CHAPTER 1

Looking Back at 2022: A Recovery or a Protracted Crisis?

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An Uncommonly Turbulent Year

The events of 2022 finally put to rest any lingering hopes that the global economy will at some point return to pre-COVID-19 levels. The year witnessed an alarming succession of macroeconomic shocks, starting with the rapid spread of the highly contagious Omicron variant; the inflation caused by cumulative supply chain disruptions and pent-up consumer demand; the war in Ukraine, which started in February, and had an immediate impact on the global supply of food and fuel; the record-breaking heat waves in the Spring, that affected Argentina, Australia, India, Pakistan, Spain, France, the UK, Japan, China, and the United States; these combined shocks contributed to economic and business volatility (Alexander et al., 2022). By October of 2022, the news were

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dominated by widespread fears of a global recession, as central banks, led by the Federal Reserve in the United States, aggressively hiked interest rates to contain rising prices (Tooze, 2022). In the same month, the IMF's *World Economic Output* report forecasted that global growth would drop from 6.0% in 2021 to just 3.2 in 2022 (International Monetary Fund, 2022). In sum, the year will probably go down in history as one of the most volatile periods in the global economy.

The news from the airline industry, in the Spring and Summer of 2022, provide a useful glimpse of the challenges that organizations are facing in this new period. As travel demand surged after the Great Confinement. Unchecked by high fares, both airlines and airports faced severe staff shortages caused by the layoffs and early retirements implemented during the long months of the pandemic (Katz & Sider, 2022). The airline industry is characterized by substantial training requirements, not only for pilots and cabin crews, but also for ground personnel, such as mechanics, aircraft handlers, customs and immigration officers, security personnel, etc. Hence, even though all airlines were hiring by mid-2021, getting new employees to proficiency levels is going to take time. Furthermore, airlines encountered a tight labor market, with people demanding better wages and working conditions. By the fall, signing bonuses had become commonplace, especially for pilots (Arnold, 2021).

Air travel is a complex system which requires a high level of synchronization; delays in any part of the system inevitably spill over to other parts. When airlines have chronic staff shortages, passengers take longer to check in and also face delays to get their luggage back when they reach their destination. When not enough employees are available in security screening checkpoints, long lines form and some passengers may miss their flights. When customs and immigration facilities are filled to overflowing, passengers are sometimes asked to wait for hours inside aircraft, instead of disembarking (Sider, 2022).

This adverse situation has been further complicated by external environmental contingencies. The Summer months in the United States were plagued by bad weather, which caused severe disruption to flight operations (Sider, 2022). In addition, the BA.5 Omicron variant became dominant in May, which caused many airline employees to call in with symptoms, thus needing to isolate. Lacking replacements, airlines were often forced to cancel flights, causing even more congestion at airports.

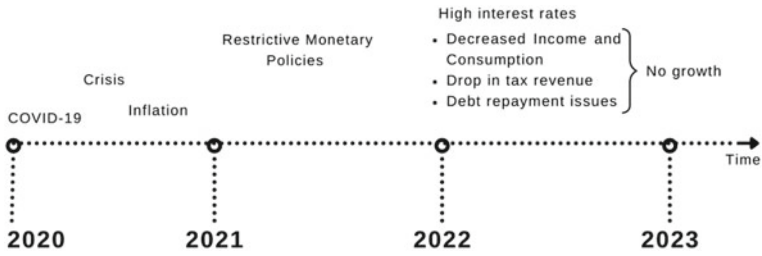

Fig. 1.1 A timeline of key macroeconomic problems stemming from the pandemic (*Source* Authors)

Many of these disruptions so prominently displayed by the airline industry were also reflected in less visible manufacturing and service organizations, as they attempted to pivot to the rebuilding and recovery stage after the pandemic. Normal operations were hampered by employee absenteeism, needed inputs were delayed by supply chain disruptions, and even short-term planning was rendered difficult by wage and price inflation. Economic causes and consequences during the pandemic in previous years are well characterized by Dávila-Aragón and Rivas-Aceves (2021), and López-Fernández and Terán-Bustamante (2022). Indeed, high inflation appears to be the most severe and long-lasting damage stemming from the COVID-19 lockdowns, along with the increases in interest rates that central banks are implementing to bring it under control. However, other macroeconomic issues are also becoming grounds for concern, as displayed in the timeline in Fig. 1.1. The next section offers a more detailed analysis.

The World Economy After The Pandemic

Supply-Side Factors as the Main Cause of Post-COVID-19 Inflation

World inflation continues to increase and the monetary policy that is being applied to bring it under control is the standard increase in the interest rate. It appears that most economies, and especially central banks, have yet to grasp that the main cause of inflation after the COVID-19 pandemic is not excessive market demand, but rather a problem of supply, see Cerrato and Gitti (2022), Shapiro (2022) and Binici et al. (2022).

While it is true that most households maintained their income level, and even increased their savings during the pandemic (World Bank, 2023), the strongest cause of inflation is the large number of micro, small and medium-sized companies that disappeared during the economic closures (Gourinchas et al., 2022; Sánchez Serrano, 2022). Of course, with the total and partial closure of economic activities from the first wave of COVID-19 through the fourth, households were able to save, which generated a sudden increase in demand once economic activities were resumed. This, in and of itself, caused strong inflationary pressures. Nonetheless, many of the companies that went bankrupt were engaged in the production of intermediate goods and services (Gourinchas et al., 2022; Ramani et al., 2022; Rivas-Aceves & Mawaad Morales, 2022; Sodhi & Tang, 2021). Therefore, the input supply chain suffered a disruption, causing a precipitous drop in the rate of production of final goods, usually produced by big companies.

