Seeger and Ulmer, 2001). As Pearson and Clair (1998) mentioned organizations that have crisis management group are more likely to be successful in their efforts to solve the crisis. Therefore it might be important for leaders to be able to convince group of people to work towards common cause. In order to manage crises effectively leaders would need to know what they are doing, but as history has shown they also need to think others perceive the situation (Pearson and Clair, 1998) and what are their the actions what they will likely take (PUSH boycott's). To get best results out of crisis management, leaders need be able to combine all the previous skills into one and put this into use in real life.

As Mitroff et al. (1987) said "*Effective crisis management is a never-ending process*", would not this also mean that crisis leadership is a constant action within organizations? With this crisis management definition, it is important to be aware how common leadership styles can be used in crisis management. The leadership styles that have connections to crisis are presented in appendix 8.1.

4 Findings

In this section findings of the study are sorted into four major categories. These categories are example of crises, general narrative progression, most and least prioritized factors and views on crisis management.

4.1 Examples of crises

The following vignettes present a few examples of situations that leaders perceived as a crisis. The most representative crisis with (four stories) was when an organization had to do major lay-offs in order to save money and try securing the future operations. Other crises mentioned included sports team underperforming, computer system crashed, accident, media crisis and a crisis resulting from bad project planning.

4.1.1 Hockey team in crisis

A Head coach of a Finnish hockey team described a crisis as the team not living up to the expectations that they had for the upcoming season. At the beginning of the season the organization only saw the potential of success during that season and the possibility of failure were seen as non-existing. During the crisis the coach's communication changed from good interaction to direct lecturing and the amount started to reduce because of the increasing pressure, which put more pressure on the team. The head coach started to use new strategies to turn the situation around, but these created new and worse problems, which made the head coach turn back to the previous playing system. Different parties of the organization experienced the possible effects of the crisis differently. For the leader and the players the crisis was the uncertain future of profession and for the organization it was the continuity of operations. The crisis could be labelled as slow-burning crisis, since the team did not perform up to the expectations and this visible after each game that was lost. By time of the interview crisis was on-going therefore results remain unknown at that time.

4.1.2 Crashed computer system

The CEO of a construction service company suddenly faced a breakdown of the company financial computer software system, which was a core instrument for tracking cash flows and billing customers. Overnight the company lost track over their cash flow. The company was paying bills on time but they could not invoice their customers, which made them use larger amounts of credit than they usually did. To stop rumors they informed stakeholders about the failing system in order to ensure that the company still was solid and not on the edge of bankruptcy. To solve the problem, there was collaboration between outside stakeholders and the company. The collaboration was done by communication between the CEO and the management of outside stakeholders. In the end the crisis was solved and the company managed to recover their financial system. Thanks to the crisis, the company improved their financial system and the collaboration between the key stakeholders. The crisis could be labelled as a sudden crisis.

4.2 Crisis progression

At the beginning of the interviews, the interviewees told their stories about the crises. All the leaders said that first thing to do in a crisis is to find out what is going on (i.e. Sensemaking, Weick 1993), why did the crisis happen and what affect it will have for the company: "*First thing you do is calm down, what happened, what causes the crisis will have.*" The next step was to inform about the current situation and shift the focus from

normal daily routines to the problem *"See the whole chain. Now we know the problem, we are here, sit down, think, discuss, what can we do and take actions."* When everyone realized how serious the situation was, the leaders started to balance between supporting their people and trying to reduce blaming within the organization:

> *Five faults made during the four month are not so much, are seen in one week duration can cause concern/panic, therefore you need to be there to support the person.*

After the initial shock the attention turned to problem solving and trying to get everyone involved in order to get as many as possible to support the final decision:

> *In the terms of crisis management they handled it badly at the beginning, but once they got themselves aligned behind the report, they very quickly and proactively contributed. In the end we had very engaged leadership and very engaged project team.*

When a possible solution had been formed, tasks were delegated and process to solve the crisis started *"First case is that try to direct them in the area, you solve this and you solve this."* If the solution was successful, the company continued with their normal routines or if it was unsuccessful they began to form a new solution:

> *We reverted from our own ideology and we started to attack more, which rebounded as we started to concede lot of goals. Until we fell back to the own experienced fact that one foundation has to be solid, which for us is the defense. After two weeks of trial we returned to the old system and the number of goals allowed lowered back to normal.*

Usually company changed policies to prevent similar crisis but rarely there was any discussions how to improve the organization to be prepared for any other type of crisis: *"Have a follow-up meeting, what happened, what did we do and what can we do different."*

4.3 Factors influencing crisis management

In order to rank the factors pictures taken of the visualization tool during the interviews were used. For each factor how many times they were in top three, in the middle, lowest three and taken away were calculated. The ones with the highest and the lowest scores were picked out and quote(s) that represented those factors were chosen. In the following part four most important factors: decision making, internal communication, collaboration and trust and three least prioritized factors taking risks, training of employees and following rules and standards are presented.

