

Expertise and insight for the future

Maryana Al-Rashid

Crisis Leadership

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This research aims to shed light on the importance and impact of the leadership and leader role in managing organizations and companies by taking the necessary decisions, especially during crises. The literature review has been studied to show the importance of making the right decisions to face crises through leadership theories along with leaders' personalities, qualities, managerial behaviours, skills, and practical experience. Although the concept of leadership is diverse, and researchers did not agree on one concept, the effect of leadership on others to achieve the goal is considered the prevailing concept. The interviews were used to obtain information and opinions from CEOs and managers on how to manage their organizations and make their decisions to support the research question through the use of the qualitative method of nine questions and analysing the results. We found out that the severity of the crisis, situation riskiness, and level of communication all have the greatest influence on decision-making.

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Glossary

DSS Decision support system. "A system that supports the decision-making process for companies and organisations, and especially used in disaster and emergency management."



1 Introduction

The issue of administrative leadership is an important and complex topic that affects human life in all its social, economic, scientific, and other sectors. It is a historically developed topic where there are differences in different administrative theories, styles, and leadership approaches. The process of decision-making, and facing problems, crises, and disasters all depend on the extent of the development of the managerial thought of the leaders. "A leader's personality and character will breathe through all that they say and do. Who you are as a leader can be as important as what you do. Role without personality is empty but personality without role is ineffective." Adair, J., (2019:27) this is how Adair explains and connects the personality of the leader with its leadership characteristics as it is important to pay attention to what type of personality should the leader has to lead successfully. Leadership is an interpersonal skill used by a leader that is best suited to the situation and ensures that the desired goals are achieved through effective and continuous communication. Leadership is also about influencing people through useful communication done between a leader and follower in order to achieve the goal. "John S, Chattopadhyay P (2015 5: 156)"

The importance of leadership mainly revolves around the creation of high-level humanitarian and productive working conditions to achieve the basic tasks of the organisation and the achievement of its set goals and their long-term sustainability. The significance of this topic also includes how leadership is affected by crisis and how leaders decide to deal with a crisis. This research subject also shows that leaders must adapt to the current crisis situation since crises occur in different shapes and forms. Leadership in crisis is important because it requires specific traits, and it also involves information and experiences from different leaders. People often feel fearful during crises because they think about how the crisis will affect them and what will happen therefore it is significant to understand how to lead, behave and communicate in crises as leaders can reduce that fear by the information they provide. (Klann, G.2003:23)

The ability to influence others is very significant in leadership in both good and bad circumstances. The strength of influence is one of the useful leadership skills regardless of the style of the individual leader as some managers can be more inclusive than others while others tend to be more autocratic in their work approach. (Klann, G.2003:11). It is also important to know that influence has three key elements which are communication,



clarity of vision and values, and caring. These elements of influence play a critical role in crisis leadership. Timelines are very critical in crises as there isn't much time available for thinking, meanwhile, decision making should be taken rapidly during a crisis associated with a higher call to action. (Klann, G.2003:12). Leaders can also use and practice personal influencing methods that are quite effective during a crisis as these methods can be categorized into skills, traits, and perspectives where leaders can develop the skills in two ways, which are training and experiences such as problem-solving, decision making and conflict resolution. Leaders' traits can be improved by taking some areas into accounts such as courage, integrity, and risk-taking. (Klann, G.2003:12).

This research study aims to demonstrate the importance of the leadership role and the big difference it does in facing crises through the process of making the right decision to face the crisis and reduce its effects. Decision-making during a crisis represents the greatest challenge to leadership and the main test between success and failure. In this research, we aim to answer the question: what is the significance of leadership and decision-making in crises? Administrative decision-making is the important case in the administrative process for decision-makers in the usual situation, and this importance increases for decision-making when crises arise. A successful and experienced leader tries to take effective decisions that would lead to overcoming or remedy the effects of the crises on his/her organization.

This thesis research provides an investigation into the concepts, theories, and qualities of leadership that are best suited to successful decision-making and crisis management. The research content will be divided into six chapters. The background and significance of the research topic and the research question are presented in the first chapter in addition to explaining the reason for the research effort. The theory part of the literature review will be presented in the second chapter. The second chapter will contain leadership theories, crisis definitions and stages, leadership role with leaders' qualities in crisis, then the focus will move to the importance of effective decision-making in a crisis and the last part will be the conclusion of the literature review and what has been founded from researching the topic. Chapter three identifies the methodology that used in the research, the fourth chapter analyses the interview results, chapter five discusses these results and chapter six is a conclusion of the whole research study.



2 Literature review

The theoretical framework will be presented in this chapter. The theoretical sections are divided into five topics based on the significance of the topics that are related to the research subject.

2.1 Leadership theories

A range of perspectives and different preferences are presented and provided in leadership theories. This makes it difficult for authors to set a constant and fixed definition. Therefore, the different perspectives of leadership make it always subject to constant discussion and investigation. Burke, and Barron, (2014:83)

Despite the different perspectives of leadership, there are several common leadership theories. These theories are listed below:

Great Person' Theory

This theory is a classical theory based on the idea that a leader is born, not made, which means that an individual is born with certain personal characteristics that qualify him to be a leader. This theory was prevalent in the early era of leadership, as an example of this theory, it was observed that this theory was used by the Egyptians in building the pyramids as well as Romans used the theory to control their vast empire. Curlee, and Gordon (2014:38). This theory evolved from monitoring and following up the great leaders regarding their behaviours in the military, intellectual, spiritual, or political sections. Burke, and Barron, (2014:83). It can be concluded that this theory was prevalent in an era when the ruling style recognised by rulers and clerics was the methods of control, domination, and issuing orders to implement them.

Trait Theory

This theory appeared as an extension and development of the previous theory 'Great Pearson' as it provides a set of traits and inner qualities of leaders regardless of being inherited by birth. This means that one leader can be born with effective traits, while another can learn these traits by a study or life experiences. Burke, and Barron



(2014:83). This means that the personality characteristics of leaders can be either inherited or developed throughout life. A study was applied by Stodgill in 1948 that reviewed 120 traits to set a specific pattern that supports this theory, but the results of the study didn't come with conclusive evidence supporting the thought of traits. For this reason, this theory was surrounded by doubts. Curlee, and Gordon (2014:39-40). This theory motivates leaders who do not possess key leadership qualities to make an effort to acquire these qualities through practical experiences in management and work on developing them because the qualities of leaders are the influencing factor in others to follow them.

Behavioural theory

This theory developed from the concept of Trait theory as it is based on the thought that leaders can be made through developing certain inherited qualities of leadership into considering the behaviour of leaders. Since this theory is based on behaviours in leadership, this theory can be presented as an authoritative or autocratic leadership style if the decision is made by the leader personally, and it is also possible to adopt the style of participative leadership in the event of the involvement of the subordinates in decision-making, even with a minimum level of democracy. This type of leadership is called the Laissez-Faire leadership style. Using this method attributed to Laissez-Faire can ensure a leader achieve a supportive or servant style for effective management. Burke, and Barron, (2014, p83-84)

Contingency and Situational theories

In contingency theory, managers and workers had to cooperate and communicate to work together in order to achieve peak productivity. In 1954, Gibb mentioned that leadership is an interactive process arising from group formation. Bass (1990.p.40). According to this concept, which is based on the theory of group formation, it led to the development of the contingency theory of leadership. Curlee, and Gordon (2014. p.40-41). Contingency and Situational theories express the determination of a particular leadership style by the external environment, or it can also be by a specific situation. Burke, and Barron, (2014. p.84). This means that situational theory depends on different styles of leadership that can be more suitable in different situations.



Johnsen D and his colleague agree also that situational theory assumes that the leadership process is presented by the group members who try to change their behaviour to be able to provide the procedures and needs to face the specific situation. Johnson, D. and Johnson, F. (2009:191). An effective situational leader must be flexible in changing leadership styles quickly as the situation of an organization or project change as well as easily adaptation of his/ her style based on the follower's potential and efficiency. Burke, and Barron (2014:88). This explains the ability of leaders and their flexibility to change their leadership behaviour according to the influences of the situation or the external environment because this situation requires a rapid change to keep pace with circumstantial changes. This flexibility and adaptation to change is an advantage that is counted for this theory, because if the leaders do not adapt according to the changes, they may face administrative problems.

