



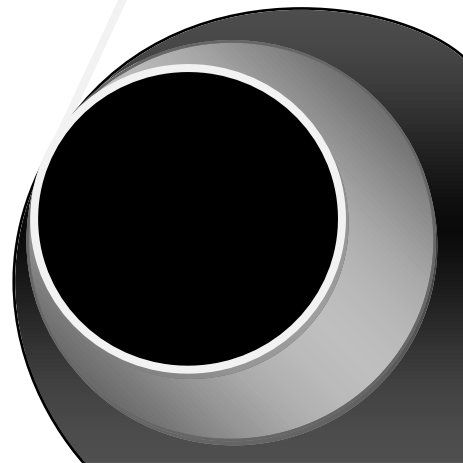
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**MANAGING CRISIS OR CRISIS IN CRISIS
MANAGEMENT? THE INFLUENCE OF CRISIS
ON GREEK AND FOREIGN COMPANIES THAT
OPERATE IN GREECE**

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Abstract

The austerity packages that have been implemented in Greece since 2010 have been a factor causing political and social turbulence in the country. The present study investigates the influence of crisis on companies that operate in Greece and examines how this has been managed till now. An empirical study to a sample of employees working in Greek and foreign companies that operate in Greece demonstrates the preparedness or lack of preparedness of these companies and the implementation of possible crisis management plans and policies during the Greek economic crisis. The findings indicate that most of the Greek companies were not prepared and do not manage the crisis successfully. Foreign companies have managed the stressful situation more successfully. The paper suggests that crisis management requires strategic actions to be taken towards a desirable resolution to the problem. Managers have to develop organizational systems and be able to detect early warning signals and enable them to be better prepared for crisis events. This study has also shown that a crisis in managing crisis situation is possible to happen, when companies and corporate management teams do not develop crisis management plans on time.

Keywords: crisis, management, leadership, business, influence, planning

JEL Classification: M0

Introduction

Most organizations are concerned with budgeting, evaluation of rate of return and current balance sheet instead of giving attention to the effectiveness of change and predict consequences of a sudden threat in their organizations (Luecke, 2003). Internal factors such as organizational structure, human resource requirements, high demand of knowledge workers and managerial decisions also account for introducing organizational changes in order to gain sustainability in the face of the competitive environment (Wood et al., 2010; Burns, 2004; Carnall, 2007). Market and work environment though changes in the face of a crisis. For example, a research by Adecco¹ showed the impact of the economic crisis on employees. The majority of the employees stated that during the Greek crisis their salary has been diminished while they have to work more hours. Some personnel have been reduced with consequence the remaining personnel to undertake extra responsibilities. The unemployed people have greater difficulty to find a job while the terms and conditions of jobs have dramatically changed. The Greek government took fiscal measures that had immediate impact on companies as well. The higher taxation system led many companies to diminish their personnel as well as closing many branches or co-branding with others to diminish their functional costs (Argyrou and Tsoukalas, 2011). This study investigates how the Greek and foreign companies that are established in Greece were affected by the economic crisis.

The influences of crisis on Greek companies

A research study provided by IOBE & McKinsey Company I (2009) showed that the Most accepted response in a crisis situation according to 93% of the companies was

1. The reduction of the functional costs
2. The change of the working time
3. The reduction of the personnel.

¹ (www.newsedu.gr) (<http://newsedu.gr/θέσεις-εργασίας/έρευνα-της-adecco-ελλάδος-η-επίδραση-της-οικονομικής-κρίσης-στην-εργασιακή>, date 17/03/2014)

From Vlachou and Lekkos (2014) research, it is obvious that the small and medium companies had satisfactory capital adequacy ratios and efficiency, before the economic crisis began (in 2007). When the Greek crisis appeared, the capital adequacy of these companies was not as promising as before, while at the same time their exports while their exports and profits were at low levels as well. Particular interest, presents the liquidity of the Greek small and medium companies. The liquidity indicators of Greek businesses are at extremely low levels, during the last few years. That occurred due to the lower levels of demand (Lekkos and Vlachou, 2014). All the Greek companies were affected by the economic crisis according to the Greek Commerce Annual Report 2011², by diminishing not only the sales and the profits, but also the assets of the companies. That as a coincidence had an instant influence at the personnel as a cost cutting strategic. In this extremely difficult situation the companies should have set a strategic plan in order to get over the economic crisis with as less as possible losses. As a consequence of the abovementioned results there was a crisis in management procedures leading to poor effective management. In northern Greece the 83% of the companies have been badly affected while 7 out of 10 consider that their business sector has been negatively influenced. An important ascertainment is that the profits of all the companies that are established in the Northern Greece have been lower since the crisis began.³The most influenced section of those businesses was the one of the personnel. Furthermore, due to salary cuts changes on the timetable, benefits cut offs or even dismissals the personnel of a company was not able to perform due to the unstable future. That leads to a negative attitude and lower productivity, while a well prepared management team can create a feeling of trust and commitment between the two parts (Sibley, Osborne & Duckitt 2012).