4.3.1 Prioritized factors

4.3.1.1 Decision making

Decision making was perceived as to be the most important action in a crisis and there were some factors that were integrated and related to decision making. The leaders said that decision making was based on sense making and problem-solving, and related to creativity and risk taking. An interviewee summed up the basis for decision making. From this quote we can see some of the relations that these factors have:

> *You base decision making on knowledge you have. I did not base it on facts, I did not look for previous solutions for the crisis. [...] You need to base it on the situation you are in, crisis is almost always something new. You are not inventing the wheel again,*

but you have to react to the crisis as it is. Your knowledge will be part of that decision, good or bad.(B)

In order to make a decision, leaders need to understand the situation they are in, but as an interviewee explained time is an issue during crisis and they would not need to get stuck on too small details

Absolutely decision making is important. Rather than waiting, make the decision, right or wrong. There is high demand for leadership, make the bloody decision.(C)

Even though leaders is in a situation they have not encountered before and where time is an issue, they need to address problem solving in organized manner as an interviewee: *"Work with all problems that appear. ALL!"(F)* and another interviewee explained that during crises: *"If you run away from problems […] you will never grow up."(A)* However one leader had a different opinion of problem solving during a crisis, as s/he said: *"You have lot of problems so that is quite general, I'm going to put aside (removed from the ranking)."(G)* This quote shows that the leader did not see problem solving as anything special for a crisis situation, but rather common element of work. Because the situation is new, leaders have to be creative with the resources they have when forming the solutions. When trying something new, leaders need to be aware of the risks and that the outcome might not be the one they thought and wanted.

Even though decision making was ranked highest, leaders in the stories described that there are some actions such sense making and problem-solving, before they started making decisions. Making sense of the situation was the first action even though it is more of a mental process, for all leaders interviewed because it is important to realize what is happening, why it is happening and what effects it will have for the organization. From these analyses some leaders saw some of the problems in the future and started to solve the problems by emphasizing creativity, since the old processes might have led to the crisis or at least did not prevent the crisis. Due to failing of old processes leaders have to be able to come up with something new. Some of the leaders started the decision making process with participative method (Boddy, 2010), but if the participative method failed some of the leaders started to use more authoritarian methods i.e. instead of giving guidelines how to work, the leaders gave direct and descriptive orders. This is because time is a critical factor during crises and fast decision making process can make the difference between success and failure. Even if making fast decisions, leaders need to realize that every decision has some effects on people. Despite this leader should not worry too much if the first decision appears to be wrong then they need to make another one. After leaders have made a decision they need to take responsibility for the decision and assign the ownership of the problem to the correct persons in the organization. In order to make sure that the problem is solved before it can evolve in to something worse or expand to a crisis.

4.3.1.2 Internal Communication

In most of the stories internal communication was linked with external communication, which in turn was connected with stakeholder relations. Out of these internal communication received the most attention and in the visualization tool it was selected as the second most important factor. Following quote shows how an interviewee used internal communication to forewarn employees and how internal communication was handled during the crisis:

I had very informal talks with people that this (laying-off) was going to happen. […] We had communication is large groups as well. Every week or every second week, we started to have open sessions in the fika room.(G)

Meetings were usually the main communication tool, but in the beginning of some crises the amount of internal communication increased significantly as an interviewee mentioned:

Lots of daily meetings, where organization went into overdrive. We must all talk and agree what we are going to do. This went on for two weeks… There were many more meetings than actually required.(H)

During later stages of crises, the amount of internal communication and ways to communicate can change as an interviewee described:

The amount of communication has been reduced. I'm avoiding certain phone calls and not talking about the problems… With certain players the good interaction has changed into direct communication and lecturing.(A)

An interviewee pointed a problem within crises about leadership behaviour towards the employees when sharing information:

What we tend to forget as leaders is that we have been through the change curve. And now we need to realize that rest of the organization has to go through exactly the same curve. Many of these reactions are just because they haven't had time to process the change. You need to keep in mind, as a leader, you have had access to much more information than the employees. Your employees are acting the same now as you were six months ago. (I)

The relationship between internal and external communication and how they were used to create stability in and out of the organization was explained by an interviewee:

As we work with larger teams, the internal communication is a priority. You have to create stability within the organization and when that is done, and then you can go on towards external communication.(E)

Whereas an interviewee explained how external communication was used to create trust among stakeholders:

It is important you tell the bank early on that where we are now and this is what we are going to do. […] We will never stop the construction. We will always make sure we are on time. […] We cannot tell that we are in crisis.(B)

The importance of external communication when media is involved and how to show respect towards media in a crisis was highlighted in an interviewee's quote:

I'm not informed about it, I don't have a statement right now, I will inform myself and I will come back and one more question what is your timeline? You have to respect the journalists timeline.(J)

