

BUSINESS MANAGEMENT AND RECOVERY DURING POST COVID-19 ERA

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Abstract

Businesses around the world are being severely impacted by COVID-19. Amidst the ongoing crisis, countries around the world are opening up again to a business world in which both consumer behaviors and company practices have started to change. From manufacturing to marketing, 2020 has seen shifts in the way businesses and organizations operate in the wake of the deadly virus. The economic impact of the coronavirus pandemic came so quickly and hit so hard that companies worldwide are trying to stabilize their business to the point where they can recover. The integration of well-established Crisis Management theories allows one to draw valuable insights and develop a suitable conceptual framework that has its application in enterprise management during and after COVID-19. The shutdowns are causing businesses complex and pressing challenges that require a swift and bold response. The work was aimed at analyzing business management and its recovery during post covid-19 era. The paper posits that organizations and businesses with a networked structure are more responsive, agile, and resilient in the face of adversity. Prosperous organizations leverage ICT and integrate Intranet, social media, and online communication platforms into their daily business routines, as this helps to establish trust and build bonds with employees, stakeholders, and customers prior to and after Covid 19 era.

Keywords: Business Management; Digitization; Covid-19; Enterprise; Crisis management

Introduction

The COVID-19 global pandemic has had a profound impact on the global business community. Amidst the ongoing crisis, countries around the world are opening up again to a business world in

which both consumer behaviors and company practices have started to change. All the major industries of the world are currently dealing with the devastating effects of COVID-19. The

economic impact of the coronavirus pandemic came so quickly and hit so hard that companies worldwide are trying to stabilise

their business to the point where they can recover. These are unprecedented times for us all.

Every business is being tested to its very core. Businesses and organisations across the world have spent the past months in firefighting mode, reacting to the impact of the COVID-19 pandemic in an attempt to protect the business and its key assets, primarily its people. In many parts of the world, government-level controls, namely social distancing, appear to be having a positive effect. But such controls cannot be maintained in the long term as the global economy and social fabric are in distress. When a region hits the top of the pandemic curve, both governments and businesses must look to the next phase and begin planning for initial, multi-phased recovery.

Literature review and theories associated with Pandemic such as Covid 19

At the pre-event and prodromal stage of a crisis, measures can be taken by enterprises and managers to establish schemes to prevent or curb the effects of a crisis or disaster (epidemics, terrorist attacks, economic crises). Firms are generally incapable of stopping the crisis from occurring but can detect the crises on time and apply coping strategies to lower the risks (Darling, Hannu, and Raimo, 1996). The integration of well-established Crisis Management theories allows us to draw valuable insights and develop a suitable conceptual framework that has its application in enterprise management during COVID-19. A theoretical review focusing on detecting the crisis, mitigating risks, and guiding the group dynamics during disruptions allows us to identify essential tenets for the novel conceptual model. Existing theoretical frameworks of the Theory of Crisis Management Teams (CMT), the Stakeholder Theory, and the Distributed Cognition Theory provide a perspective on vital organizational functions that are building blocks when designing a successful response plan. The main merits of this theory may be summarized in that it stresses the vital role of establishing teams consisting of all business units across the organization that can adjust to severe challenges. These teams are responsible for creating an adequate yet flexible response plan (Dorn, 2000). The theory supports the value of networked organizational structure and distributed leadership, as well as the importance of an emergent leadership team, the so-called nerve center assigned with the task of stress-testing of several simulation-driven scenarios (Waller, Lei and Pratten, 2014). An effective plan supported by effective communication techniques during crisis enhances shared mental models and improves performance even when catastrophic events occur. Furthermore, emergent leadership responsible for team coordination has to take into account the scope of individual and team performance along the lines of shared knowledge in Distributed Cognition Theory (Knoblich

and Jordan, 2006). This notion helped to shape the assumption that sustainability is more likely to be achieved with distributive leadership. Individuals' roles in the organization should not be rigid, but flexible, and a certain amount of autonomy in decision-making should be present. This way, one can step out of their usual activities and redirect their actions or assume another employee's role to meet the emerging requirement. Even though contingency and risk management plans exist in enterprises, the immediate effects of crisis and failure in performance indicate that the implementation of the current programs is inappropriate, or that the plans do not have practical value. Companies are underprepared for a crisis of immense magnitude, and the economic implications that stem from the crisis. Consequently, there is a need to carefully evaluate economic actors and business processes in times of severe crisis. Current theories do not accurately assess enterprises' operations, effectiveness, and actions during disease outbreaks. A more in-depth insight into the catastrophes and disasters, and possible hazards may help in the formation of schemes by firms to cope with such events. By comprehending these circumstances, more productive tactics could be created to lower the impact of the shock to enterprises, regardless of their complexity. Enterprises characterized by a networked structure, distributed workforce and leadership, flexible and straightforward guidelines and less interdependence are more adaptable and can deal with the disastrous situation more effectively (Ganatra, Hammond, and Nohria, 2020).