Transactional theory

This theory is related to the management approach to leadership as it is based on transactions that occurred between managers and employees. This theory can be applied as a system of rewards and punishments. Burke, and Barron, (2014:84). In another word, this theory is based on monitoring, following up, and managing personnel through the exchange of benefit between the leader and subordinates to achieve the goals of the organisation, therefore this theory uses rewards and penalties to achieve the highest production efficiency. Bojeun, M. (2014:83). This means that the employee who completes his production within the specified period is rewarded with various benefits such as employee upgrade, bonus, vacation after completing the task, or additional salary. When using this theory, it makes it easier for leaders to extract the maximum productive capabilities of the employees by rewarding employees and monitoring and following up with the employees because this makes the employees follow the orders of the leaders carefully and present their best. However, this theory has disadvantages because it focuses on achieving short-term goals and creates a negative environment among workers because of the differentiation in rewards and penalties because some are rewarded, and others are punished. This theory is less effective in the process of encouraging innovation because workers are busy following orders from leaders.





Figure 1. Transactional leadership techniques

Figure 1 represents the principles of this theory and the nature of the mutual relationship between management and employees based on the use of rewards and punishments method to achieve the project objective. Bojeun, M. (2014:84)

Transformational Theory

This theory uses effective communication, influence, and motivation to create a state of development for relationships. This type of leadership is often used as the most appropriate leadership approach in most cases, as transformational leaders can create a balance between task accomplishment and people development at the same time. (Burke, and Barron, (2014:85). The main thing for transformational leaders is to inspire the subordinates through motivation in order to recognize the significance of the tasks.

George Benny cites the assertions of authors Coutier, Bennis and Kanter that leadership is transformation and transformation is leadership. A transformational leader has to follow up on performance to ensure that the organization is headed in the right direction with a clear vision of the future and what he wants the organization to be. Some people believe that transformational leadership is often considered as an ideal model taken for granted. Binney, G., Williams, C. and Wilke, G. (2012: 22,23,27), this is because this theory includes many important characteristics such as communication, motivation, and influence. It was also mentioned at the beginning of the research that these qualities are among the most important qualities of effective leadership because they establish a solid relationship between leaders and their followers, and thus this helps to obtain a more productive organization.



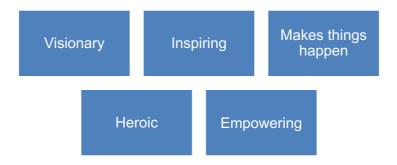


Figure 2. Transformational leadership qualities

Figure 2 sums up the main qualities of transformational leadership. These characteristics that are shown above has to be present in transformational leaders.

All leaders have to take vision and inspiration into account in order to be effective transformational leaders as these transformational heroes have to motivate people to embrace vision as well as adopt the leaders' vision. Besides, these leaders must have a strong determination and will to have decisions' harmony and consistency to support the vision. Binney, G., Williams, C. and Wilke, G. (2012: 23)

2.2 Crisis leadership

2.2.1 What is a crisis?

The concept of a crisis is a sudden event or situation that occurs without anticipation or prior planning, and all crises share these characteristics but differ from each other in terms of type and severity of impact on the organization or society. The most dangerous and influential crises are those that affect people's lives and threatening to destroy their property. Klann, G. (2003:5). Van Wart, M. and Kapucu, N. (2011:492) Consequently, the crisis is an unstable state that may affect the economy as it happens in the occurrence of natural disasters such as earthquakes, floods, hurricanes and



forest fires. Examples of crises include product failure, financial disaster, lawsuit, hazardous material spill and executive scandal. Klann, G. (2003:5)

One of the crisis definitions is that a crisis can be expressed by risk, shock, panic, and fear feelings. A crisis depends on several variables, particularly in the field of international business. These variables include the nature type of the event, the importance of the event to the country and foreign governments, impact on the industrial projects, numbers of people that need help or informed, communication and media are important for interaction, number of people who need to be informed about the explanation of the event, how hard or easy the level of accessibility to those people, the status of emergency care compared to the people who need and their number, the level of the organization or company's ability and speed to respond in the

face of an event or crisis. Darling, J. (1994:4-5)

In Darling's point of view is that a crisis represents a critical situation or a difficult and unstable circumstance that requires a decisive or rapid change. It is also considered a turning point for the better or the worse. Darling, J. (1994:5). Naturally, each crisis has its specificity and uniqueness in terms of quality, and the decision-makers adapt in responding to each situation in a different way. The same case may represent a crisis at some time while the crisis doesn't create a problem nor exist at another time. Darling, J. (1994:5). This explains that the crisis occurs in many different ways and events that make the leaders adapt and study the crisis situation to make the right decision at the specific time of the crisis, but this decision may be inappropriate in another crisis situation, and thus the effects of each crisis may be different from others.

To face the crisis effectively, the matter is not only about identifying it, but rather it must be discovered in an early and timely manner, and this is what makes the real challenge to the organization. In order to avoid the crisis and its impact early, it is necessary to focus on several variables that can be used. Among these variables is attention to early warning signals that indicate the anticipation of the occurrence of the crisis, a focus on special analyses in the early signs of a crisis, which gives an early warning benefit to the policy of change, the possibility of anticipating the occurrence of the crisis again in the future and determining the internal environmental interactions of the organization with its related external environment, such as companies, markets and community. Darling, J. (1994:5). This shows that the discovery of the crisis is very important to avoid the worsening of the situation because when the crisis is discovered early, it is



easy for the leaders to choose the best way to lead the crisis and find quick solutions and decisions that help get out of the crisis as soon as possible.

To follow up on the crisis and the stages it is going through from its inception and get to know it until its last stage in finding a solution where it is observed that every researcher had a vision in defining a crisis. Smith proposed three stages of a crisis which is considered to be one of the simplest frameworks where it divides a crisis into the pre-crisis period, a crisis period and a post-crisis period while Myers and Fink developed a four-stage framework in order to give more clarification to the process of managing the crisis. Bhaduri, R. (2019:38)

Fink states that almost all types of crises pass through the same four stages that he specified, especially in crises of international business companies. These stages are prodromal crisis stage, acute crisis, chronic crisis and crisis resolution stage. Darling, J. (1994:5). These stages of the crisis cycle according to Fink are illustrated in the figure below

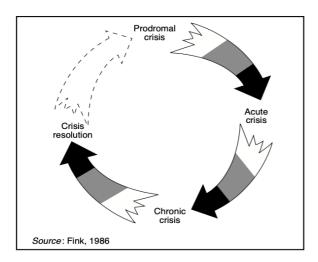


Figure 3. Crisis Cycle according to Fink

The prodromal crisis stage is the stage that gives warnings that a crisis may occur. During this stage, sometimes the prodrome is not even recognized or the event can be visible but the action to analyse the situation and fix it is not taken, therefore acute crisis takes place. During the prodromal crisis stage, it is easy to contain and control the event by finding suitable solutions in an early and appropriate time so that the event doesn't escalate or generate complications.

These warnings that occur at this stage are very useful because they warn the leaders of the possibility of a crisis in their organization. Leaders should use these warnings for the benefit of the organization to maintain the good position of the organization and to take these warnings into account to avoid any problems that may occur later. If these warnings are taken lightly, this could lead to a major crisis.

When moving from prodromal crisis to acute crisis stage, it means that the warnings of the event have ended, and the event has not been controlled but its severity has begun to worsen. In this case, the manager has to show a certain influence by taking the necessary measures to contain the crisis in terms of its location and time. One of the characteristics of the crisis at this stage is the speed and intensity, which make it difficult to facing the crisis even if there are initial preparations to contain the crisis. The type of the crisis is the factor that determines the speed of the crisis, while the crisis' intensity is determined by the riskiness and severity of the potential outcome. Darling, J. (1994:6). It appears that this stage is much more difficult than the previous stage because in this stage the severity of the crisis has become strong and it shows that the leader did not deal effectively in the first stage either because he did not recognize the presence of warnings or did not do any action to avoid the occurrence of the crisis, therefore the leader must find quick solutions to contain the crisis so that it does not worsen, and the situation remains under control.

The chronic crisis stage is also called the clean-up phase. This stage may include lengthy government investigations, repeated interviews in clarification or audits regarding the crisis. On the other hand, recovery and self-analysis may also occur at this stage as well as the occurrence of financial disturbances or administrative problems. Darling, J. (1994:7). This means that these financial disturbances and management shake-ups may lead to customers' loss or bankruptcy because leaders may lay off employees because of the loss of money resulting from the exacerbation of the crisis.