At the beginning of the crises most leaders saw the amount of internal communication increase in to a point, where extra meetings took time and focus from acting towards solving the problems. During the later stages of the crisis the number of meetings was reduced since trivial matters were brought up and the focus of the meetings was not anymore how to manage the crisis, instead everyone focused on their own personal problems. Still in their stories many leaders emphasized the importance of communication to manage crises effectively and this was also shown in the visualization tool rankings. When sharing information that can change one person's

status significantly, one leader mentioned that leaders would benefit if they realized that they have had time to process the shared information longer than employees. Therefore they should understand the different reactions that the employees might have. Even though external communication and stakeholders are important for organizations, the focus of action and communication usually is kept in the organization and the internal functions.

4.3.1.3 Collaboration and trust

Collaboration and trust were ranked 3rd and 4th in the rankings based on the visualization tool, but during the stories they were closely connected and trust was also connected with delegation of tasks. An interviewee emphasized the importance of team effort and collaboration:

> *Most important for handling these situations, you have to have good organization and good team. It is not a one man thing.(J)*

An interviewee selected collaboration and trust as the most important factors, since in the interviewee's opinion trust and collaboration are found in every action taken in a crisis. The interviewee explained the choice by: *"In some ways these two are on top since they circulate the rest."(B)*

All interviewees except one talked about trust as trusting your employees. The interviewee who had different view associated trust with employees trusting the leader: *"Most importantly! You must have the trust of your employees. You can create it if you manage the crisis properly."(F)* An interviewee had totally opposite view of creating trust: *"If you don't have trust before a crisis, you can't build it during crisis."(C)* Some interviewees mentioned trust and honesty being closely related as an interviewee highlighted importance of being honest towards everyone:

> *Never ever lie about anything that is the worst thing you can do. Sometimes you can decided that you know something but you don't mention it.(J)*

During the stories collaboration was mentioned quite often at the beginning of the story, but towards the end of the crisis top management started giving more orders and all the employees following those orders. The collaboration which took place in the stories was more of the same level collaborating and ignoring lower level opinions. Lower levels just received information and did not get a chance to express their views on the matter.

All the leaders emphasized that trust should be there in some form, either leaders trust employees or employees trust the leaders. During the crisis it is harder to build trust than it is to break it, but it is possible to build trust by being honest and standing behind decisions while taking responsibility for actions, right or wrong. Even though the interviewees were very clear about not lying, they said that leaders do not always need to give all information out at once and to everyone.

4.3.2 Least prioritized factors

4.3.2.1 Taking risks

Taking risks factor divided the interviewees into two categories. Some of the interviewees took risks during crises even when knowing that decisions have probability of failure, whereas others tried to avoid risks to the very end. An interviewee reflected on decision making and risk taking: *"Decision making is taking*

risks. There are never 100% facts. You have to trust your intuition."(B) An interviewee connected risk taking and creativity:

> *We reverted from our own ideology and we started to attack more, which rebounded as we started to concede lot of goals. Until we fell back to the own experienced fact that one foundation has to be solid, which for us is the defense. After two weeks of trial we returned to the old system and the number of goals allowed lowered back to normal.(A)*

An interviewee combined creativity, trust and risk taking:

> *I have one group which has worked for the project a year and group of new people who needs to catch up with the situation. We assumed they could take part and we tried to coach them in the same way.(E)*

Opinions concerning risk taking in a crisis diverged. On the one hand: *"You cannot take risk and gamble, because then you lose your trust."(F)* On the other hand: *"In right crisis, taking risks would be effective."(H)*

Risk taking divided leaders depending how they perceived taking risks. Some said that leaders should never take risks during crises and some said that crises cannot be solved without taking risks. One leader said that you cannot take risks because if you do you will risk losing trust. Whereas one leader said that every decision you take includes risks, since you cannot be absolutely sure about the facts you base the decision on and the effects it will have in the future. During the interviews it became visible that if leaders do not take risks, they can hinder the creativity of the organization. This is because by following too many predetermined guidelines and never pushing the boundaries, will limit the possibilities to create something new. Also averting risk taking puts the organization more into a survival mode. In this mode they try to survive the crisis and continue as normal instead of seeing causes and effects of the crisis and how you can improve your organization based on these.