The influences of crisis on foreign companies

It is obvious that in Greece there are also established companies that are derived from another country, apart from Greece. That means that their headquarters are abroad and they have branches or investments in Greece. The influences of the Greek economic crisis affected foreign companies as well, diminishing sales, profits and their current assets. The difference in this case is that the foreign companies had to select upon more choices about the salvation

² <http://naftemporiki.gr.s3.amazonaws.com/docs/2011/12/05/eseec.pdf>

³ The impact of the economic crisis has significantly affected the Companies of Northern Greece, <http://www.epistimonikomarketing.gr/oiepiptoseis-tis-oikonomikis-krisis-ehoun-epireasei-simantika-tis-epiheiriseis-tis-boreias-elladas/>, date 04/05/2014

of the business. The structure of the management team is also crucial in cases of crisis situations; the better knowledge and experience the manager has, the better choices he takes without setting the company into risk (Lucia Ramona POPA, 2009).

When a foreign company decides to establish and invest in a country in order to gain from the raw materials, to use some production factors available in the host country or to use the good marketing possibilities. On the other hand, the host country gains from the technological expertise of the foreign company and the VAT that this company has to pay to the tax office. It is obvious that when there is economic instability in a country, then the foreign companies decide to invest in another country or they decide to shrink their portion in that market share.

The National Bank of Greece published information about the foreign investments in Greece. It is significant to mention that in 2008 there was a -23,3% loss of the foreign investments since 2007. In 2009 and in 2010 there were 1.65% and 7.15% increase, while in 2011 the loss of the investment was about -24.14% (Konstantina Kottaridi, 2013).

That clearly shows that the first measure that a foreign company takes against the crisis in a country is to lower the investments in that country, and move to another that the political, economic and social environment is more stable.

Managing crisis

The crisis management is by default a strategic plan (Pauchant and Mitroff 1992). Smith (1992) supports that there is a very strong bond between these two concepts. Shrivastava and Mitroff 1987 and Smith 1992 claimed that crisis happens because of the companies' failure to structure an efficient strategic plan. The crisis management aims to the better understanding of a crisis situation and provides to the management team the necessary options in order to face it, in a more effective way (Ash and Ross, 2004). On the contrary, the lack of strategic plans, during a crisis management situation can influence the result of the crisis situation negatively. In the same year 2004, Boin stated that crisis management should be of high importance due to the fact that people's lives depend on it in many crisis situations (such as the terrorist attack in September 2001). Crisis management is defined as the process according to which, due to the management performance, the business faces a very important incident which threatens to harm the business, the shareholders or the clients (Kostis Lamnatos 2013). Crisis management may entail risk management

as well (Cowherd and Manson, 2002). Unfortunately many managers do not consider that a contingency plan is useful in order to deal with unexpected difficult situations (Smith 1992). And this is the reason that many managers focus on the diminishing of the damages instead of avoiding the crisis (Smith 1990). If a business strategic plan consists of managing crisis plan also, then a vulnerable company to crisis can easily change into a very well prepared company against crisis situations (Truitt and Kelley 1989). The cost of setting such a strategic plan prevents the right preparation of the business (Purdrum, 2004). Literature, had pointed out that the economic crisis had been foreseeable from the markets without being noticed the exact intensity (Togni, Cubico and Favretto 2010). According to Calloway and Keen (1996), the basic key word for the crisis management is preparedness. And Smith (2005), supports the “continuity way” of dealing with crisis situations. In some cases that means learning from previous mistakes and failures adding to the experience of a person (Carneli and Schaubroeck 2008). Crisis causes extensive changes in the structure of a business or changes in the payment system or other strict measures that the management team ought to take for the sake of the business. Managers and employees have different view point about change (Strebel, 1996). The common ground is that both parties are aware that the visions of the company are central to change. If the management team or even better the leader has built a relation of trust between the employees and the management team, then all the changes would be straightforward and the employees would be more focused on their work and faithful to the company, knowing that all changes are essential for the efficient function of the business (Drew, Kelley and Kendrick, 2006).

Effective management – strategy

A business is influenced daily by internal or external threats. The internal environment of a company includes the economic and technological situation, the natural and human resources. The management team is focusing on controlling the internal environment and threats; they should however be prepared to face difficult, environmental, social, political, technological or even economic situations (Jaesub Lee, Jennifer H. Woeste and Robert L. Heath 2007). Organizational change management and strategic planning go hand in hand (Rieley and Clarkson, 2001). Strategic planning is often seen as an influential tool in managing change (Boddy, 2011, Johnson, Whittington and Scholes, 2011). It is proven that businesses that react with a strategic plan, comply more effectively to every crisis situations, against those that have no strategic plan and react in a spontaneous way (Branstad, Jachson and Banerji 2009). The effective management is not a static procedure but it takes a

systematic effort for the prevention of crisis situations (Smith 2005). For a company to have an effective management team and the necessary strategy a manager – leader is required, with abilities to set the goals, to organize, to foresee and solve difficult situations. Of course there are certain threats that no one can predict such as natural disasters that the management team should be prepared to deal with (Hillson, Murray-Webster, 2007). Effective management-strategy of the company is also the separation between the mass marketing and the target marketing. In mass marketing the company has to deliver to the public as many messages as possible. By contrast, targeted marketing is more like shooting a rifle; the message is delivered to one type of customer only. A great example is that of Alfred P. Sloan, the head of General Motors, which used the targeting markets and made successfully adjustments and offers, with result to enlarge the customer base (John F. Tanner, Jr. and Mary Anne Raymond, 2010).