An example of the third stage is the disaster that occurred in Japan in 2011, which concerns the leakage of nuclear reactors at the Fukushima Daiichi Nuclear Power Plant, where the Japanese government took immediate measures necessary to fix the leak, however, this leakage continued. Bhaduri, R. (2019:539). This means that although the Japanese government took immediate measures to confront this event, these measures were not sufficient to completely control the crisis.



The crisis resolution stage is the final stage of crisis management, as the challenge can turn into an opportunity to handle the crisis to find a logical solution by choosing the best path to handle the crisis quickly. Darling, J. (1994:7). This stage can turn the challenge into an opportunity through planning, consulting and taking the right decisions as soon as possible to overcome the crisis and recover from it quickly as this was the goal from the beginning but the leader hadn't implemented it. This stage can also be an opportunity to improve the business operations and leadership approaches.

The NASA Space Shuttle Challenger explosion disaster in 1986 is the most appropriate example of this final phase of a crisis when the administration suspended the launch issue at a later time for 32 months in order to make major changes in its goals and plans in the short and long term. Bhaduri, R. (2019:539). This gives an idea that NASA managers dealt with the aftermath of the event in a way of recovery by reviewing its programs, procedures and future plans.

To know the severity of a crisis, it can be divided into three levels of severity. The first level is where the organisation is in an embarrassing and confusing situation and involved in a situation that may threaten its success. Public actions the organisation take that leads to environmental damages or seen as unethical or socially careless is an example of this level. Klann, G. (2003:5)

In the second level of the crisis severity, the impact and difficulty of the crisis worsen so that its impact leads to large human and material losses such as loss of people's lives, deterioration of the company's reputation, and the loss of large sums of money. An example of this level of severity of the crisis is the case of Johnson & Johnson in 1982, where the crime of contaminating the Tylenol product with fatal cyanide led to the death of seven people in Chicago, and the company's management dealt with this crisis is very appropriate using the best means to overcome it, including stopping the product immediately and withdrawing much of it from stores and markets, informing the public about the issue and allocating a large financial reward for the information to arrest the criminal. Klann, G. (2003:6)

The third level of crisis is more complex in terms of the severity of the crisis on the organization, thus it leads to a combination of heavy losses, whether in life or property or the possibility of the company's bankruptcy and closure. Klann, G. (2003:6–7)



These levels affect leaders' leadership in terms of their handling of the severity of the crisis. The higher the severity of the crisis, the more difficult it is for the leaders to make wise decisions and to overcome the crisis effectively without heavy losses in property, people, or a bad reputation on the organization.

2.2.2 Leadership role and leaders 'qualities in crisis

There is a concept or definition that is widely accepted considering that leadership is the activity of people who possess extraordinary or distinctive capabilities to manage the control of the human environment, that is, people and workers to motivate and guide them in order to achieve important and beneficial goals and objectives in the march of the organization and push it forward. "Dubrin (2010:3)".

The role of leadership in crises, as Klann mentioned is a challenging role and an attempt to absorb the negative charges and confused emotional excitement of employees or people. Klann, G. (2003:20). Klann also considered that the role of leadership during crises is the most important because it represents the most difficult challenge facing leaders to effectively address the crisis and overcome its various impacts on the organization. Klann, G (2003:3). The relationship between leadership and crisis is a very close relationship through the literature of crises management, whether with regard to trust, preserving production reputation, or achieving effective communication, where leaders have an important role during crises. Bhaduri, R. (2019:541)

Some many crises and disasters happen frequently, such as natural disasters, corporate fraud, defects in product specifications, or racial discrimination between workers. In most cases, the leadership is not ready to face these crises, which leads to negative consequences in the long term on the organization, its reputation and achieving its profits naturally. Pretty and Knight mention through their research that they found that when companies deal badly with crises, this leads to a 10% drop in stock prices after a week of the crisis, and a further 15% drop after a year of the crisis, while companies that deal effectively with the crisis are experiencing a decline by only 5% in stock prices after the crisis, but their prices are recovering and witnessing a rapid recovery of the stock prices after a year of the crisis. Wooten, L. and James, E. (2008:352-353)

Leadership at organisations is essential before, during and after a crisis as the crisis consequences, length and severity depend on the leadership method and quality. The



method of the leaders can be specified by their behaviour and attitude during the crisis which can be done through several elements of influence including the most important ones are communication, caring, and clarity of vision and values. Effective leaders should not use pressure, fear, coercion and tyranny in the way they lead, because this leadership method does not lead to satisfactory and effective results. Klann, G. (2003:21). This explains that if leaders force and put employees under pressure in the way they work or complete certain tasks, then employees will perform their duties with less effectiveness and without results that focus on creativity. It also appears that the importance of the leader's influence during crises lies in the nature of behaviour, efficiency and ability to persuade change and take appropriate decisions for the various stages of crises to reduce the impact of the crisis on the organization as much as possible.

According to Klann, there are two aspects of leadership and leadership behaviour before and during the crisis. If the leader in the usual situation is characterized by communication and focus on influential skills such as caring for others, clarity of vision and values, then during the crisis he can act with the same behaviour, such as showing integrity, competence and commitment, and enhance trust, but if the leader is not primarily described with these qualities before the crisis, it is difficult to improve his performance during a crisis. Klann, G. (2003:21). This is because the leaders feel the great difference that occurs before and during the crisis in administrative behaviour, as there is a difference in administrative requirements between the normal situation and the situation during the crisis. While the leaders who were used to these characteristics before the crisis have adapted to this type of behaviour, which makes it easier for them to manage the crisis.

One of the essentials of leadership in dealing with crises is the process of communication, as the emotional side of the workers is disturbed during the occurrence of the crisis and the situation is characterized by concern about what will happen and how the results of the crisis will affect their future or the continuity of their work. Sharing of information plays an important role in creating a state of safety and a sense of reassurance in the organization. With the first influencing element which is communication, leaders have the ability to boost the emotional link and relation through using words, action, and understanding the employee's emotions during a crisis. Klann, G. (2003:23). Understood from this is that the important role of the leader's communication process with the workers and sharing information with them is to spread



their reassurance and absorb the tension and their negative emotional charges generated by the crisis, and thus benefit from the tension state takes place among the workers in involving them in the organisation's decisions and working to overcome the crisis.

For every organization, two important elements are accompanying the organization's performance and its work to achieve its desired goals. Good leadership usually has a clear vision about the future of the organization and the direction of its work. This vision is clear and can be implemented by workers. The leadership and the rest of the management elements for all its levels have a duty to clarify and explain the vision of the organization to the workers to implement this vision. The second element, which is the organization's values, which represent the principles that form what is necessary regarding the organization's work to achieve its goals efficiently and among these principles are quality, customer service, and attention and care of employees. The leadership's focus on the issue of a clear vision and organizational values of the organization before the occurrence of the crisis gives the most effective influence of the leaders towards workers and all aspects of the organization, which contributes to the settlement of the troubled humanitarian situation of the workers in the organization due to the crisis and to achieve a state of reassurance and cohesion of the members of the organization. Good organizational values also give a sense of safety, continuity and stability in the confusing atmosphere of the crisis. Thus, leadership that has effective values will face the crisis better than those that do not reinforce those values. Klann, G. (2003:23-24). One explanation for this is that leaders deal with subordinates based on administrative and human values and principles enhance the direction of the organization's work through taking care of employees and customers affairs and the quality of service or production. The more clearly the vision of the organization's activity reaches the employees, the easier it will be for the employees to implement this vision for the leader's plan and management ideas, and thus the work results will be better.

The caring process is based on two important parties, leaders and followers, and the effect of the distinguished human behaviour of the leader towards workers, and the care of the social and emotional relationship between them establishes to create a suitable work environment in the organization. Whenever the leader has high influencing skills on the organization's employees, he can use these skills and influence workers during crises in a more serious manner, otherwise, the influence of the leader will only be as a manager and not a leader. Klann, G. (2003:25)



According to Boin and t'Hart (2003), leadership and leaders are the foundations of the crisis management process, as the crisis situation represents a challenge for the leader, and this challenge is matched by the leader's opportunity to solve or overcome the crisis as the leader's success in confronting the crisis faces a situation of praise, on the contrary, the leader faces blame in the case of failure to solve the problem or overcome the crisis. This means that the leader represents a case of scapegoating during a crisis. As for the modern leadership of crises, it has become a greater challenge factor due to several factors, the most important of which are developments in information and communication technology, globalization and deregulation. Kapucu, N. and Özerdem, A. (2013:154). According to Kapucu, modern leadership is more effective than the classic command-and-control style because modern leadership tends to use partnership and cooperation approaches. McGuire and Silvia argue that there is a big difference between the old environment of leaders that represents the classic bureaucratic environment in management and the modern environment that network leadership style is adopted as a new leadership style. In the viewpoint of Kapucu and Özerdem, effective leadership can create an environment that helps create assumptions and test them to achieve future change and develop a shared vision. An effective leader is usually described as the concept of a transformational leader because the leader can find a direction that suits the future of the organization and develop a vision and a catalyst to challenge the traditional way of thinking. Kapucu, N. and Özerdem, A. (2013:154). Leaders are mainly responsible for their decisions, whether in the event of success or failure, therefore they are described as scapegoats. Whereas in modern leadership that adopts partnership in decision-making, decisions can be more effective because leaders listen to the opinions of their employees and stakeholders, thus leaders face less blame in case of failure.