4.3.2.2 Training of employees

On the question of training employees for crises, most of the leaders mentioned that they had management courses, which includes some leadership training and within those courses there is a small amount of crisis management. In crises few organizations trained their employees for specific situation as an interviewee explained: *"The crisis group practice once or twice a year for big accidents."(D)* An interviewee portrayed another situation for the need to train: *"Training was focused on the rationale and the tactics of the process (organizational change)."(I)* But all the leaders said that they do not have the means or resources to train for general organizational crisis situation. An interviewee B discussed the problem with training:

> *Training of employees is important but how do you do it? Is it possible to do it in a good way? If not then it is just a procedure like all other idiotic standards.(B)*

An interviewee proposed another issue: *"Training in the crisis, we don't have time for that."(B)* An interviewee used training of employees to solve problems:

> *In the middle of this I had to run a race. Employees with low skill levels were educating employees with higher skill level so that I could retain the width in the company in case we had problems with the layoffs.(F)*

The problem was related to Swedish employment law (LAS 1982:80 §22) and its clauses about specialists within the company. Since the law defines those employees who have worked the longest are the ones that are fired last. However there has to be at least one employee specialized to operate each machine. The interviewee used training to bypass that law and keep the most skilled persons in the company.

When asked how leaders have trained their employees for crises, they mentioned that they have only received emergency training, but not for any other type of organizational crises. Some leaders even asked us: *"how can you train employees for crisis?"(B and C)* This shows that the organizations are not prepared for other crises than accidents where people get hurt. During the crises training was either too time consuming or employees were trained only for specific situations i.e. media training. One of the leaders was creative with the training, but only to keep the company operational during the crisis and securing the high skilled employees within the company. This highlights the fact that the company did not have any training for proactive measures, just for the survival of the company.

4.3.2.3 Follow rules and standards

Following rules and standards is important in some cases and usually these cases involve connection to governmental law, which are not allowed to be broken. An interviewee: *"In Swedish laws you have very strict rules of firing people."(G)* and other interviewee: *"You must graduate from lot of rules and standards above all the company's own, but you must follow Swedish law."(F)* portrayed two examples of law involvement in their crises. An interviewee explained that they formed a new set of rules, which helped to resolve the crisis:

> *We had to produce an absolutely international standard report for the CEO.[..] Once they got themselves aligned behind this report, they very quickly and proactively contributed.(H)*

An interviewee gave one reason why rules and standards were ranked low: *"If there is a crisis obviously the rules we have made haven't worked."(C)* However if the crisis is an accident where people's lives are at stake, you should follow the procedures very carefully as an interviewee mentioned:

> *Let the emergency team play the game. For me follow the rules, do not try to be the hero. The emergency team is in charge, follow their procedures.(D)*

In the stories and the visualization tool following rules and standards did not get too much support except when dealing with special laws (i.e. employment laws) related to the crisis. The reason for the lack of support was that leaders should not be slaves under the current rules and standards since they did not prevent the crisis. However you should be ready to form new set of rules and standards for the crisis situation.

4.4   Other interesting points

4.4.1   Warning signals and perception

A few of the leaders explained how different persons perceived the same crisis in their company. An interviewees F and G reflected on this matter in their crises:

I saw that the car-industry had already started to go down in production rate and normally all the other industries follow about two years after the car-industry. I asked management how we are prepared for a coming recession based on my experience from the automotive industry. The top management was completely foreign to the idea because it was peak season so to speak of future crisis was completely foreign to top management.(F)

It was the first time I was really in a crisis [...] You don't really know what is happening. Personally I couldn't see what was coming. My colleagues who have been working for a long time, I think had another issues since they knew what was coming.(G)

From these thoughts it is visible that leaders would need to communicate with other employees, in order to get the idea of what people are thinking about the situation.

4.4.2 Speed is the key

When dealing with crisis it is important to act fast in many aspects. Some mentioned that the first decision should be made fast in order to show that you are on top of things. While others said that the whole crisis management procedures should be executed swiftly in order to bring balance back to the organization as an interviewee:

Rather than waiting, make the decision, right or wrong. There is high demand for leadership, make the bloody decision.(C)

and another interviewee explained:

"In crisis to ability to act fast is critical, both for the employees but also for the company and the survival of the company [...] One mission of change process or crisis management is to be fast. Trying to keep this time or this part of the process where they are uncertainty to shortest or minimum.(I)

Based on these statements it can be interpreted that leaders would need to act fast in the beginning of crises. This is to give the feeling that leaders are in control and that they are aware of the situation.

4.4.3 Attitude and values

A crisis is reactive situation where leaders tend to solve problems as they come without thinking one step ahead as an interviewee explains: *"The focus is more on saving money, rather than finding new customers."(C)* This tends to put the organization in a survival mode where taking advantage of the crisis is neglected in favor of short-term success. But the same interviewee also mentioned: *"Even if crisis short, people are going to remember if the values are real or not."(C)* From this it is visible that you cannot act immorally in a crisis, since people will remember your actions.

4.4.4 A crisis within the major crisis

The interviewees also mentioned that there could be mini crises within the large crises. Therefore some of the interviewees pointed out that it is important to realize that each individual reacts differently to the same situation. An interviewee explained a situation where you have to fire an employee:

As a leader that is really tough. That is on itself a mini crisis since in that situation you are confronted in meetings like this, in a situation where you are asking people to leave you. And in an hour you are changing the whole foundation of a person's life.(I)

Due to this it is important for employees and top management to talk with their in order to see how the leaders are experiencing the crisis. Since they can have situation that are though on them but not equally important for others.