Crisis situation

The basic elements of a crisis situation are:

- (a) A threat to the organization,
- (b) The element of surprise, and
- (c) A short time for decision taking.

The usual technique to deal with a crisis situation is to transfer the responsibility of dealing with it to another party, avoid the threat, reduce the negative effects that would have upon the company or even to accept all or part of the consequences and try to make opportunities out of it (Seeger, M. W.; Sellnow, T. L., & Ulmer, R. R. 1998).

With the right tools a business is able to handle a crisis situation, it can avoid the closure, but also it can learn and change strategy in a developed way. Specialists on the subject have accepted the inevitability of the fact that a crisis will happen, but the biggest problem is that no one knows the specific time, in order to be prepared about it. So it is wiser the manager team to be prepared for sudden and difficult situations. A lot of books have been written about dealing with a crisis, but the truth is that many managers do not give the proper attention to this crucial daily task. They mostly have the impression that dealing with a crisis situation is rather a technical issue (Tony Jaques, 2012).

On the contrary it was proven that dealing with a crisis situation is a very serious and important matter for the continuity of the business. There are some findings about better preparation and dealing with a crisis situation:

1. Encourage a proactive crisis culture,
2. Establish and enforce standards and processes,
3. Prioritize and set an example,
4. Properly assess the full range of risks,
5. Promote open upward communication,
6. Build relationships before the crisis.,
7. Be ready to deal with the news media,
8. Encourage a learning environment and share experience.

Survival strategies

The configuration of the strategy depends on the choice of the future goals that a company has set, and this is an issue that many scientists like Bourgeois 1980, Mintzberg 1978, Miler and Friesen 1978, Hofer and Schendel 1978 have proposed. Usually the strategic plan consists of inner and outer checks, in order to determine the pros and cons of the company, while at the same time the opportunities and the threats of the company are specified. Companies which are operating in Greece, Portugal and Spain have to deal with the great problem of survival because besides the dramatic decrease of consumption and sales, they have also to deal with an unregulated taxation system. The elimination of the functional expenses or the elimination of the personnel is not enough to help the business to get over the recession. The overall strategy creates a certain direction for the business. Strategic decisions are the products or the services that a business can offer, the markets where it can apply, the right operation, the join-venture and many more.⁴

Businesses that are established in Greece or in any other country which is under an economic crisis should have two main strategic goals: The survival and their reinforcement in a completely new and different market.

The main problem that a business faces is that of liquidity, which in a period of an economic crisis grows faster and creates the biggest problem of survival. The businesses that have done a good liquidity management have fewer problems. The problems start when the company cannot cover their daily obligations (suppliers, staff payment, bills etc.).

Should deal with the liquidity problem in order to take some actions:

⁴In Greek (Survival Strategies of Business amid economic downturn) 22/01/2014 <http://www.epistimonikomarketing.gr/stratigikes-epibiosis-ton-epixeiriseon-en-meso-oikonomikis-yfesis/>

- i. Recording: It is necessary for all the company assets to be recorded and evaluated; the management team should have a clear view about the position and the situation of the business.
- ii. Strategic planning: Through this operation the management team sets the short and long terms goals. Define which checks have to be paid and in what order. Evaluates the cash equivalents and proceeds in selling some assets, if that is necessary.
- iii. Effective management of account receivable: The management team has to short of ways that will bring faster money in their account in order to cover the business' expenses. The management team should be ready to decide to sell their products or services with a discount.
- iv. Management of their obligations: It is necessary to negotiate with the suppliers a better and a more convenient way of payment for their obligations.

These strategic goals are the basic that a leader or the management team has to set so that the business would continue to function (Terry Ernest-Jones, 2005). But in the case of an economic crisis the management team has to consider additional ways of keeping the company alive, such as:

- i. Increase revenues: this is crucial part of the decision making process of the management team that has to be combined with other sections of the business as well. The marketing section can be very helpful while the management team has to take a decision about the percentage of the discount of their products or services.
- ii. Cooperation with other businesses: in this stage the management team has to take decisions about the cooperation with business of the same objective or not. In this stage we can meet join-ventures or acquisitions that will help them to eliminate their functional costs and get over the economic crisis.
- iii. Review and reduce inventory. These steps help the management team to save money from the cost of the logistic and of course there is always the risk some of the products to be destroyed if they are not consumed within a specific time. (during the period of an economic crisis the demand for products is smaller)

Crisis in crisis management

Crisis in crisis management occurs when a crisis situation can't be dealt in a right way. This incident occurs due to a lot of reasons:

- The crisis manual may not designed in a right way
- The person in charge didn't follow the instructions properly.
- A sudden change of a manager or a leader in the management team can create adverse environment, until the right replacement is found.

- The management experts that the company hired didn't assist the company as they should
- There was a lot of information that wasn't known to the management team.