There are key qualities of effective leaders in a regular and crisis situation, the most important ones are the following

The process of building confidence in a successful leader is based on several matters and practices that help focus leadership confidence in the leader, including that the leader's awareness and understanding clearly of his work tasks gives him a sense of positivity and high confidence in his leadership abilities at work, his participation and acceptance of leadership positions, even if he is small or volunteer because it contributes to gaining greater practical confidence, having a mentor who supports the leader with advice and guidance and supports him with his experiences, and finally confidence is learned more through practices, training and practical experience. Northouse, P.



(2015:24). There is a relationship between leadership and self-confidence of the leaders because the basis of leadership is influencing others, and for the leaders to be able to influence the followers, they should be confident in themselves and in their leadership abilities that can be obtained through work experience and developing skills as practices give experience and experience gives confidence.

Charisma is one of the important traits for leaders as charismatic leaders have a magical influence on their followers through the leadership process, and it may grant them exceptional powers to achieve greater influence in others. According to leadership scholars, charismatic leadership is characterized by several behaviours. First, the behaviour of the leaders represents a model for others in terms of values and principles, and an example of this is Mohandas Gandhi who was a charismatic leader and was considered a model for his followers by following the principle of nonviolence in demonstrations and civil disobedience. Second, attractive leaders have, through their behaviour, clear goals and high principles. Third, charismatic leaders rely on competence in their leadership behaviour and thus there is confidence in their business decisions. Fourth, attractive leaders transmit their management expectations to the subordinates, and they are characterized by confidence in their ability to fulfil these expectations. The final behaviour is that attractive leaders inspire others and motivate them to participate in achieving meaningful change. Northouse, P. (2015:24-25)

An effective leader who possesses the quality of integrity is reliable and influential to others in his words and actions by having a high level of honesty, sincerity and a high degree of valuable principles. This trait can be considered the most important among the qualities of an effective leader. Integrity requires transparency and openness. In some cases, it may have opposite consequences when telling the truth completely. Therefore, honest leaders face this challenge by resorting to a balance between openness and frankness and observing what is allowed to be revealed in a particular case. Northouse, P. (2015:27). This converges with Gary's viewpoint where he considers integrity is the basic principle for building trust and credibility in dealing with others, and a leader who does not bear responsibility for the results of his actions is an unreliable leader. Yukl, G. (2013:150). This illustrates that integrity is an important and influential quality as it relies on honesty, sincerity and frankness with others to give them a high level of confidence in the dealings between them and the leadership. But in certain cases, the leader's integrity represented in complete frankness and honest disclosure of information leads to problems that have negative consequences for the leader and the organization



because this information may be used by other parties such as competitors and those affected who may claim compensation.

The leader during the crisis takes more importance in trying to reduce the effects of the crisis and restore the work system to its normal situation by dealing with a clear vision and being visible to workers, society and the media, meaning that the leader is effectively present during the event in front of the media and people affected by the crisis, as this shows the method of effective management of a leader during a crisis. Ulmer, R., Sellnow, T. and Seeger, M. (2011:64-65). The direct presence of the leader during the crisis and his follow-up to visually manage the crisis instils a spirit of reassurance to the employees and those affected by the crisis because otherwise when the leader withdraws, unclear with others about what is going on in the crisis, their response to the crisis is delayed or leaders deny there is a problem, it makes the crisis go worse.

The styles of the leaders while facing the crisis differ in terms of the way of dealing and communicating with the followers regarding the issuance and implementation of orders. Some use the authoritarian style of leadership that is based on the sole opinion and issuance of orders by the leader and only a few interventions are allowed by the followers. Some prefer to use the democratic method in dealing with the followers, as leaders share their opinions and ideas. This communication can be through coordination with several groups using telephone calls, asking for help or offering coordination. There is a conclusion that some crises need to use the authoritarian leadership style as the most effective solution to confront the uncertainty accompanying the crisis, as well as to achieve better guidance to the subordinates. Ulmer, R., Sellnow, T. and Seeger, M. (2011:70-71). Some leaders use the method of retreating from principles and values as a necessity to confront the crisis, virtuous response that focuses on the principles and values of supporting and helping the victims of the crisis and those affected by it, is better than the response to avoiding blame. Ulmer, R., Sellnow, T. and Seeger, M. (2011:75). This is because it generates more support for the leader's decisions or style in facing the crisis. Leaders have many methods to confront the crisis, including authoritarian, democratic, and retreat from principles. Here, the position and severity of the crisis determine the most appropriate way that the leader prefers to deal with the employees. Democratic type creates several ideas and solutions to face the crisis by workers in the organization or



agencies, where the greater the coordination and help between groups, the greater the information and solutions to make a decision that suits the nature of the crisis.

2.2.3 Leadership in Catastrophe

Crises of all kinds are often influential, but the broader impact and greater losses are usually associated with crises of natural disasters, as their destruction is wider and their material losses are very large, and the issue of recovering from them requires distinguished efforts and financial budgets that may reach billions of dollars. These disasters also cause human and emotional loss. The issue of uncertainty about when the disaster occurs represents the biggest challenge for the authority and society, so it depends in this case on the principle of effective communication. Ulmer, R., Sellnow, T. and Seeger, M. (2011:134)

The principles of leadership generally apply, whether in the ordinary situation or the case of a catastrophe, but the details of leadership and its requirements differ greatly in the case of a catastrophe and crisis management according to each case and its circumstances. Kapucu, N. and Van Wart, M. (2008:3). This is because the damage in a catastrophe is wider, losses are greater in terms of material and human, and recovery from the effects of a disaster requires a longer time and a widely coordinated effort with a large financial budget. The situation requires strengthening emergency management in order to be prepared to perform better during a disaster by providing humanitarian, health and material assistance.

According to Kapucu and Van Wart 2008, there are 4 principles related to leadership in the event of catastrophe management in both cases, whether natural or man-made catastrophes.

The first principle focuses on the efficiency and effectiveness of the individual within the catastrophe response network and considers it as the most important factor. This is because the efficiency of the individuals represents the quality of the network's performance in terms of expediting the provision of aid, the rescue of victims and coordination with the authorities responsible for confronting the disaster so that the situation does not worsen.



The country's response plan to confronting the catastrophe includes a large and general coordination within the catastrophe network and at all administrative levels, local, state and federal as well as the non-profit sectors, to provide a special environment for facing the catastrophe from various authority bases which include legal, contractual and voluntary, with coordination of financial operations and division of responsibilities to face the special challenges of the catastrophe or crisis. Kapucu, N. and Van Wart, M. (2008:4). This means that the political authority conducts legal coordination between the government sector or organizations affiliated with the state and the private sector through contracting with them regarding the disaster.

In the second principle, facing catastrophic events usually requires political leadership rather than an administrative one, because it is based on a political decision of the authority to unify the efforts of the state in all its sectors and levels to confront the disaster and provide the necessary material resources for that. This includes the equipment and mechanisms that are needed in a crisis such as civil defence and firefighting teams with their equipment. The political authority is working to establish a system for dealing with catastrophes and disasters with all its administrative and executive levels. Testing this system is according to the catastrophe cycle at the time of their occurrence. Kapucu, N. and Van Wart, M. (2008:4). This illustrates that some catastrophes are frequent or expected at certain times, which facilitates programming to test the effectiveness of this system during the catastrophe.