4.4.5 Changing behavior

Hardly any interviewees said that their behaviour changed during the crisis. The change occurred when their normal behaviour did not produce the wanted results. Some became more quiet and reserved, whereas some became authoritarian and some changed from being result-oriented to being people-oriented as an interviewee explained:

> *My leadership is very much trusting people within the circle, sometimes I forget that some people need very direct approach. They force me to take more direct approach.(B)*

This thought shows that good crisis leaders are prepared to change their behaviour in order to get the best results out of crisis management depending on the situation.

4.4.6 Experiences from outside of work-life

One interviewee used a hobby as mental relief during and after the crisis, whereas most of the interviewees chuckled when asking about hobbies and when listing hobbies. Two interviewees mentioned hobbies which required interacting in a group, everyone else listed activities that were done alone or with a partner. We enquired about the hobbies in order to get more information about general and leadership experiences that the interviewees have had outside their working lives. Since there is evidence that people who excel in their private lives, will also excel in their working lives (Towaij & Orlick, 2000).

5 Discussion

5.1 Comparing theory and findings

Pearson and Clair's (1998) multidimensional view of crisis is compiled from four different views on crisis management, psychological, social-political and technological-structure. Management view was visible in all cases. The crisis situations were unlikely to happen in regular intervals and the effects of the crises were threatening daily operations. Psychological view was highlighted by some of the interviewees when they mentioned that leaders need to think how others are experiencing the crisis. Social-Political view was visible in less than half of the crises. The norms and beliefs that caused the crises were in few cases the norms created outside of the company and in one case the company's own norms and beliefs caused the crisis. Technological-Structural view was seen in one case where computer failed and putting the company in danger with their finances.

The multidimensional definition of crisis and Boin and Lagadec's (2000) characteristics of crisis can be seem to be dealing with crisis of a bigger magnitude. However from our findings we could see that the crises presented in the stories where of different calibre. Not every crisis has to be 9/11 or 2008 financial crisis magnitude and this reflects the psychological view (Pearson and Clair, 1998) that people perceive crisis differently. From interviewees F, G and I quotes we can see that different people saw the same crisis differently and this affected the manner how people reacted towards the crisis. The behaviors followed the model Fink et al. (1971) presented and one of them mentioned was paralyzing. Whereas Weick (1993) called the cause of the behavior as vu jàdé-feeling, which was explained as a feeling of experiencing a situation for the first time in someone's life. This feeling can result in helplessness and loss of ability to function and two of the leaders explained that this had happened in their organization. The first (B) said that the some parts of the organization could not understand why the crisis happened to them and the second one (G) said that an individual could not interpret the situation and how it could affect the future and the organization.

Pearson and Clair's (1998) definition of crisis management is based on the multidimensional view of crisis and how the factors involved are managed effective and collective manner. In this definition we can see three different phases, which resemble closely to ones presented by Smith (1990). Pre-crisis phase was non-existing and only three of the leaders (F, H and I) saw warning signals of upcoming crisis, but because there were no pre-crisis management procedures in place their efforts were in vain. The result of this was that the organizations faced a crisis later on, which could have been prevented or its effects reduced. Crisis-impact was the main phase where leaders identified with crisis management, but only accidents had formal procedures of action. Few of the leaders improvised by forming new crisis procedures and changing behavior during crises, which helped to overcome the crises in an effective and swift manner. Recovery/Demise phase was also much neglected, since only few companies made alterations to procedures to prevent similar crisis happening again, but did not prepare plans for any other type of crises in the future. From the interviews it is visible that most organizations manage crises like projects, which is against the theory proposed by Mitroff et al. (1987) that effective crisis management is never ending process. Bernstein and Bonafede (2011) explain how an organization can benefit from continuous crisis management. Time and money invested in crisis management will equal savings that are multiple times higher than the initial

investment. This was only visible in accidents, but the leader (D) did not mention saving money, but they rather talked about personal safety.

Pearson and Clair (1998) propose that companies, which have a crisis management group or team, will more likely be successful with their crisis management efforts. Whereas Weick (1993) explained some reasons why groups can fail in their crisis management efforts. One of the reasons was group disintegration where rules and ties of the group are gone and every member starts thinking only their own well-being. Only one of the interviewees (C) mentioned this phenomenon taking place in their organization during a crisis. This was due to a fact that part of the organization was left out in the process, where crisis management was discussed. Weick (1993) also proposes why groups can help individuals from panicking. Groups can give support in difficult times and keep some individuals from creating the problems bigger in their own head. This was visible, since all leaders emphasized the importance to work as a team in order to get results. However only one (B) specifically mentioned that if the person who made the mistake(s) that resulted in the crisis is known, the leader should support them and take the blame away in order for the organization to focus efforts in to solving the crisis. Bernstein and Bonafede (2011) also mentioned the importance of groups and teams, but they also emphasized importance of each employee in crisis management efforts, since all employees represent the organization in some level. Collaboration and teamwork received lot of attention during the interviews and leaders emphasized that it is not one person's job to solve the crisis, but it requires that everyone handles their part.