In many organizations in order to avoid the adverse situations when a leader has to be replaced, the management team decides to create a committee to make sure that the company continues functioning properly.⁵ Evidence shows that most business disasters occur because executives were caught out by foreseen events or some managers made such decisions that made the crisis effects worse. Recent studies have shown that businesses have failed to predict future hazards due to three vulnerabilities: psychological, organizational and political.⁶

Psychologically, managers might give special attention to elements that aren't important enough, leaving attendant crucial information, about the forthcoming crisis situation. Organizational, in complex organizational structures the right information sometimes never reaches the upper managerial level as a result of not taking the right decisions. Politically, this comes out from systemic flaws in decision making process. While collaborative practices and knowledge sharing, are critical for strategic choices. Most of the business have already faced a crisis before, so they should be in the position to recognize and face it (with success or not), but a research by Penn, Schoen and Berland in 2009 showed that only the 53% of the companies have a crisis manual. That shows that the businesses were unprepared to deal with an economic or any other form of crisis. The fact that failures, have led managers to knowledge, so as to use it in future crisis situation is a valuable asset, but at the same time it consists of a risk if the manager isn't in the position to recognize the broader principles and use this knowledge in a false way (Abraham Carneli and John Schaubroeck, 2008).

⁵ The Compassion Capital Fund National Resource Center, operated by Dare Mighty Things, Inc, "STRENGTHENING NONPROFITS: A Capacity Builder's Resource Library, Managing Crisis: Risk Management and Crisis Response Planning"

⁶ www.txdps.state.tx.us/dem/pages/planning.htm, SECTION 6 HAZARD, VULNERABILITY, AND RISK ANALYSIS

Research methodology

The present study is an empirical study with a sample of six randomly selected SA companies, of medium size, four of which were Greek ones and two foreign companies operating in different sectors (retail, insurance, consumer products, construction). The data were collected from employees of every management level randomized in geographical area. A number of 272 questionnaires were completed; 182 were delivered via electronic form (internet) and 90 with hardcopy questionnaires. Additionally, an in-depth interview was conducted with some of the respondent. This study tried to collect the opinion of the top management but also the opinion of the lower ranking employees how they managed their company to overcome the crisis situation. It is significant the number of different opinions we were able to distinguish through the questionnaires and the interviews. The sample was divided by managers, businessmen and employees from six companies (4 Greek and two foreign companies) 109 males (36.6%) and 176 females (59.1%). And as for the occupation, we have 16 responders at the production (5.4%), 165 clerks (55.4%), 31 supervisors (10.4%), 22 managers (7.4%) and 49 businessman (16.4%).

Reliability control

Reliability according to (Remenyi et al., 1998), is how possible the research is able to be replicated, thus if analogous observations can be done differently. This is to say, this research is reliable if the same result is reached at any one point in time (Fin, 2009). Thus (relating it to the height measurement example), there is reliability of the scale of measurement of the height if it produces the same results any time it is measured.

The charts below show which of the factors are strong related or not, the correlation with level 0.01 means that it is statistical significant at the percentage of 99%, while the level 0.05 means that it is statistical significant at the percentage of 95%. Both of them show that there is a strong correlation between the factors that are studied.

		How do you estimate the profits of your company for the next year?	Does the company tend to increase or decrease its personnel ?	During the economic crisis are there any business opportunities of entering into new markets?	Has your the company diminished its operational costs in order to become viable?	Was the reduction of the personnel, the first choice of your company in order to keep on operating?	Could a better management make the company viable without personnel reduction?	Who is responsible for the decision making process in your company?	Has an effective marketing, enlarged the customer portfolio of your business?	Could new and reliable partners assist the business in time of crisis?
Are you optimistic about the future of the company you are working in?	Correlation Coefficient	.206**	-.055	-.220**	-.157**	.094	-.067	.156**	-.135*	-.042
	Sig. (1-tailed)	.000	.177	.000	.006	.066	.143	.006	.015	.249
	N	285	285	257	257	257	257	257	257	257

** . Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

The chart above shows that the correlation between someone being optimistic about the future of his company and the profits of the company, the business opportunities during an economic crisis, whether the company has diminished or not the operational costs and finally who is responsible for the decision making process during a crisis period is very strong (0.01 level). While the fact that someone is optimistic about the future of his company it is also correlated with the opinion that an effective marketing could enlarge the customer portfolio of the business (0.05 level)

		Are you optimistic about the future of the company you are working in?	Does the company tend to increase or decrease its personnel?	During the economic crisis are there any business opportunities of entering into new markets?	Has your the company diminished its operational costs in order to become viable?	Was the reduction of the personnel, the first choice of your company in order to keep on operating?	Could a better management planning make the company viable without personnel reduction?	Who is responsible for the decision making process in your company?	Has an effective marketing, enlarged the customer portfolio of your business?	Could new and reliable partners assist the business in time of crisis?
How do you estimate the profits of your company for the next year?	Correlation Coefficient	.206**	.174**	-.043	-.077	.069	-.006	.079	-.219**	-.161**
	Sig. (1-tailed)	.000	.002	.244	.108	.137	.464	.103	.000	.005
	N	285	285	257	257	257	257	257	257	257

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

This chart shows the strong correlation between the profits of a company and whether someone is optimistic about the future of the company, if the company tends to increase or decrease personnel, if there is an effective marketing strategy or the management team could select reliable partners (0.01 level).

The following chart shows that there is strong correlation between the management planning (strategy) and the choice to increase or decrease the personnel, whether there are business opportunities, if the reduction of the personnel was the first choice for the company's salvation, the effective management and the choice of using reliable partners.