To explore the application of a new pandemic sustainability model, a conceptual research methodology will be applied. The conceptual research methodology is justified given that empirical development of pre-crisis contingency planning effectiveness has been questionable. The crisis economy is a field with many research challenges. As a result, a new area within the crisis economy called "Pandemic economy" should be conceptualized. The current study focuses on ensuring the sustainable economy through the continuous operations of enterprises during the COVID-19 virus pandemic. According to the Corporate Social Responsibility Theory (CSR), organizations unify to mitigate the damage and improve community welfare during crisis, such as the current COVID-19 pandemic (Albareda and Waddock, 2018). The problems that this study is aiming to address pertain to organizational governance, operations management, and sustainability of enterprises.

The scarcity of knowledge in the context of epidemics and pandemics justifies the study. To create a truly sustainable economy and adaptable society, it is crucial to develop and manage novel constructs on the enterprise level, which are increasingly complex and uncertain in times of pandemics and epidemics. Management science factors, such as leadership, workforce, technology and digitalization, organizational processes, organizational nature, change management, and enterprise success have not been investigated in the context of a pandemic

such as COVID-19. Therefore, the current study identifies key managerial and organizational factors and conceptualizes a framework that helps enterprises navigate through adverse times, such as the COVID-19 virus pandemic.

By examining the behaviour of economic actors and identifying factors conducive to the success of enterprises, we built a conceptual model that supports sustainability for companies during severe and widespread disease outbreaks. Establishing and validating the credibility of the "pandemic economy" is being sought by suggesting that economic actors do not behave in standard manner during the pandemic crisis. Consequently, they need to develop new ways of thinking and acting. This study addresses the need to develop a conceptual framework, which will be used to sustain enterprise operations and a market economy during the time of crisis, more specifically, disease outbreaks where the movement of people and commodities are limited. Furthermore, the possibility of the findings being valid and applicable in various other contexts is considered.

Crisis Management and Enterprise Sustainability

Management theory views disasters as political and organizational issues. Some of the vulnerabilities which exist in the society can be rectified by efficient leadership and strategic plans. Employing strategic planning, enterprises may eliminate some of the hazards, mitigate consequences of adverse incidents, and be more in control of its fate.

Apart from establishing various phases of crisis management, such as detection, prevention/preparation, containment, recovery, and learning, these models have also given corresponding crisis-response strategies for sustainable development (Coombs and Holladay, 2006). The term sustainable development is used to defend the reduction of vulnerability and the mitigation of disaster impacts. However, it is rarely acknowledged that mitigation does not necessarily require a focus on the relation between the environment and a disaster. Therefore, in a very reasonable exposition, (Anderson, 2000) established the patterns of development that affect the environment and raise exposure to a crisis. Previous literature differentiates between inter-organizational networks and whole networks. Complexity and chaos theory provide an insight into crisis and disaster management for tourism business agencies. In the same way, the COVID-19 virus and its expansion across the globe manifest the intricate connection between humanity and the natural system. Due to the extending complexity, the interrelation between human activity/inactivity, including business operations, and the appearance of a disaster phenomenon is getting

progressively challenging to differentiate. Further enhancement and application of conceptual models for emergent management are needed across industries.

While the economic downturn has adversely impacted many enterprises, certain enterprises have been able to continue business operations and even prosper during the COVID-19 virus pandemic. The capability of emergency managers to influence general opinion and actively follow goals increases the effect of mitigating measures. Moreover, it enhances the readiness degree of the jurisdiction and reduces vulnerabilities. Companies that respond and adapt quickly to unpredictable threats are characterized by networked structure, flexible and straightforward guidelines, distributed workforce and leadership, and less interdependence (Ganatra *et al.*, 2020).