Political leaders have several responsibilities to take into account in this situation, for example, interact directly with the event, they may take responsibility to be spokespersons for the public interest, provide the necessary financial resources for the event, request assistance and provide the necessary financial resources for the event. On the other hand, administrative leaders have to make special procedures for facing a catastrophe that includes, mitigation, preparation, response and recovery. These include all regular and extraordinary efforts as well as creativity. Mitigation is the process of reducing the effects resulting from the event or trying to prevent it through several measures such as building strong dams and issuing laws related to the method and durability of construction to face the dangers of floods, earthquakes and other natural disasters. As for preparation, which is the process of anticipating the occurrence of a catastrophe by informing or alerting people to this, while preparing the necessary precautions or needs to evacuate people outside the area of the event and preparing the necessary supplies for that. The response is the process of providing immediate



assistance to those affected by the disaster by several methods, including search and rescue, temporary shelter, medical care, food and other humanitarian needs in addition to the application of martial law. Finally, recovery is the process of restoring normal life to the affected area after the end of the disaster by reconstructing it and repairing the affected sides due to the disaster in addition to providing financial and service assistance to people. Kapucu, N. and Van Wart, M. (2008:6-9).

What is mentioned above coincides with what Kapucu and Özerdem said that the process of human control over the occurrence of natural events is very limited, therefore the process of preventing the risks of natural disasters is not possible or very limited, which must focus on other measures such as mitigation, preparation, response and recovery from natural hazards, but in the case of man-made disasters, the focus is on the prevention of disaster risks. Kapucu, N. and Özerdem, A. (2013:12)

As for the third principle, it focuses on special competencies related to leaders of crisis and catastrophe management, which are mainly based on administrative leadership competencies that include many competencies such as self-confidence, communication, and influencing and negotiating. Finally, the focus is on some competencies that represent special importance in catastrophe and crisis management, which include 12 types of competence such as decisiveness, flexibility, problem-solving and informing. The following figure 4 illustrates these competencies. Kapucu, N. and Van Wart, M. (2008:4-5). The focus here was on the competencies of the authorities for catastrophe management because these competencies are the ones who prepare the plans and relief programs for helping the affected people and trying to reduce losses, limit the spread of the disaster and achieve rapid recovery.



- Decisiveness is the ability to act relatively quickly depending on circumstances
 without excessively damaging decision quality. Its major subelements are willingness to
 make unilateral decisions, ability to act quickly in a crisis, and ability to remain calm in a
 crisis.
- Flexibility is the ability to bend without breaking and to adjust to change or be capable of modification. Its major subelements are adaptability and alertness to alternatives.
- 3. Informing is providing critical information to subordinates, superiors, peers, or people outside the organization. Its subelements include facilitating coordination of work, shaping the mood about work and strategies that function best, and serving a public relations function.
- 4. *Problem solving* is identifying, analyzing, and handling work-related problems with subelements being recognizing, investigating, and resolving problems.
- 5. Managing innovation and creativity is establishing an environment that allows and encourages flexible solutions and change, and fosters timely implementation of innovation. The subelements are creating, acquiring and transferring knowledge and modifying organizational behavior to reflect new or unique circumstances.
- Planning and organizing personnel is coordinating people and operations and
 ensuring that the competencies necessary to do the work are available. Subelements
 include scheduling and matching talents to work and problems.
- 7. Motivating is enhancing the inner drives and positive intentions of subordinates to perform well. Subelements include providing incentives, as well as providing inspiration that encourages work for the organization goals regardless of personal benefit.

Figure 4. Description of 12 competencies of catastrophe management

- 8. Team building is creating and supporting teams that are both in-place functional groups as well as teams/groups that cross divisional, organizational, and even sectoral lines. Subelements include creating and supporting teams as well as enhancing identification with the work, fostering intramember cooperation, and achieving esprit d'corps.
- 9. Scanning the environment is gathering and critically evaluating data related to external trends, opportunities, and threats on an on-going and relatively informal basis. The main subelements are broad and informal monitoring and consulting outside the organization, identifying external trends and opportunities, and investigating the most significant trends (opportunities or threats) in greater detail.
- 10. Strategic planning is making disciplined efforts to produce fundamental decisions and actions that shape and guide an organization. It includes defining the mission and purposes of the organization, defining specific objectives, clarifying and selecting among alternatives, and selecting detailed goals and concrete measures.
- 11. Networking and partnering is developing useful contacts outside the leaders' direct chain-of-command and is therefore primarily voluntary but substantive.
 Subelements include sharing information across organizational lines, providing mutual support and "favors" among agencies or with outside groups, and sharing responsibility and benefits (partnering) with other outside entities.
- 12. Decision making is making major organizational choices by understanding the fundamental values and factors involved, and by structuring an appropriate decision framework. Subelements include understanding the factors in the decision environment related to complexity, information availability, type of decision, and need to involve others, as well as understanding the competing values involved such as efficiency, effectiveness, legality, etc.

Figure 4. Continued

Figure 4 explains the competencies the authorities should possess to help them obtain efficient management performance especially in managing catastrophes (Kapucu, N. and Van Wart, M. 2008).



2.3 Decision making in leadership and crisis situation

A decision is a choice that is made from among many options and alternatives in case of uncertainty or doubt about the results. The decision determines the course of events and restricts the freedom of the event path. The decision is taken proactively so that it is not merely an occurrence. Pellosniemi, J. (2014:11)

Decision making has been addressed by many researchers with great importance, and some consider that decision-making and management process are two synonymous terms with minor exceptions. Richards, M. and Greenlaw. (1966:27), because decision-making represents the greatest importance in the management process, and management is based on a set of decisions to implement the organization's policy to achieve its goals.

Decision-making does not include the entire management, although the usefulness of decision-making emphasizes the study and analysis of management. Richards, M. and Greenlaw. (1966:27), because management includes many aspects other than decision-making, such as following up on employees, productive and financial activities.

According to Richards and Greenlaw, the decision-making process includes collecting and processing the information of the event and making choices among the available alternatives which means that the decision-making includes most of the managerial work except for a few managerial activities. Richards, M. and Greenlaw. (1966:27). Some of this view is in line with the viewpoint of Burke and Barron in terms of the decision is made as a choice from among several available alternatives, as they believe that the decision-making is a collective action based on choosing from among several possibilities for making an appropriate decision to which everyone adheres. Burke, R. and Barron, S. (2014:337).

According to Burke, R. and Barron, S. (2014:337), there are major considerations when making a decision are:

What decision is required to be made?



- What will be the best result?
- Determine the most appropriate timing when choosing a decision.
- Knowing what kind of data needed to be collected to make a decision.
- Identifying the individuals charged with making the decision.

2.3.1 Factors affecting decision making in crisis and disasters

There are several factors that affect decision-making during a crisis or disaster in terms of the nature of the crisis, the environment, the characteristics of the decision-maker, and other mechanisms used to achieve a final decision to handle the crisis. Kapucu, N. and Özerdem, A. (2013:132)

Uncertainty

According to Tierney et al, decision making during a crisis usually faces several challenges in organizations where the required decision is taken within a state of uncertainty and limited control. This uncertainty increases the burden of the organization, especially if there are no consistent and valid rules and procedures. There are three types of uncertainty facing decision-makers, according to Moynihan. The first is substantive uncertainty, which includes a lack of information about the crisis, and it can be determined according to the nature and level of the crisis or disaster. The second, strategic uncertainty, which depends on the independence of decision-makers. Third, institutional uncertainty, this type is due to organizational differences related to the types of culture and values. These second and third types depend on the nature of the formation of interorganizational networks. According to Therrien's view, these interorganizational networks are a helpful factor in dealing with uncertainty. Kapucu, N. and Özerdem, A. (2013:133). The uncertainty factor represents a challenging obstacle for leaders when making decisions due to the ambiguity surrounding the situation resulting from poor information, poor strategic planning, or weak organizational networks between institutions. This confuses the leaders and delays the decision-making process; thus, the decision may not be suitable for resolving the crisis.



Time pressure

Another factor that affects the decision-making process is time pressure because time pressure may add burdens to employees and lead to delays due to its effect on information flow. On the other hand, it may affect positively trained employees who have previous experience to achieve better results, but it still affects negatively because the decision-making process is not ready and not developed due to some lack of information. Kapucu, N. and Özerdem, A. (2013:133). This illustrates that time pressure, and burdens may weaken the quality of the decisions due to limited time and information especially for decision-makers with little previous experience because they need a longer period of time available during the crisis to think and find the necessary decision.

Risk

Risks affecting decision-making arise with two factors: decision-making responsibility and the crisis environment. There are three steps for decision-makers. First, knowing the risks by minimizing and avoiding uncertainty, and is done through research and monitoring. Second, assess the risks by identifying the results that were previously evaluated. The third, risk reduction, which means reducing or eliminating risks. It is evident from this that the reduction of risks is achieved through obtaining a greater and more accurate amount of information regarding the crisis to reduce uncertainty and improve the quality of the decision to lead to more positive results.