		Are you optimistic about the future of the company you are working in?	How do you estimate the profits of your company for the next year?	Does the company tend to increase or decrease its personnel ?	During the economic crisis are there any business opportunities of entering into new markets?	Has your the company diminished its operational costs in order to become viable?	Was the reduction of the personnel, the first choice of your company in order to keep on operating?	Could a better management planning make the company viable without personnel reduction?	Who is responsible for the decision making process in your company?	Has an effective marketing, enlarged the customer portfolio of your business?	Could new and reliable partners assist the business in time of crisis?
Could a better management planning make the company viable without personnel reduction?	Correlation Coefficient	-.067	-.006	-.115*	.115*	.064	-.404**	1,000	.107*	.181**	.235**
	Sig. (1-tailed)	.143	.464	.032	.033	.155	.000		.043	.002	.000
	N	257	257	257	257	257	257	257	257	257	257
Who is responsible for the decision making process in your company?	Correlation Coefficient	.156**	.079	-.044	-.049	.019	-.130*	.107*	1,000	-.100	-.004
	Sig. (1-tailed)	.006	.103	.240	.216	.381	.019	.043		.055	.475
	N	257	257	257	257	257	257	257	257	257	257

** Correlation is significant at the 0.01 level (1-tailed).

* Correlation is significant at the 0.05 level (1-tailed).

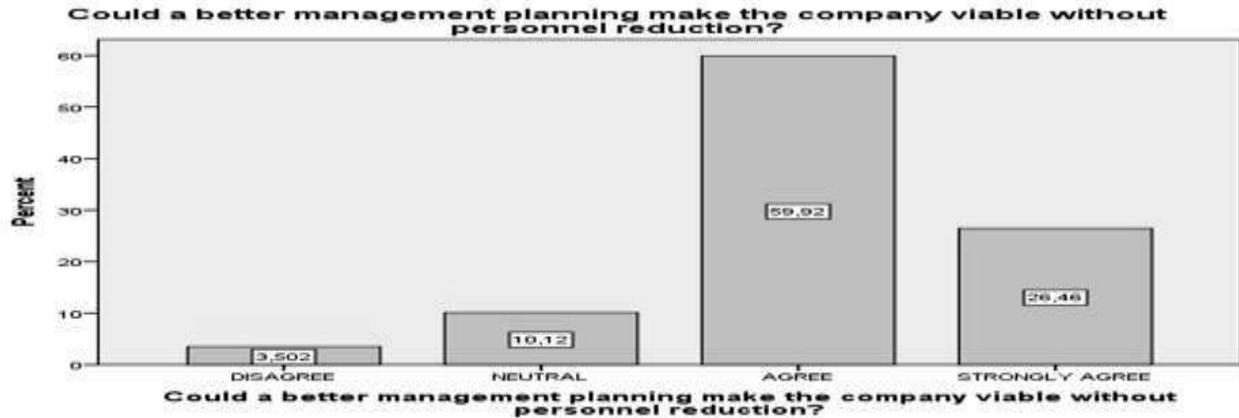
In addition, this chart also shows that the person who is responsible for the decision making process has strong correlation with the fact that someone is optimistic about his company, if the reduction of the personnel was the first choice for the company's salvation and if the company could overcome the crisis without personnel cutting.

Research findings

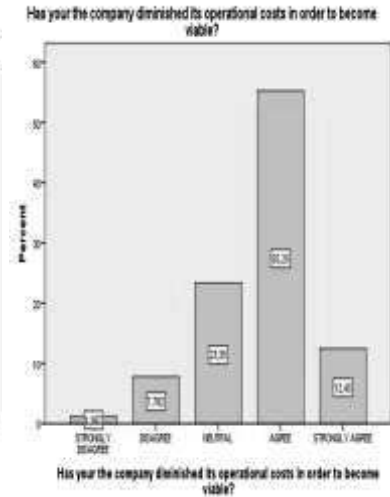
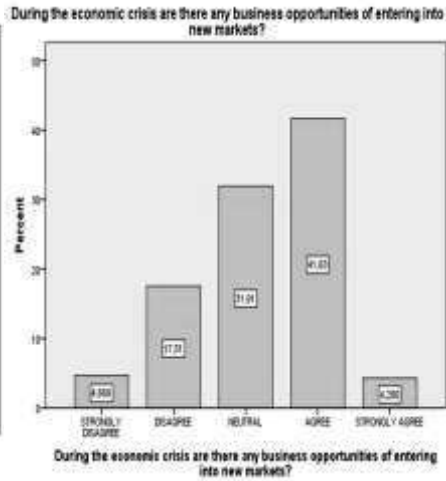
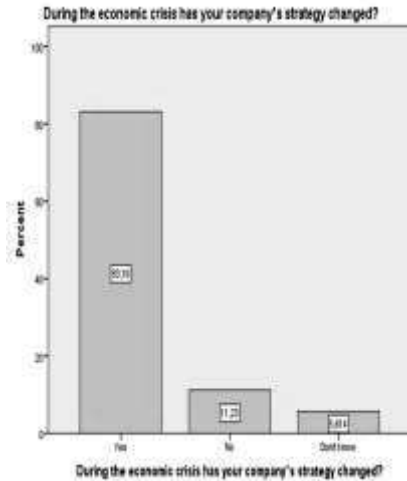
According to Siomko and Vasilopoulou (2005), the right choice of the statistical test is the most important decision for the right results in a research. The choice of the right method of analyzing the data constitutes a very important decision for the researcher and is led by the data of the research. Since the results that came out of the questionnaire, that was used, were mostly quantities (with small exceptions), for the first hypothesis testing, concerning the finding of statistically significant differences, it was considered appropriate to use the non-parametric coefficient of Spearman.