Steps Finance and Business can take to help the Business survive after Covid-19

The shutdowns are causing businesses complex and pressing challenges that require a swift and bold response. The following steps can help companies get through the crisis:

Prioritise people's health and safety.

Perhaps the most important insight from the global COVID-19 response to date has been that to successfully slow transmission and protect health systems, it is essential to accurately diagnose and effectively isolate and care for all cases of COVID-19 including cases with mild or moderate disease (Van, 2020). As COVID-19 transmission has advanced globally, the primary focus of most countries has been the rapid identification, testing and treatment of patients with serious and severe COVID-19, and the sheltering of individuals at the highest risk of poor outcomes. Fewer have put in place measures for those with mild disease, or contacts of cases. Businesses must do everything they can to stop cases from becoming clusters and clusters from becoming explosive outbreaks. They must put in place the capacities for testing and diagnosis, isolation, contact tracing and quarantine; they must engage everyone in the response. A renewed focus on large-scale public health capacities must be implemented with urgency. Companies everywhere have had to move rapidly to meet evolving public health regulations and amended workforce laws. Setting clear remote-working arrangements, establishing mental health supports, addressing employees' concerns openly and regularly, and managing building access is critical to this process (Craven, Liu, Wilson and Mysore, 2020).

It may also mean reorganising teams, reallocating resources as necessary, and providing infection protection measures where remote working isn't possible.

Digitalization and ICT

When a crisis strikes, "business as usual" is rarely an option. Instead, an emergency mode of operating must be set. For continuity to be ensured, it is paramount that cyber structure and ICT tools are readily available and access to Internet and complementary hardware are attained. Internal communication and coordination of enterprises impacts the performance of its emergency actions (Kilpatrick and Barter, 2020). Usluel, Aşkar, and Baş, (2008), believe that the use of ICT can be the measure of acceptance, adoption, and application of innovation. In times of unprecedented disasters, collaborative enterprises face the necessity to communicate efficiently, to reach reasonable decisions under uncertain conditions, as well as call for stakeholders to act together in mitigating, responding to, and recuperating from the calamities (Jaeger *et al.* 2007).

All relevant personnel should be technologically proficient and trained in performing operations in an online setting. The exploitation of ICT-related possibilities depends on the technological attributes, human factors, organizational culture, structure and institutional factors (Baldwin, Gauld and Goldfinch, 2012). Furthermore, it is essential to stress the value of geographic information systems (GIS) and global positioning systems (GPS), timely informing organizations on the accurate location of affected areas during outbreaks (Greco, Ciobotea and Florea, 2020). Such systems of crisis management may reach emergency response teams with actual data on the disaster and ready resources as well as assisting the collaborative efforts of emergency management institutions (Greco *et al.* 2020) For instance, enterprises can evaluate their sustainability and retrieve information using the Dow Jones Sustainability Index, the Global Report Initiative and Global sustainability index (Greco *et al.* 2020). In this way, they compare their performance at an organizational or national level according to the basic economic, environmental, societal, workplace, and external sustainability indicators. Greco *et al.* (2020) developed a software application and online platform for tracking company sustainability performance using an algorithm for a multicriteria decision support system, where managers incorporate heterogeneous indicators into a global index to acquire a quantitative organizational assessment report. Via this system and tools like E-Team, WebOEC, and Sharepoint, it is by and large possible to gather, process, and share information, improve communication quality, reduce costs, and coordinate collaborative efforts of the nerve centre. Enterprises that

utilize information systems by which they can mobilize crucial resources, crisis management specialists, consult emergency leaders, track evolving situations and process real-time information, and coordinate their operations (Bojan *et al*, 2020) are best equipped to sustain the financial liquidity and survive during COVID-19 pandemic as seen in Figure 1.

