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Executive summary

This study is interested about firms that are in economic crises. During the first years of functioning and during the recessions the failure is threat to wide range of firms. The reorganization process is for firms who try to avoid bankruptcy with the permission of funders and lenders. Those firms will have administrators who will coach the process. About 100 firms per year will go thru reorganization process in Finland.

In this research the focus is on the firms who are in reorganization process due to insolvency or impending insolvency. Firstly the interest is to find out the entrepreneurs' opinions why did they faced the economic crises, what are the corrective actions that they have made to handle the situation and what are the impacts of those corrections. Secondly the interest is to focus on Schwartz values of target entrepreneurs. The idea is to find out how the entrepreneurs' values are connected to abovementioned economic sides (reasons for difficulties, the corrections and the impact of corrections). The reasons, corrections and impact of economic crisis were measured with eight areas which included: investments, growth, funding, selling, competition, costs, capacity and products. The Schwartz values are universally known and accepted, when they are tested over 65 000 peo-

ple in all over the world. They include following values: achievement, benevolence, conformity, hedonism, power, security, self-direction, spirituality, stimulation, tradition, and universalism.

The study sample consist 27 firms at the years 2008-2010 from all over from Finland. They were rather small ones, when there were employees about 7 persons per firm. The biggest firms had turnover 2,3 million euros and the smallest ones 40 000 euros. The entrepreneurs were filling the questionnaires while researchers were visiting them. They were having the questions about why the economic crisis began, what they did do to correct the situation and how these corrections were effecting in their companies. Additionally they filled in the Schwartz values questionnaire.

The statistical analyses were made with t-test and correlation analyses. There were several statistically significant results. The results indicated that the firms with economic difficulties have tried to correct the situations with too small actions. Also, the results indicated that values of target entrepreneurs were different from Finnish people overall and the corrections the entrepreneurs were making correlated with the values "Power" and "Accomplishment". This is unique study combining both entrepreneurs' psychological side as well as management accounting and strategy. The results indicated that administrators and supervisors should have wide area of knowledge when encouraging entrepreneurs to make corrective actions, which should be powerful enough and also they should take account entrepreneurs as individual persons, whose value systems affects the behavior and actions in reorganization process.