Although the sample size is quite satisfactory, the structure of the questionnaire, - questions type scale Lickert – lead the researcher to the choice of non-parametric control, in order to evaluate more accurately the possible differences between groups to be selected.

All tests were performed at a significance level of 95%. That means that, p-value results of the inspection, less than 0.05, evaluated as statistically significant and indicative of a statistically significant correlation between the variables under study. The majority of the respondents replied that the first measures that their company took for the continuity of the business were: the personnel reduction, they reduced the operational and product cost, they implemented strict economy (such as salary and bonus reductions, cut off extra benefits- nursery, business travels, etc.-). The company hired temporary staff with lower wages or the company used external associates and they made changes in the working timetable (fewer hours with fewer wages). All these changes had a common goal, the general cost reduction. The second group of companies together with the cost reduction tried to change the adverse situation by creating new products and increasing of sales, by implementing new ideas and continue making efforts for development, by offering better products and services with lower prices, by adjustment of products to the new conditions and request. In order to make all these changes they had to focus on the customer needs and use the new technology to lower the operational cost. They made marketing trick-events as special offers and promotions.



In the question “could better management planning make the company viable without the need for personnel reduction?” the respondents answered in accordance with the literature review. Abraham Carneli (2008) was in favor of organizational preparedness, that means that an effective planning that includes the strategy of the company, along with a crisis manual can prepare the company to deal with crisis situations, and avoid decisions like personnel dismissals or closing branches .The following critical question shows that the majority of the management team of a company was in charge to change the management strategy, in order to keep the business in function. That was also the proposal by Hillson and Ruth Murray-Webster (2007), in order for the management team to be in the place to get over the crisis situation.

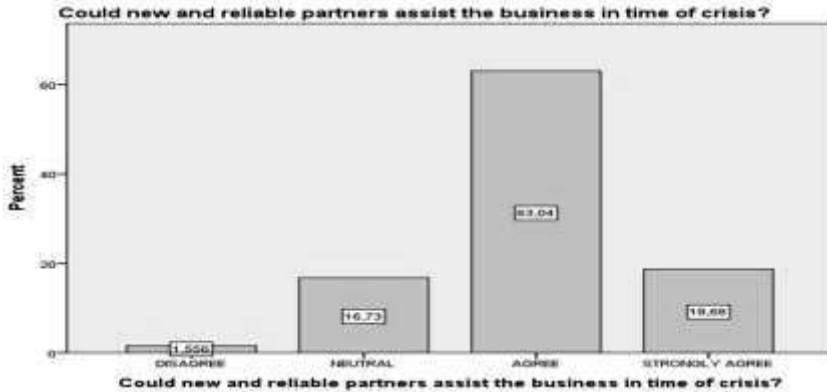


The question regarding businesses opportunities of entering into new markets, the respondents agreed that opportunities exist even in periods of crisis .The difficulty in this case is that the management team should be able to recognize these opportunities and get advantage of them. Regarding the issue, if the company has diminished its operational costs in order to become viable, 55,25% of the respondents answered positively. The literature has pointed out that crisis causes extensive changes in the structure of a business or changes in the payment system or other strict measures that the management team ought to take for the sake of the business.



Regarding the issue being examined in the questionnaire if effective marketing has enlarged the customer portfolio, as it can be a part of strategic plan of a manager-leader, a marketing plan can be helpful to the company, but it is up to the manager to turn to that decision and not to strict cut offs. Most of the respondents agreed with that question, but on the contrary only a few companies decided to turn to that solution and lead their company to development.

In the question “could new and reliable partners assist the business in time of crisis?” the majority of the questioners answered that they agree, and many of the persons noted that new and reliable partners can assist the company to get to a new market and enlarge the target group and market share.



According to all the measures that each company have chosen to take it is remarkable to see how many options a manager-leader has in order to keep his business in the market. It is obvious that a manager can take more than one options in order to keep his personnel without harming the existence of the company.

The last two questions have to do with the qualifications that a manager should have in order the manager-leader to be in the position to lead the company to development and get over every crisis situation that would come up.

Table 1. Desirable qualifications of managers

	Responses		Percent of Cases
		Percent	
Desirable qualifications of manager ^a	74	18,5%	64,2%
Foresight	60	17,0%	59,0%
Organizing	27	13,5%	46,9%
To set goals	33	14,2%	49,1%
Objectivity	77	18,8%	65,3%
Managing difficult situations	68	17,9%	62,0%
Human resource management	39	100,0%	346,5%
Total			

Table 2. Responses	N	Re sponses Percent	Percent of cases
Profile should the manager- leader have	2	42,	80,1%
Dynamic	17	8%	
Counselling	2	41,	77,1%
Absolute	09	2%	
Accessible	9	1,8 %	3,3%
Hard working	4	8,1 %	15,1%
Total	1		
	3	6,1	11,4%
	1	%	
	5	10	187,1%
	07	0,0%	

In the above tables (1,2) the percentage is over 100% because the respondents have chosen more than one qualification or profiles that a

manager-leader should have for the more efficient management of the company during a crisis situation.