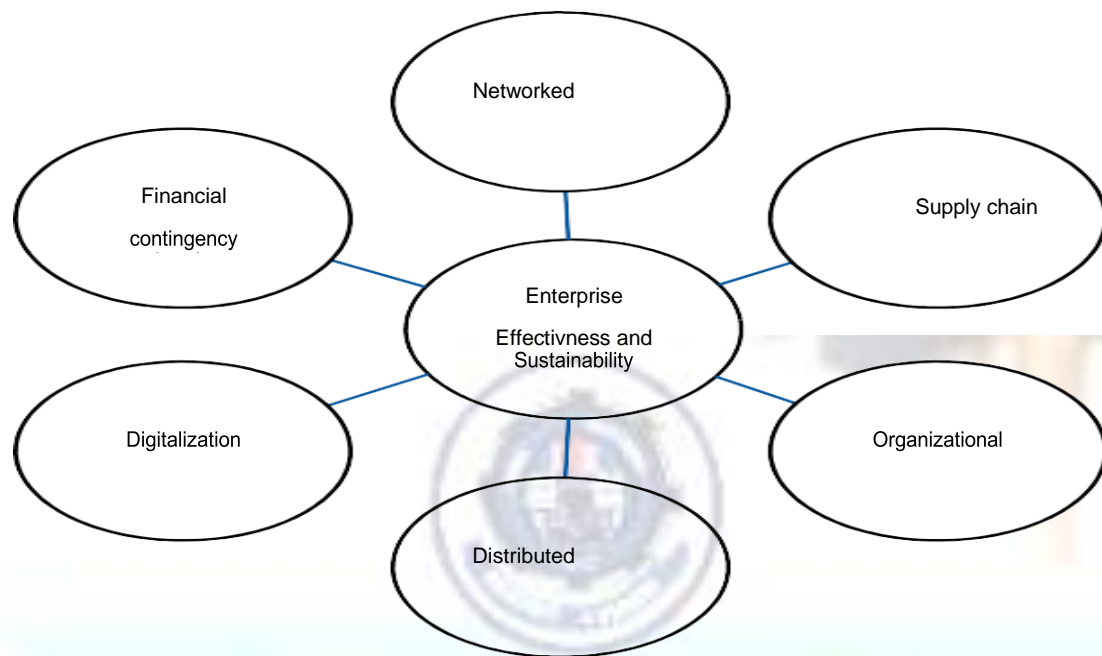


Figure 1. Enterprise Effectiveness and Sustainability Model during Pandemic. Source: (Bojan, *et al*, 2020)

A vast amount of research suggests that ICT tools are crucial for establishing trust and sustaining business relationships with partner organizations before and after crisis (Brooks, Bodeau, and Fedorowicz, 2012). According to Brooks *et al* (2012), ICT advances the evolutionary changes in emergency response. Virtual channels improve employees' knowledge-processing capability (Brook *et al*, 2012). Employees and particular stakeholders can access such sites while they are online. With this in mind, the crisis team should be aware of what adversities an enterprise might come across as well as the key information to be uploaded to the website. Organizations have to adapt rapidly to unexpected changes, and since forecasting in these cases is not possible, they may learn to adopt best practices from prior experiences. Crisis management greatly relies on the Enterprise Resource Planning (ERP) system, which provides quick access to statistics based on homogenized data. ERP functions as a business application and a platform for extracting data on organization business developments, and as such, may be used in a daily business routine in knowledge-intensive industries. Organizations may also benefit from shifting to online sales of critical supplies and using app-based delivery services, including transportation and freight services, such as

Uber, Lyft and Go. Furthermore, IoT, cloud computing, 5G, AI, 3D printing and robotics are crucial for enabling the digital supply network (Kilpatrick and Barter, 2020).

Move quickly to understand liquidity.

When crisis strikes, with the drops in demand and sales of products and services, damages to enterprise liquidity occur. Financial disruption is present at both micro and macro levels, e.g., it poses a threat to organizational financial certainty and the viability of entire sectors (Vorraber *et al.*, 2019). Standard financial regime becomes inadequate and gives rise to emergent complex financial decision-making (Grecu *et al.*, 2020). Prior research on emergency risk management already pointed out the relevance for organizations to develop a financial contingency plan that will help sustain key resources in an emergent crisis (Grecu *et al.*, 2020). The viability of the company's managing major risks should be subject to audit planning (Grecu *et al.*, 2020). Ineffective risk management combined with breakdowns in financial reporting accounts for business breakdown and/or bankruptcy. Financial certainty does not merely ensure assets' sustainability and mitigation of crisis risks, but the thoughtful investment may lead to profit and value increase when financial planning enters the strategic management arena (Grecu *et al.*, 2020). For instance, organizations that have not allocated their responsibilities adequately will suffer major post-crisis financial losses (Vorraber *et al.*, 2019). Successful organizations have to put contingency plans in place ahead of the onset, and there should be no room for ambiguity with regards to who is in charge for risk finance preparation and financing arrangements. Financial contingency plans must have a clearly defined budgeting and funding model for mobilization of financial resources, as this will play a major role during disasters and help to navigate through hardship (Vorraber *et al.*, 2019)

Companies should adopt a strict approach to managing working capital, focusing on collecting receivables, and managing any build-up of inventory due to decreased demand.

