

# **No Smoke without Fire: The Case of Ola Rollén**

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## **MANAGEMENT DECISIONS**

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The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

## Management Decision

### Reactions and Decisions

A main reason why the situation did not result in a severe crisis for Hexagon was because of the Board's continuous support for Ola Rollén. Internal stakeholders illustrated their full support from day one and the management reactions and decisions were clear from the start. After Rollén was acquitted on the 10th of January 2018, Hexagon's Chairman Gun Nilsson pointed out that the Board supported Rollén throughout the whole process. Nilsson stated that she always expected Rollén to be acquitted: "All this time, we have acted upon the basic principle that nobody is guilty until the contrary is proven. In retrospect, we can see that our actions were right both for the company and for the shareholders." (Gun Nilsson in Svenska Dagbladet, 2018) (translated: "Vi har hela tiden agerat utifrån den grundläggande principen att ingen är skyldig till dess att motsatsen bevisats. Nu i efterhand kan vi konstatera att vårt agerande varit rätt för såväl bolaget som aktieägarna.")

Nilsson is also clear with the faith they have in Rollén. Indeed, she emphasises that the Board has a strong relationship with Rollén that has been built up over years. As such, the members of the Board cherish and know Rollén very well. They are fully aware of how Rollén's leadership has transformed the company to what it is today. As such, they profoundly value the passion and commitment Rollén demonstrates for Hexagon. It is clear that the Board does not only value his professional knowhow, but they cherish him as a person, which clearly affected their choice of keeping him as the CEO as the situation emerged. At the same time, Rollén showed his appreciation for the company's support:

"I am truly grateful to our shareholders and employees for the support expressed to me during this tough period. It's humbling to work for a company that's able to handle adversity with such grace and poise. I remain committed to serving as CEO for Hexagon for as long as the Board and shareholders will allow" (Rollén in Strand, 2018).

Even though this process has been time-consuming and exhausting for both Rollén and the Board, Rollén never stopped illustrating his engagement while continuing to lead Hexagon to top results. Rollén is fully focused on continuing his mission as the CEO of Hexagon. However, the power of deciding the future of Hexagon remains in the Board's hands.

## Management Decisions

The actions that Hexagon implemented was to keep Rollén as the CEO of the company throughout the whole process. In order to address the situation, Hexagon also released numerous press releases on their website, continuously confirming their trust and confidence in him. However, given the new appeal at the end of January 2018, it is not clear how the management will decide this time. Will they remain trustworthy and support him, and could the company's reputation survive another time? The case remains open.