When comparing the findings from interviews with the leadership styles presented in appendix 8.1, it seems that there is no one best style for a crisis. While some styles are better to be used in a crisis, others are more suitable for pre-crisis and post-crisis phases. There was evidence from the interviews that most skilled crisis leaders will use all of these styles in a crisis and know how to balance and combine them for a specific situation and each individual separately. It was mentioned that coaching leadership could be too weak and transformational leadership too slow during crisis-impact phase (Goleman, 2000 & Bass, 1999 & Yukl, 1999), but when used in pre-crisis phase they can actually prepare leaders and their employees for a crisis or even prevent some. In a post-crisis phase coaching and transformational leaders can help people to settle in the changed environment and start preparing for new crises. When looking at how a charismatic leader is described in the literature words such as superior, extraordinary and god-like are often mentioned (Conger and Kanungo, 1987, House, 1999, Conger, 1999). However in the interviews it was visible that a person can possess "poor man's" charisma where they can be more quiet and calm and still be a charismatic leader. Authentic leaders are mentioned as honest and acting according to their values (Avolio and Gardner, 2005) and this is also what we found in our interviews. The interviewees emphasized that you should be honest to yourself and others in order for people to trust you, hence keeping the organization functional. Adaptive leaders can be good handlers of crisis since they are reactive as is the crisis (Heifetz et al, 2009). Based on the interviews this could prevent proactive actions since they are always trying to adapt to environment and not push for changes. Authoritarian style of leading can be a good quick fix for the crisis, but it might not be the best option for proactive solutions. This is due to the fact that the authoritarian leader does not prefer collaboration (Dinham, 2007) and therefore lot of ideas could be lost and the company can become overly reliant on the leader. As mentioned different styles are more appropriate in certain situations than others, but Mitroff

(2005) gives more general description of characteristics and skills that good crisis leader should possess. In the interviews first five IQ's from Table 5 were mentioned, but not in the same interview. Even though we think that the listed IQ's are important for a crisis leader, we do not agree how some IQ' are defined. Mitroff (2005) describes creative IQ as thinking outside of the box, but including the box within the solution and technical IQ as know what you are doing and think what others would do. In our opinion both of these descriptions hinder real creative thinking, since both describe the process you need to do as thinking what has been done before and how others would do it. Therefore this could create a situation where leaders are not prepared to try something completely new i.e. processes or products, since the conventional way is to study the past and use those solutions and adding small increments to it and not trying to create anything ground breaking.

There are theories and articles that propose how organizations should prepare for crises. Boin and Lagadec (2000) mentioned few possible weaknesses that organizations can have towards crises. The following list shows how organizations can make themselves less vulnerable towards crises:

- Using open forums for communication
- Continuous learning
- Increased training
- Maintaining credibility and demonstrating effectiveness

Some of the interviewed leaders created special forums for crisis communication whereas some relied on normal communication procedures, but increased informal face to face communication. In the interviews it became evident that most of the organizations took lessons for the crisis that happened to them. However only one leader (J) kept eye on news to see what other organizations have been involved with and then investigating how their organization manages similar matters. Bernstein and Bonafede (2011) also mentioned few pre-crisis tasks that could help the organization in the crisis impact phase. The tasks included crisis prevention, crisis planning and training. Prevention was described as thinking different scenarios how the organization can be vulnerable towards crisis. Planning was to form a document that explains team structures, responsibilities and the important tasks during the crisis. Training was conducted to ensure that the organization can keep functioning during crisis and it was divided into three different categories:

- Training with crisis team and communication specialists to different scenarios and how those would be managed
- All staff training where common procedures would be under critical evaluation from all the employees and to explain how each employee can contribute to crisis management
- Media training

Whiffen (2007) mentioned several factors why U.S. army leaders had failed in a crisis. These were deficient training of employees, too rigid following of procedures in a crisis and lack of training. Following too rigid procedures were not mentioned in the interviews as most leaders explained that old rules and standards could have failed since the crisis happened, therefore you should not be a slave under them. Only time rules were very important was when certain laws governed how some matters could be solved. The common aspect of the previous theories is the need to train employees

for crises. Training aspects were visible as some of the leaders mentioned that they do not know how to train employees for a crisis. Only specific scenario training that the interviewees mentioned was emergency training. Some companies trained employees during the crisis for specific situations i.e. how lay-off employees and few leaders utilized media training in their crisis. But the common thing was that proactive training was missing expect for the accidents.