Sacco, Galletto, and Blanzieri believe that risk decisions are made on the basis of the assessment of each of the gains, losses and weights are given to them, this means that decision-makers deal with risks in terms of success and failure rates for gains and losses that related to their decisions and their expected results. As for, Vlek and Stallen see that the most important factor that determines the risk level is uncertainty. Kapucu, N. and Özerdem, A. (2013:133-134)

Information

The other factor influencing the decision-making is information management, where Flueler believes that information helps to create a clear vision and reduce uncertainty as it is goal-oriented knowledge. From Inzana et al's point of view, introductory information improves the performance accuracy during times of severe pressure. Kapucu, N. and Özerdem, A. (2013:134). This represents the convergence of



viewpoints as they considered the abundance of information help to reduce uncertainty and raise the level of performance towards a good decision.

Previous Experience and Training

Previous experience is of particular importance in positively affecting the decision-making process. There are two converging opinions regarding previous experience (Crichton and his colleagues (2000)) and (Flin and colleagues 1996) suggest that improving performance in decision-making is through developing skills through training and simulation because simulation helps to proactively develop practical thought for a crisis or disaster situation. Kapucu, N. and Özerdem, A. (2013:135). This is concluded that previous experience prevents decision-makers from repeating past mistakes if they made wrong decisions however, previously successful decisions made by the decision-maker can be applied again in a similar situation or crisis.

Decision-Support System (DSS)

The use of decision-making support systems according to Wallace & De Ballog has become vital and imperative in the situation of disaster and emergency management. The use of DSS, represented by hardware and software, reduces the confusion of information and other needs necessary for effective decision-making. These systems, according to Olcer and Majumder, optimize time and thus improve information management. Lindell et al. indicates that DSS reduce uncertainty in the environment as well as provide better and broader information regarding losses and costs to support the decision-making process. Kapucu, N. and Özerdem, A. (2013:135-136). DSS helps in a better, faster and easier decision-making process for leaders because it provides a wide information base that allows time exploitation while reducing ambiguity and thus leads to logical decision-making.

Shared Mental Models

The process of forming a common collective opinion on the crisis by involving all mental models on the individual, group and organizational side, helps to coordinate and facilitate the making of a comprehensive and widely accepted decision regarding the situation. Kapucu, N. and Özerdem, A. (2013:136). This is analysed that the effectiveness of group decision-making is more accurate if there is a common understanding about the crisis among the group specialized in decision-making because the decision resulted from the convergence of several thoughts from the work team. This understanding leads to expecting actions between group members to



facilitate appropriate collective decision-making, especially if there's difficulty in communication.

2.3.2 Decision-making during crisis

Crisis leadership requires the ability to make wise and urgent decisions to face the crisis and its effects, so most decision-makers during the crisis abandon the traditional method of decision-making based on (gathering information, creating alternatives, evaluating these alternatives, and making a decision) to a more dynamic method. In this case, the leaders delegate their authority when making a decision to a group of people with experience and knowledge of the organization's affairs, such as experts and advisors, and leaders take advice and opinion from them when making a decision during the crisis due to the widening uncertainty accompanying the crisis as the experts possess a large base of information and knowledge that often enables them to reduce this uncertainty. The heavy reliance by leaders on expert advice is a result of so-called the power of expertise. Often counsellors, such as lawyers, advise the decision-makers to reduce the information given about the crisis to avoid or limit the legal consequences. JAMES, E. and WOOTEN, L. (2005:148). Cosgrave (Kapucu, N. and Özerdem, A. 2013:139) mentions that there are three features of decision-making styles in a crisis, including acting, consulting or delegating authority, and this clarifies that his opinion is consistent with what James and Wooten mentioned above.

A crisis leader should be distinguished by the courage to make quick decisions and actions, as courage is one of the characteristics of the crisis leaders, but with the presence of uncertainty that accompanying the crisis, the decision-maker should tend to be more conservative in responding to the imminent risks due to the crisis. This reservation towards the risks of the crisis has been called "threat rigidity" by Barry Staw and his colleagues in their research examining how people respond to threats. JAMES, E. and WOOTEN, L. (2005:148).

Leaders tend to abandon the traditional method to the dynamic. The traditional method needs an indefinite time, as it is in the crisis, to prepare decision-making because the traditional method involves several stages in order to make the decision, starting from collecting information, creating alternatives and evaluating these alternatives to choose the optimal ones to make a specific decision. Whereas the situation and riskiness of the crisis do not allow them to spend time to implement the stages of the traditional method,



but rather they must speed up the time and be comprehensive in decision-making through the participation of others or delegating authority to specialists such as experts and advisors because the information they possess is supportive of taking a suitable decision for the crisis. Here, the importance of an effective communication process appears due to the abundance of information related to the crisis, which leads to reduced uncertainty. The important delegation of authority by the crisis leader to experts and advisors represents the extent of the importance and impact of decision-making during the crisis, as this authority is based on the great challenge facing the leader to take a correct decision in light of a state of ambiguity, uncertainty and time pressure to contain the crisis or reduce its risks and negative effects on the organization, stakeholders and affected people.

2.4 Example of Enron crisis

Enron, founded in 1985, has been one of the world's most successful companies in the energy industry and commodity trade. Because of this success, the company was ranked according to Fortune magazine as the most innovative American commercial company, and in 2000 it ranked 24 out of the list of the top 100 companies. The level of commercial operations for Enron developed to be the seventh-largest company in the world, as the share price for Enron in 2000 reached \$ 90 per share, but soon the value of these shares fell with the beginning of 2001 to less than one dollar as the company was exposed to the largest financial crisis that led to its collapse and declared its bankruptcy due to the company's unethical business dealings policy, as the responsibility for this crisis rests with the CEO and founder of the company Kenneth, and David, the chief auditor at Arthur Anderson, where David was responsible for auditing the accounting operations at Enron Corporation. Ulmer, R., Sellnow, T. and Seeger, M. (2011:153)

The company had at its inception a law for work values called rice law, which consists of four elements: respect, integrity, communication, and excellence that every employee must sign to read and comply with its provisions. However, over time, Enron changed its behaviour at work from the standards of the rice law to the standards of profitability as a method of assessing success and failure in addition to the company's adoption of inaccurate accounting processes characterized by suspicion, complexity and risk, which led to inflating profits and concealing losses. Ulmer, R., Sellnow, T. and Seeger, M. (2011:154)



The reasons for the exacerbation of the Enron financial crisis include its decentralized administrative method, the application of independence in the work of employees, and the lack of focus on control and supervision of them, through the reduction of meetings and interviews. This method led to great difficulty in revealing the reality of commercial operations and the profits achieved by the employees, and this method also weakened the process of communication between the firm's leaders and its employees, which led to the failure of the leaders to transfer work values to the employees and their failure to recognize the problems at their beginning. Kenneth's indifferent dealing with Sharon's letter, which clarified fears of financial fraud in the company, and his failure to acknowledge the problems that arise, exacerbated the accusations against Enron and resulted in continuous losses. Whereas if Kenneth had responded to this warning letter and admit the existence of this problem at its inception, the company would not have reached collapse and bankruptcy. This indicates that these reasons helped Enron disappear in the end. On December 2, 2001, the company declared bankruptcy, and this bankruptcy was the largest among the companies at that time. According to Ulmer and colleagues, the importance of managing effective uncertainty is greatly illustrated by the collapse of the Enron company before, during, and after the crisis. Ulmer, R., Sellnow, T. and Seeger, M. (2011:155-156)

The following analysis can be concluded from the Enron crisis that there are several reasons that helped the collapse of the company. The leaders of Enron breached the elements of effective leadership's dealings with others, such as trust, integrity and others, as they dealt with unreliability in clarifying the company's financial position through manipulation of accounting operations, and leaders were not honest in informing investors and stakeholders in the realization of the situation as they resorted to falsification and change of facts regarding the profits and losses of the company.

Enron' leaders did not preserve the ethical work values they set because they changed the basic values standards based on respect, integrity, communication, and excellence to the standard of profitability as a basis for success with the use of the management policy of decentralization and weak follow-up led to the widening of the uncertainty surrounding the Enron crisis. Enron' Leaders also failed to implement an effective company-wide communication system and they deliberately denied the existence of the problems.