In fact most of the respondents answered that an effective manager should have all the noted qualifications (foresight, organizing, to set goals, objectivity, managing difficult situations, human resources management). The first three characteristics along with the “managing difficult situations” help the manager to set a strategy for the company and be prepared for every upcoming threat, on the other hand the last two give him the ability to manage the personnel in a more efficient way, and create an environment of trust between the management team and the personnel.

The data analysis that conducted between the levels of the employees showed that in some point, the opinions about the condition of the company, the strategy, measures that the manager of the company had to take, or whether an effective marketing and a reliable partner could assist the company are quite similar. At the same time, all the employees cannot estimate in the same way the profits of the company, or whether the company is about to increase its personnel. Another question that is difficult to answer is if there are opportunities of entering in new market in times of crisis, or whether the Greek tax and law system should assist the Greek companies. The bank support towards the Greek companies was another question that the percentage of the answers was different between the levels of the employees. If we try to explain these differences through literature, we can claim that the education that each employee has, the access to information and the nature of the employee’s (level) job creates different opinions about the same matter.

Conclusions and Recommendations

Organizational change management and strategic planning go hand in hand (Rieley and Clarkson, 2001) and can lead the company to appropriate implementation of policies. Strategic planning is also seen as an influential tool in managing change (Boddy, 2011, Johnson, Whittington and Scholes, 2011). The majority of the management team of companies selected to change the management strategy (in right or a wrong way), in order to keep the business in function. That was also the proposal by David Hillson and Ruth Murray-Webster (2007), in order the management team to be in the position to get over the crisis situation. Many companies try to be prepared of any kind of forthcoming danger. Abraham Carneli (2008) was in favor of organizational preparedness, meaning that an effective planning that includes the strategy of the company, along with a crisis manual can prepare the company to deal with crisis situations, and avoid decisions like personnel dismissals or closing branches. The detailed results showed that in most cases the employees of all

levels had the same information about the condition of the company. Gantt Associate of Taylor (1856 - 1915), focused on the need to develop a cooperation and understanding between management and employees. In 1920 Elton Mayo and F. Roethlisberger were representing the idea that if a business allow employees to actively participate in issues concerning the conditions and working methods, then their morale would improve and would show greater willingness to cooperate .

In order for crisis management to be effective, it required effective strategic plans (Pauchant and Mitroff 1992), and the only way to stand up against the crisis in crisis management is the crisis-preparedness. Moreover, effective management of the foreign business established in Greece is also as important.

It was concluded that due to crisis situations, any organization which aim to survive in such situations by responding to changes must develop strategic plans, the fundamental tool for any change management process undertaken .One of the major causes of change failure is centered on the lack of strategic planning and preparedness as a pivotal area of change management programs.

The detailed analysis showed, that there is a diversification of employee opinions due to the fact that different level of employees have different access to information, education and perception about the condition of the company and the measures that could be helpful in time of crisis. Better information system from the upper management team to all employees, could create a clearer and up to date knowledge about the company's and the economic condition.

There are some proposals following, for the management team to take into consideration:

1. Crisis situation can occur at any time, and so the management team ought to be prepared for similar cases. The responsible personnel should take measures proactively to diminish all the bad consequences and finally get over the crisis without many losses. This study has also shown that a crisis in managing crisis situation is possible to happen, if the management team doesn't "see" the signs of the upcoming crisis or all the aspects of it. By this way the influences of the crisis could be worst. While a well prepared management team could confront more effectively the crisis and diminish the influences.
2. It is obvious that the crucial decisions should be taken from the upper management level. For these reasons the management team or the manager-leader should be well trained and have the knowledge, through experience to deal with crisis situations. The inner characteristics of a manager-leader are an asset, while dealing with adverse situations.

3. Through the literature has been pointed out, that the effective management is part of the strategic plan of a company. And the strategic plan should also enclose a crisis plan.

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APPENDIX A

Are you optimistic about the future of the company you are working in?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	170	57,0	59,6	59,6
Valid No	115	38,6	40,4	100,0
Valid Total	285	95,6	100,0	
Missing System	13	4,4		
Total	298	100,0		

How do you estimate the profits of your company for the next year?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increase	82	27,5	28,8
	Decrease	63	21,1	50,9
	Stable	101	33,9	86,3
	Don't know	39	13,1	100,0
	Total	285	95,6	100,0
Missing	System	13	4,4	
Total		298	100,0	

Does the company tend to increase or decrease its personnel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Increase	59	19,8	20,7	20,7
	Decrease	110	36,9	38,6	59,3
	Don't know	116	38,9	40,7	100,0
	Total	285	95,6	100,0	
Missing	System	13	4,4		
Total		298	100,0		