The most and least prioritized factors are guidelines what leaders think are important to do when managing a crisis. They are not absolute truths and there are multiple factors that are associated with the four most and three least prioritized. Therefore they should not be thought as independent actions. The ranking itself is based on the visualization tool where we asked the interviewees to rank the factors, but we did not limit the structure of the ranking. As can be seen in Picture 1, the interviewees were allowed to combine factors together and this made the ranking to be done by our interpretations, which is not quantifiable.

When looking at the first research question (RQ1) presented in the introduction, there are multiple different situations that leaders perceive as a crisis. One common aspect of the crises was that they threatened the daily operations of the organization experiencing the crisis. One of the leaders (I) mentioned that you can have a smaller crisis within the major crisis, which could affect at more individual level. For the second research question (RQ2) the answer included several actions. First action is to make sense of the situation. When the leaders had understood the situation they could then start creating different solutions for the problems. After solutions were formed, leaders delegated some actions to their employees to work with different parts of the crisis. If these actions were successful in solving the crisis, the leaders created protocols to prevent similar crisis from happening again, but they did not put effort on creating general crisis management plan. The answers for the last research question (RQ3) included decisionmaking, internal communication, collaboration and trust.

The methods used in this study provided a fuller picture of "lived" crisis situations, the thoughts and behavior of leaders, than would have been obtained with a quantitative approach. Narratives were used to allow the participants to relive the time of crisis. It is important to understand that the narratives might not give the exact picture of the event. People have gained more experience and knowledge, which might lead to a situation where people tell the story with altered memories. These memories could present actions that an interviewee wanted to do instead of what they did. We tried to reduce this factor by not revealing many details about the study before the actual interview. This limited the time the interviewees had to prepare the stories and decide what a crisis is for them. When interviewing leaders about past events they will give their interpretation of the event. Based on this the researchers form their own interpretation from the facts to reflect what is related to their research (Thompson & Walker, 1998). The factors used in the visualization tool were formed from limited amount of literature review, which shows second hand interpretation on other people's theories of crisis management. With these explanations we can see that the findings represent multiple interpretations over other interpretations.

5.2   Limitations

Limitation for the method was that during interviews there was a story about one crisis only, therefore the story can describe special situation and the an interviewee's actions could have been different in another crisis. For the interviews we did not

define what is a successful outcome, therefore when explaining that something was successful it is subjective for that event only.

5.3   Suggestions

Based on the research and the findings, number of suggestions is presented in order to create discussion within organizations about crisis management, leadership actions in a crisis and how the organization could become more proactive towards crises.

Suggestions how open and less boundary bonded communication could be used in order for organizations to become more proactive towards crises. Anonymous mail or phone line could be tools for people to bring out concerns without the fear of being judged. Open forums would then be a place where these concerns would be discussed collectively among different levels and divisions. In these forums the Japanese approach, where lowest ranked employee speaks first could be the most beneficial to create constructive discussion on how to improve crisis management in the organization. Open forums would also help with the information, since top management can interact directly with the specialist instead of receiving information through long bureaucratic chain. To receive a picture of the whole organizations status different divisions should discuss their current state. From this a warning system can be created to ensure that the organization knows where possible crises can start. When combining previous suggestions to a functioning method, it would help increasing mutual trust within the company, which in return would help the communication flow freely and make people own the information and therefore use it for the benefit of the company (Boddy, 2010).

For a proactive organization risk taking could be a positive approach, but leaders should not be reckless about it. Rather they should take calculated risks and understand the effects of success and failure when taking risks, but also understand that some of the effects might be different than expected (Boin and Lagadec, 2001). Sometimes leaders have to trust their intuition more than be rational and looking at the data, since management is the art of dealing with people and people tend to act irrationally.

Training is one key aspect on becoming proactive towards crisis. Areas that would be beneficial to train include sensemaking, problem solving and knowledge how people behave during a crisis (Weick, 1988 & 1993). Research shows that people have three main ways to react in a crisis paralysis, panicking and staying functional (Fink et al, 1971). Therefore it is important to know how leader reacts and how the people who work with the leader react to the crisis in order to reduce the loss of ability to function as one unit. Example of sensibility of functioning unit is when comparing chain and cartwheel, if one loop breaks from chain it loses its meaning and function. But if one of the spokes is taken out, the wheel will still remain functional. Other training method is to teach people about sensemaking and process of solving problems. People need to understand what happens when a crisis hits and how different people process the information and how this affects problem solving. The method of problem solving should be taught to resemble the way of creative problem solving (Basadur et al., 1982). People and teams could use following questions as assistance for creative problem solving:

- What is the problem?
- What do we want as an outcome when the problem is solved?
- What do we have?

- What do we need?