2.5 Conclusion of the literature review

We notice from the literature review that many researchers have dealt with the issue of leadership and its impact, whether in the natural situation or during crises on a large scale. Through this, we conclude that it is necessary to focus on the values of ethical work in the organization and to apply them effectively, and the leaders should adhere to the leadership qualities formed by researchers such as confidence, integrity, and communication. We can see from the literary review the leadership important role in managing the organization from being the path that works to achieve and complete the desired goals of the organization and to maintain the balanced relationship between the organization and stakeholders. A successful leader takes advantage of his distinguished leadership qualities to influence the employees and motivate them positively and make them present their best abilities towards the organization to achieve its objectives.

The importance of leadership increases even more in the event of crises and catastrophes, as leaders must make quick, wise and effective decisions towards the crisis, especially concerning the lives of people and their properties to contain the crisis or reduce its negative effects. Here, the importance of decision-making emerges amidst the pressures of the crisis and the limited time to make the right decision among a group of alternatives. During a crisis, the leader must choose the best method to carry out effective measures that will help find positive solutions. We see most leaders resort to leaving the traditional approach of being alone in decision-making to the method of involving others, delegating authority and taking expert opinions in order for the decision to be more effective and comprehensive in facing the crisis.

During the crisis, the leader is required to show serious behaviour in terms of moving quickly towards the problem, recognizing responsibility, dealing confidently with information about the crisis, and sharing this information with the public. We also observe that the leader has to work to reassure the stakeholders, investors and those affected, to adopt integrity about clarifying the real situation of the matter and not intentionally conceal the facts, to communicate well with the organization's internal and external surroundings, and to inform the media about what the organization has achieved in terms of development towards the crisis.



3 Methodology

3.1 Research method

We carefully chose to use a qualitative method for our research as this method according to Myers, M. (2013) intended to help understand individuals and cultural contexts where people live, and it is designed for the purpose of studying a particular topic in depth. Whereas the quantitative method is designed for researchers who focus on numerical values more than descriptions. As this research aim is emphasizing more on describing and interpreting the importance of leadership and decision-making in a crisis, we have considered the qualitative method as the most appropriate method for this research. This research requires providing a lot of information and explanations to deliver the important definitions and arguments well described to the reader. The second part of the research is conducted by interviews as the topic of this research requires obtaining deep opinions from people.

3.2 Data collection

The literature review of this research is based on secondary data because it is mainly based on information from secondary sources. Secondary data are based on information gathered by others for own purposes, whereas primary data is the information gathered for the purpose of immediate study at hand. Rabianski, J.S. (2003:44). The data collection of the second part of this research is based on primary data using interviews with knowledgeable people regarding my research topic which I conducted it myself directly with the interviewees.

3.3 Sample

The sample of this research is done by face-to-face interviews due to the reason that answers obtained from interviews are longer and more in-depth than surveys and this research requires clear explanations therefore, interviews were the most convenient method to use. As the interviews' questions were pre-formulated and asked in a specific order, the interviews tend to be a structured interview type, as structured interviews need



to be planned beforehand to ensure all key questions are included in the script beforehand. Myers, M. (2013:122)

The interviews are conducted with CEOs and managers with nine questions because this research requires information from experienced individuals in the field of management and leadership to provide useful answers through their daily work. The aim was to meet more than four interviewees but the social effect of the covid 19 pandemic prevented this to happen, however, the answers obtained are important and fulfil the purpose of this research. These interviews include two CEO positions and two managers. Three of them are male and one is female. The male majority in the sample size may affect the reliability of the results. The interviews consisted of nine questions regard to the research topic.

4 Interview analysis

Table 1: List of interviewees

Interviewee code	Company/Industry	Position	Geographical region
INT1	Food &Transportation	CEO	Finland
INT2	Personnel rental	HR manager	Finland
INT3	Property maintenance	CEO	Finland
INT4	Property services	Service manager	Finland

4.1 Results analysis

This section will analyse the responses of the participants

Q1. What is your own concept of leadership and crisis leadership?

The first question needed to focus on the participants' concept of leadership and crisis leadership, because it forms the basic basis for the research topic. By comparing the participants' answers about the concept of leadership, most of the answers focused on the concept of achieving the company's goals through the influence of leadership on others, as the majority of participants mentioned the word of influencing others and inspire them to achieve the goal of their companies.

When asking the participants about their concept of crisis leadership. The predominant answer was to address the crisis with the least loss or damage. Two of the participants agree on the necessity of taking the required decision quickly to solve the crisis. This is due to the leader's critical available time to make the right decision.

Q2. What qualities do you think an effective leader should have?

The ability to make difficult or right decisions, as well as consulting employees and listening to others when making decisions, are the two predominant qualities mentioned by the participants concerning their opinions about the qualities of an effective leader. This is because consulting and listening to the opinions of others helps to find clearer solutions. 50% of the participants mentioned that the qualities of flexibility, practical experience and ability to anticipate and read warning signals are important qualities that should be characterized by an effective leader. There are also mixed opinions about other several qualities should an effective leader possesses such as charisma, communication, integrity, intelligence, humbleness, and take responsibility.

Regarding the qualities of communication, integrity, and responsibility, they were not emphasized by the participants, and this contradicts the mentioned hypotheses of the qualities of the leader in our research.

Q3. Do you believe in being alone in decision-making or with the participation of others when making an urgent decision?



Most of the participants agree to follow the method of listening and consulting others when making their decisions even though they believe that the final decision is made by the leader himself. This is a result of the leaders' feeling that they are responsible for the results of their decisions, while most of the participants' answers tend to share with others' opinions.

One of the participants focuses on circumstances control to allow or not allow the participation of others for the leader in making his/her decisions even though the participant believes in the decision-making style that is based on the participation of others such as employees.

Q4. What is the factor that affects you most when making a decision?

All of the participants' views indicate that the most influencing factor in decision-making is situation severity and riskiness. This may make them feel the complexity of the surrounding environment resulting from the seriousness of the threats caused by the decision in case of failure. On the other hand, half of the participants focus on the importance of the time pressure factor when making important decisions. This response regarding time pressure indicates that these decision-makers feel confused for fear of taking a hasty decision due to the lack of sufficient time that may cause an incorrect decision.

By observing the answers of the CEOs, it appears that they are indicating the difficulty of anticipating the results and consequences of decision-making as it is among the most important factors affecting their decision-making. There is a different opinion by two participants, as they consider the financial situation and the cost resulting from the decision to be an important factor in their decision-making. In addition to these factors, there is one participant who believes that customer satisfaction is an important factor when making his decisions in his field of work.

Q5. How useful is the IT and decision support system in leadership and decision-making?

Most of the participants seem to agree with their views that IT helps effectively to facilitate the decision-making process in their companies and organizations, as most of the participants consider the IT system to provide them with basic and important information



and database to speed up the decision-making process. There is a consensus among participants to consider IT as an effective system for documenting information and establishing a primary database. This helps managers use this information later in leadership or making their decisions.

Two participants expressed different opinions from the others regarding the IT system, one of the participants considers, according to his experience, that IT has had no influence on direct decision-making despite his use of several IT programs to control work activity and communicate with employees. The other participant believes that the human instinct and situational awareness are the key factors that must be relied upon when making a decision in case of crisis.

Q6. How communication plays a role in leadership and decision-making?

The majority of the answers to this question were positive in favour of the principle of communication, as it is an effective, vital, and comprehensive element to achieve the goals of the organization as it was the predominant answer for the participants. These interviewees feel, through communication, they are reassured of knowing what is happening in the company and the possibility of obtaining better solutions to problems and crises, and thus achieving better leadership. The greatest proportion of participants' opinions agree that communication is an influential factor that helps them make their decisions during leadership and in crises because these leaders and managers see that communication helps them to find important information and data required to make their decisions.

The idea that communication is not the main factor in decision-making had a small percentage of interview answers, as it was only one participant who mentioned that communication does not have a significant impact in the case of decision-making although he believes that communication is part of the decision-making process.

Q7. In your opinion, how to deal with failure conditions in decision-making?

To find out how to deal with failure conditions in decision-making, participants were asked about how they deal with this situation in their own way. Half of the interviewees' answers focus on learning from failure and consider this failure an important factor for the company as it represents a positive source of success and is necessary to develop



the organization's capabilities. Three of the participants share the opinion that they deal with failures by acknowledging failure and mistakes, along with studying and reviewing the causes of this failure. All of the participants are trying to focus on finding alternative solutions to get out of the crisis.

Q8. How to deal with early signals to warn of a crisis or event?