Seek government and insurance support.

To recover from a pandemic will take the unified collaboration of several stakeholders including the Government, Ministry of Health, Insurance Industry, Banking Sector, Police Department and Customs Excise and Preventive Service among others. Global recovery depends on the preparedness of the international community as a whole and the severity of the pandemic. More important is the preparedness of

the government, which must work extra hard during the pandemic period. Total recovery will only take place in a post-pandemic environment, and companies who were not well prepared will suffer the consequences of their unpreparedness (Alpaslan, Green and Mitroff, 2009).

With a raft of stimulus measures being rolled out by governments, companies should monitor nationwide and organisational opportunities for packages that can assist with employee, supplier, or tax payments. Similarly, insurance may help limit or reduce losses. "What a lot of people are finding out right now is that there are pandemic exclusions. It's important to weigh the cost of the insurance versus the likelihood of it happening." (Alpaslan, Green and Mitroff, 2009).

The New Future for Businesses Management and Organizations

- With all the changes in organizations, the future of work will not be what it used to be. For the past months, employees around the world have been working from home, doing countless Zoom meetings, and maintaining homeschooling. While some of these changes are temporary, these will permanently impact how organizations run going forward.
- Remote working will also mean more monitoring measures by organizations. Going forward, organizations will have to devise newer ways to track and measure the productivity of remote teams.
- Many are learning the digital ways of working and collaborating with teams as the needs appear. Video-conferencing will replace in-person meetings for many organizations as they limit business travel to a certain extent in the future. Skills related to these digital tools will become something that employers will be looking for in new talents in future. All these changes mentioned will not take place at once. Ultimately, it comes down to the business management and organizations that will be implementing the changes, the public health situation and employee feedback will serve as important decision variables in that case.

Conclusion

Organizations and businesses with a networked structure are more responsive, agile, and resilient in the face of adversity. When granted freedom, self-reliant, self-organized, and autonomous business units rapidly adapt to emerging changes in the external environment and embrace challenges. When connected with smart digital solutions and communication platforms, they often engage in cross-organizational

meaningful communication and brainstorming and can generate a variety of unorthodox solutions and business alternatives. Consequently, this paper finds that organizations with networked structure and a high level of virtuality, as opposed to hierarchical types, will more likely achieve sustainability. Enterprises with a more loose and adaptive business model are quick to reduce stressors and adjust. This study finds that organizations favouring adaptive culture are more likely to sustain business operations during and after the pandemic. Furthermore, resilient organizations allow for more informed and decentralized decision-making. They gather heads of key business units, increase knowledge transfer and knowledge management during the crisis, delegating responsibilities, assignments, and initiatives. Shared leadership is fostered, and authority delegated to selected members of different organizational units, which allows for the facilitated gathering of intelligence from all functional domains and accounts for faster response to stressful events. Consequently, the study concludes that companies with a distributed leadership and workforce are more likely to sustain business operations in times of COVID-19 and any future pandemic. Prosperous organizations leverage ICT and integrate Intranet, social media, and online communication platforms into their daily business routines, as this helps to establish trust and build bonds with employees, stakeholders, and customers prior to and post-crisis. These enterprises have a better emergency response since they can make use of technology-mediated knowledge, gather, process, and share information and coordinate collaboration in times of crisis. Therefore, the study finds that companies with advanced digitalization and internet technology sustain the business operations in times of a pandemic. Finally, balancing between the stockpiling of resources and resiliency is crucial in anticipation of a crisis. It is vital for organizations to maintain constant operations, and this is by and large accomplished by sustaining key resources, such as equipment, cognitive capital, and labour force. For an organization to survive a pandemic and quickly restore its activities, it should have a well-designed plan to manage operations with maximum efficiency, by assessing financial feasibility or by identifying alternative funding sources. Thus, we conclude that enterprises with financial contingency plans sustain their business operations in the time of the pandemic. Organizations that adopt these steps and combine them with lessons memorized from past experiences will not only sustain their business but re-invent themselves and benefit post-crisis, as they will evolve, adjust, learn to manage and embrace change, and innovate in the face of challenges.



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