Has the Greek economic crisis influenced the company you are working in?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	243	81,5	85,3	85,3
	No	42	14,1	14,7	100,0
	Total	285	95,6	100,0	
Missing	System	13	4,4		
Total		298	100,0		

During the economic crisis has your company's strategy changed?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	237	79,5	83,2	83,2
	No	32	10,7	11,2	94,4
	Don't know	16	5,4	5,6	100,0
	Total	285	95,6	100,0	
Missing	System	13	4,4		
Total		298	100,0		

Do you know if your company has taken advantage of a financial plan provided by the government?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	78	26,2	28,5	28,5
	No	122	40,9	44,5	73,0
	Don't know	74	24,8	27,0	100,0
	Total	274	91,9	100,0	
Missing	System	24	8,1		
Total		298	100,0		

Does the Greek Legislation assist the Greek companies as it should?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	85	28,5	33,1	33,1
	DISAGREE	128	43,0	49,8	82,9
	NEUTRAL	40	13,4	15,6	98,4
	AGREE	3	1,0	1,2	99,6
	STRONGLY AGREE	1	,3	,4	100,0
	Total	257	86,2	100,0	
Missing	System	41	13,8		
Total		298	100,0		

Does the Greek Tax system assist the Greek companies as it should?

	Frequency	Percent	Valid Percent	Cumulative Percent
STRONGLY DISAGREE	124	41,6	48,2	48,2
DISAGREE	103	34,6	40,1	88,3
Val NEUTRAL	25	8,4	9,7	98,1
id AGREE	4	1,3	1,6	99,6
STRONGLY AGREE	1	,3	,4	100,0
Total	257	86,2	100,0	
Missing System	41	13,8		
Total	298	100,0		

Does the Greek legislation and Tax system assist foreign companies to be established and remain in Greece?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	77	25,8	30,0	30,0
	DISAGREE	95	31,9	37,0	66,9
	NEUTRAL	59	19,8	23,0	89,9
	AGREE	19	6,4	7,4	97,3
	STRONGLY AGREE	7	2,3	2,7	100,0
	Total	257	86,2	100,0	
Missing	System	41	13,8		
Total		298	100,0		

Does the banking system assist private enterprises?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	67	22,5	26,1	26,1
	DISAGREE	107	35,9	41,6	67,7
	NEUTRAL	67	22,5	26,1	93,8
	AGREE	13	4,4	5,1	98,8
	STRONGLY AGREE	3	1,0	1,2	100,0
	Total	257	86,2	100,0	
Missing	System	41	13,8		
Total		298	100,0		

During the economic crisis are there any business opportunities of entering into new markets?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	12	4,0	4,7	4,7
	DISAGREE	45	15,1	17,5	22,2
	NEUTRAL	82	27,5	31,9	54,1
	AGREE	107	35,9	41,6	95,7
	STRONGLY AGREE	11	3,7	4,3	100,0
	Total	257	86,2	100,0	
Missing	System	41	13,8		
Total		298	100,0		

Has your the company diminished its operational costs in order to become viable?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	3	1,0	1,2
	DISAGREE	20	6,7	7,8
	NEUTRAL	60	20,1	23,3
	AGREE	142	47,7	55,3
	STRONGLY AGREE	32	10,7	12,5
	Total	257	86,2	100,0
Missing	System	41	13,8	
Total		298	100,0	

Was the reduction of the personnel, the first choice of your company in order to keep on operating?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	78	26,2	30,4	30,4
	DISAGREE	124	41,6	48,2	78,6
	NEUTRAL	45	15,1	17,5	96,1
	AGREE	9	3,0	3,5	99,6
	STRONGLY AGREE	1	,3	,4	100,0
	Total	257	86,2	100,0	
Missing	System	41	13,8		
Total		298	100,0		

Could a better management planning make the company viable without personnel reduction?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DISAGREE	9	3,0	3,5	3,5
	NEUTRAL	26	8,7	10,1	13,6
	AGREE	154	51,7	59,9	73,5
	STRONGLY AGREE	68	22,8	26,5	100,0
	Total	257	86,2	100,0	
Missing	System	41	13,8		
Total		298	100,0		

Who is responsible for the decision making process in your company?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	75	25,2	29,2	29,2
	DISAGREE	5	1,7	1,9	31,1
	NEUTRAL	28	9,4	10,9	42,0
	AGREE	4	1,3	1,6	43,6
	STRONGLY AGREE	145	48,7	56,4	100,0
	Total	257	86,2	100,0	
Missing	System	41	13,8		
Total		298	100,0		

Has an effective marketing, enlarged the customer portfolio of your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	1	,3	,4	,4
	DISAGREE	3	1,0	1,2	1,6
	NEUTRAL	36	12,1	14,0	15,6
	AGREE	160	53,7	62,3	77,8
	STRONGLY AGREE	57	19,1	22,2	100,0
	Total	257	86,2	100,0	
Missing	System	41	13,8		
Total		298	100,0		

Could new and reliable partners assist the business in time of crisis?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	DISAGREE	4	1,3	1,6	1,6
	NEUTRAL	43	14,4	16,7	18,3
	AGREE	162	54,4	63,0	81,3
	STRONGLY AGREE	48	16,1	18,7	100,0
	Total	257	86,2	100,0	
Missing	System	41	13,8		
Total		298	100,0		