It's observed from the interviewees' answers that there is a consensus in their views, whereby all participants focus on dealing with warning signals from the beginning in a serious and proactive manner, according to their opinion, so that these signals do not grow and turn into a crisis. Through the results of the interviews, it is clear that most of the participants take these signals into account when there is a need to make a specific decision. There is also a single opinion from the interviews that these signals need managerial and practical experience for the leader and employees to discover them. One of the participants mentioned that the management of their company deals with these warning signals by using a safety management approach, as this system predicts different situations. This means that using such a system helps companies monitor and follow up warning signals and not leave them randomly without taking them into account.

Q9. How does corona situation impact your leadership and company?

All participants answered this question that the crisis of covid 19 has affected the style and the way of companies work as they mentioned that the crisis had confused the work system and affected the way of performance due to the pressure of government decisions to try to contain the Corona crisis. Half of the responses implied that they should follow government decisions that affect the leadership and management of their companies. This is due to the contradiction of some government decisions with the internal decisions of their companies, and this affects the general activity of the company, especially the productive activity. All the answers of the participants showed that all company managers tend to change their work style from the regular style without restrictions to using the electronic method and social distancing through greater reliance on the use of the Internet to perform work activities such as online interviews, remote meetings and the use of electronic communication programs. One of the participants also mentioned the impact of the Corona crisis on changing the health system at work and the effect of government decisions on them. An example of this can be the necessity of using medical face masks and gloves.



There are various opinions given by the participants regarding how they're dealing with this crisis, including, for example, the speed of executive decision-making by the company's leadership, in addition, the permanent and continuous provision of new information and updates on the changes of the crisis to employees, clients and stakeholders due to the unstable situation. The results show that only one of the participants mentioned that he focuses on trying to find solutions to reduce the losses resulting from the crisis.

5 Discussion

As we can see from the results that there is consensus by the participants on many of the main answers that clarify the role and importance of leadership and decision-making practically during crises. Among these agreed answers is that the severity of the crisis and riskiness of the situation are the most influencing factors in the decision-making. This is because the more difficult the crisis and the more dangerous it is for the company and society, the more difficult the decision-making process towards the crisis will be and requires a longer decision-making time, while when the crisis is of light severity and less risk, the decision-making will be easier. All the participant seemed very agreed to find alternative solutions to get out of the crisis in case their previous decisions fail to face the crisis. On the other hand, most of the results emphasize an admission of failure and mistakes, and then review and study the causes of this failure. From a logical point of view, we see that failure in decisions is inspirational and motivative for decision-makers to find alternatives or new solutions to solve the crisis, and this failure is a catalyst component for success because surrender to failure leads to failure of leadership and the accumulation of crises.

Among the important points that support the thought explained in our literature review regarding the warning signs of the crisis is that the analysis of the results indicates the agreement of the answers by focusing on the necessity of dealing with these signals seriously from the beginning. This coincides with what Fink mentioned that alerts must be dealt early and in an appropriate manner so that the event does not escalate and generate more complications or problems (Darling, J.,1994). This is because, if these warnings are overridden and not taken into account in advance, it will lead to an exacerbation of the situation, leading to a crisis. It is also assumed that these warnings are used as a basis when needed to make a specific decision.



The results seemed to be logical when looking at our literature review as the opinions of participants are similar to what James & Wootan mentioned about listening and participating of others in the decision-making process. Most of the participants prefer this method because it helps in making a quick, comprehensive and more reassuring decision. One explanation for this is that the state of uncertainty and ambiguity surrounding the crisis is what makes the decision-makers shift from being alone with the opinion to an approach of participation and listening to others. However, these participants believe that the decision eventually is made by them even though they listen to their employees, experts, etc. James and Wooten explained that most of the decision-makers during the crisis transfer from the traditional method to a method where leaders share opinions with a group of people when making a decision. This is because participants help to find better alternatives. for example, experts and consultants have good knowledge that reduces the uncertainty that occurs during a crisis.

Comparing the result, it is apparent that all interviewees used consider IT as an effective system for documenting information and establishing a database. Most of them mentioned that IT helps to make a decision. This is through the use of documented information and technical programs available on the company's computers, as it reduces time and decision-making stages. This system helps to see the plans and activities of the competing companies. However, there is a contradictory view from one of the participants that IT doesn't directly affect decision-making even though they use several IT programs to control business activity. But this view seems far from reality, as the majority use this system to support their decision-making. On the other hand, all participants didn't mention the decision support system in their companies, although this system reduces information confusion and uncertainty in the work environment and provides broader information in support of decision-making.

It can be seen from the results that there is a match between most of the interviewees' answers with the literary review of our research, as the participants considered that communication is an effective and important element to achieve the goals of their companies. This opinion shows agreement with the opinion of Klann (Klann, G 2003), which considers communication as one of the essentials of leadership in dealing with crises, as he mentioned that leaders communicate with workers and involve them in decision-making works to absorb their anxiety and spread reassurance in the organization. This point of view is also consistent with Kapucu's view, as he believes that communication is important for making effective and educated decisions through the



gathering and continuation of the required information. (Kapucu, N. and Özerdem, A, 2013)

What mentioned above explains that the leader's communication with the subordinates, experts and advisors breaks the isolationism in the organization and spreads the spirit of friendliness in the work environment, it is known that the workers prefer the open leader over the introverted, and communication makes the leader well-informed and continuously aware of what is going on in his company and thus leads to an effective work partnership and better productivity for the organization.

We dealt with the Covid 19 crisis in the interview questions due to its importance currently, as it is a crisis that has a severe impact on all aspects of life, especially economic, social and health activities. As noted from the results that this crisis has affected the economic activity of companies and their leadership style, as all interviewees agreed that this crisis affected the style and manner of performance of their companies due to government decisions to contain the crisis, and all interviewees have had to change their work style to use the electronic method through remote work. Half of the participants focus on following up on government decisions that affect the management of the company, although these decisions may contradict the company's decisions. Thus, this may affect the company's activity and productivity because safety standards to contain the crisis may increase costs, and this leads to a decrease in the company's profit, which may lead to the layoffs of large numbers of workers. Because of the continuity of this crisis and its daily changes, one participant mentioned that decisionmakers in companies should tend to the speedy implementation of executive decisions. This view should be implemented by leaders and managers in all companies during the crisis to contain the crisis effects and the speed of its spread.

The results may seem surprising because only one of the participants mentioned that there is a need to find appropriate solutions to reduce the losses resulting from the Covid 19 crisis. The result was surprising because this answer is supposed to be the most comprehensive for participants because the profit and loss aspect of a company forms the basis of its economic activity, as reducing losses helps the company to continue its business.



6 Conclusion

It can be seen from this research that leadership significance as a general concept has an impact on business activity and motivates workers to extract their capabilities for the benefit of the organization. The modern concept of leadership focuses on the participation of others in opinions and the decision-making process. The role and importance of leadership in crises and decision-making emerge as a challenging factor and a separating element between the success and failure of the organization in containing crises and their impact positively or negatively. Successful leadership works to restore reassurance and build good relationships inside and outside the organization and benefit from the experience of the crisis as a lesson and experience to try not to repeat it in the future.

Through our discussion of the leader's characteristics, it is assumed that a leader possesses a set of important qualities that support the leader's work, including influence, charisma, communication, integrity and confidence. For the success of leadership, leaders must be experienced and familiar with the general situation regarding the organization and the external environment so that they can discover the prior warnings of the event and deal with them in advance and take them into serious consideration.

The importance of decision-making during a crisis is based on confronting the difficult situation resulting from the uncertainty and ambiguity surrounding the crisis and pressuring the leaders of the organization to choose the best decision or the most appropriate alternative to deal with the crisis by containing it or minimizing its effects on the organization. The clearer the situation for leaders, the easier it is for leaders to make the decision alone, but when the situation when making the decision is more complicated and surrounded by a state of uncertainty with a shortage of time, here the decision-making is more difficult for the leaders and they must involve others in decision-making and utilize their experiences while effectively communicating with others to keep the flow of information required to make a decision. This represents a clear answer for the question of the significance and impact of decision-making in crisis.

Companies should expand the use of the IT system and the decision-making support system because it is an important factor in facilitating the institution's activity in the right way. After all, it is a helpful part in organizing, facilitating and accelerating the leadership and decision-making process in the organization, especially during crises, in addition to



trying to discover ways and alternatives to develop the style of work in line with the changes of the ongoing crisis to maintain the continuity of the business and not to lose it. The current difficult circumstances of the effects of the Covid 19 crisis were a limitation in this research, as the volume of respondents interviewed was not large enough to provide broader opinions by company leaders and managers, that's because Covid 19 crisis led to limit face to face meetings.



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