With these questions people will address sensemaking, creativity and seeing the connections within the company. This would create analytical thinking guiding the team to think how the operations could be improved for the future. One possible way to train all of these skills at the same time in a real life situation is to have crisis simulations (Weller et al., 2003). In these simulations people would feel the pressure, the sudden impact and unpredictability of crisis. This is important because every person will react in their own way towards crisis. When leaders know their employees behaviors they can use that knowledge to form teams to make sure that every department is functional, since they do not include only people who will panic or get paralyzed in a crisis.

6   Conclusion

What is a crisis? The crisis literature generally refers to crises as low-probability, high-impact event that threatens the future of the organization (Pearson and Clair, 1998). If an organization does not know how their leaders think and act during crises, how can they operate efficiently during crises? This lack of know can lead to an uncertain situation where the organization can lose the ability to function. The purpose of this study was to investigate how leaders perceive a crisis, what they do in a crisis and what actions are prioritized. The research was conducted by using semi-structured interviews where narratives were the main data collection method with the aid of a visualization tool.

The crisis situations leaders had been part of had most of the characteristics described by Boin and Lagadec (2000). Few examples of crises were people getting laid off during organizational restructuring, computer system failing and hockey team performing under expectations. The leaders treated a crisis as a reactive situation that they tried to survive instead of thinking about the possibilities of improving the organization. The general process of crisis management described by the leaders is following, first action is to make sense of the situation. When the leaders had understood the situation they could then start creating different solutions for the problems. After solutions were formed, leaders delegated some actions to their employees to work with different parts of the crisis. If these actions were successful in solving the crisis, the leaders created protocols to prevent similar crisis from happening again, but they did not put effort on creating general crisis management plan.

In a crisis situation leaders tend to prioritize some actions more than others, based on the findings these were decisionmaking, internal communication, collaboration and trust. The least prioritized actions were taking risk, training of employees and following rules and standards. These factors are guidelines what leaders think are important to do when managing a crisis. They are not absolute truths and there are multiple factors that are associated with the four most and three least prioritized. Therefore they should not be thought as independent actions.

A few suggestions based on the research how an organization could become more proactive are presented. Simulations and courses about behaviour in a crisis could be used to increase proactiveness and preparedness. With these methods the organization would combine practical and theoretical training, which would help to prepare for crisis by forming special teams. Organizations should also promote communication to flow freely in order to get ideas, concerns and different views out in the open. The communication should take place in open forums where people from lower levels could discuss with top management. This could help creating mutual trust across the whole organization. Also from time to time top management should meet with specialists instead of their bosses, in order to minimize the loss of information because of the hierarchy. With these suggestions leaders are encouraged to look at how they handle these matters in their companies, and how they could improve their operations and to become more proactive towards crises.

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8 Appendix

8.1 Leadership styles

Leadership Style	Characteristics and Definition	Linkage to crisis
Charismatic	- Need of a social crisis or situation of desperation to offer radical solutions to the crisis - A relationship between a leader and followers based on deeply shared values where followers are willing to make personal sacrifices (House, 1999) - Ability to inspire and build confidence(Conger & Kanungo, 1987)	The leader takes the advantage of crisis situation to make radical changes by creating an superior and trust giving image of himself which captures the followers believes in that the leader can solve the crisis by his visions and godlike status (Conger & Kanungo, 1987, House, 1999, Conger, 1999)
Adaptive	- Ability to modify individual and collective actions based on circumstances - Recognize and embrace the possibilities created from changing environment (Whiffen, 2007) - Knows the strength and weaknesses of himself and the organization - Decision making considers the context, stakeholders and the organizational need (Hogan, 2008)	In crisis the leader need first to stabilize the situation and secondly put focus on how to adapt to the changing environment. With adaptive leadership the crisis situation can be used for constructive changes of the company, where operations which do not work can be abandoned and where operations which work can be conserved. (Heifetz et al, 2009)
Coaching	- Focused on personal development and promotes long-term growth over quick fixes - Able to give both positive and negative feedback (Goleman, 2000)	Not ideal for crisis since actions target long-term benefits (Goleman, 2000)
Authentic	Lead according to your values and convictions, be true to themselves (Avolio & Gardner, 2005)and not in it for the fame (Shamir & Eilam 2005)	Should be able to convince followers to join their cause during the times of crisis because of believing in their cause (Schoenberg, 2005)
Authoritarian	- Ruling by iron fist, (High respect for position than the leader) - High expectations on employees, but low level of collaboration - Procedures more important than people (Dinham, 2007)	Can be very effective in crisis since leader has ultimate power. Quick decision can save the organization (Goleman, 2000)
Transformational	- Individualized consideration - Intellectual stimulation - Inspirational-Idealized influence (Bass, 1999) - Emotional and Behavioral Coping - Abstract Orientation - Risk Taker and Innovative (Dubinsky et al 1995)	Leader evokes emotions, asks to set a side ego and work for the good of the company (Bass, 1999 & Yukl, 1999)