The automobile market is a clear example, as the availability of new vehicles has been limited by shortages in the supply of semiconductors, both from supply chain disruptions and from skyrocketing demand for consumer electronics during the lockdowns (Boranova et al., 2022; Ramani et al., 2022). In consequence, it is the scarcity of products in the market that is causing inflationary processes in most economies.

Ineffectiveness of Restrictive Monetary Policy

During 2022 worldwide, the annual rate of inflation has continued to grow globally (see Table 1.1). Such persistently high levels of inflation suggest that conventional monetary policy is not being effective, and the continuous increases in interest rates are not stopping consumption. As an example, the European Union reached 8.1% in inflation on average; nonetheless, Poland draws the attention for its high inflation rate.

In order to bring inflation under control, most of the analyzed economies have repeatedly increased interest rates. In ordinary times, it is normal to find interest rates between 1 and 1.5% in developed countries, while for developing countries between 2.5 and 3%, when there are no inflation pressures. However, by the end of 2022, central banks around the world had taken very energetic positions in terms of monetary policy, with interest rates reaching two digits levels, around 10–11%, with yet little impact on inflation.

Table 1.1 Inflation rate for selected countries in 2022

Country	*Inflation rate*
South Korea	5.9
India	6.7
Canada	6.8
United Kingdom	7.9
Mexico	7.9
Germany	7.9
United States	8.2
Spain	8.4
Brazil	9.3
Greece	9.6
Colombia	10.2
Chile	11.6
Russia	13.5
Poland	14.3
Ukraine	20.18
Turkey	72.3
Argentina	72.4
Venezuela	220.8

Source Own elaboration with World Bank data (Ha et al., 2021)

Unintended Consequences of Restrictive Monetary Policy

Not only have interest rates hikes failed to check inflation, they are currently strangling companies because credits have become more expensive. This means that companies cannot invest to expand their productive capacity and, therefore, that the market supply does not grow, see Chen et al. (2021).

Furthermore, the spike of interest rates has discouraged investment and consumption, despite the economic recovery. Direct investment has been affected the most because market conditions are highly volatile, companies lack any economic certainty, while also facing the high cost of credit. These are the biggest obstacles to boosting supply.

In addition, an even bigger problem is being generated. The restrictive monetary policy is causing a drop in tax collection, leading to public debt payment issues in several countries around the world. During 2022, countries, such as Brazil, Belize, Ecuador, Argentina, Kenya, Sri Lanka, Pakistan, Lebanon, Ethiopia, Zambia, El Salvador, among others, have shown great payment difficulties. Several have restructured their public debt, according to data from the International Monetary Fund (2022). Most of the countries have based their economic recovery on the expectations placed on the external market, but the current problem is systemic, and is affecting nearly all regions of the world. The international markets have lost confidence due to the adjustment in inflation, reduced growth expectations, and the change in monetary policy, but above all because the central banks claimed that inflation would be a temporary phenomenon, which has not been the case thus far.

The risk represented by the low payment capacity of governments, coupled with the alarming levels of the principal economic indicators, is causing markets not to grow. Destabilization produced by radical changes in monetary policy in the short term is affecting most economies. China is one of the few countries that has maintained a stable monetary policy, which has helped to foster investment thus promoting growth. It did not lower the interest rate to near zero levels during the economic downturn, and did not raise it during the recovery, resulting in moderate inflation and a continued slowdown so far in 2022.

In sum, in order to address the supply-side factors that are the main drivers of post-pandemic inflation, unconventional monetary policy in the face of economic cycles is necessary. Because scarcity of services, and of final and intermediate goods remains, the anticyclical solution is flooding markets with production, which can only be sustained by an increasing number of companies fostered by means of low interest rates.

To reverse upward pressure on prices, it is necessary to flood the market with goods and services, that is, to increase the rate of production of inputs and final goods. It is, therefore, necessary to increase public and private investment in order to increase the number of new companies, as well as expand the installed capacity of existing ones. At the same time, it is essential to forestall the bankruptcy of companies by promoting appropriate conditions for their operation, through fiscal support, strategic alliances, regulatory certainty, security, but above all a stable economic environment. Inflation can only be tamed by vigorously boosting market supply.

The Role of Central Banks and Monetary Base Expansion

In addition to the conventional setting of higher interest rates, central banks have also acted in the same conventional way with the monetary base during this time of inflationary pressures. One of the main functions of money is to be a medium of exchange. Consequently, central banks must put a sufficient amount of money into circulation to guarantee that all goods and services produced within an economy can be marketed (Teryoshin, 2023). In other words, the value of the Gross Domestic Product must be supported by the monetary base. This relationship between the real economy and money is usually very little analyzed, and much less understood.

In economic terms, the fact that an economy grows means that there is a greater physical quantity of goods and services produced per unit of time, especially with inflation staying constant or growing at a lower rate than the economy. Growth in the Gross Domestic Product can occur either by an increase in the goods and services produced, or by an increase in prices, or by both. When an economy grows and its inflation rate is controlled, then the amount of money required to trade goods and services will increase in parallel and at the same pace as the growth rate, without generating further inflationary pressures. The latter because the income is growing, so the demand meets the supply.

But what happens when there is false growth? That is to say, when it is prices that are growing but not the physical quantity of goods and services produced in the country. Under these conditions, the amount of money necessary to market the product must also grow, because it is essential to facilitate transactions. Since the amount of goods and services produced is not growing, then neither is national income. Which implies that inflation is being supported only by the monetary base and not by an increase in economic activity.

When a central bank increases the amount of money in circulation, it generates an increase in the velocity of money, in such a way that economic agents perceive a false increase in their purchasing power. This drives them to increase their demand (Geiger et al., 2023). Therefore, inflationary pressures rise even higher. Because the objective of every central bank is to maintain the stability of the payment system, when inflation expectations exist the monetary base will immediately tend to rise. However, such an increase in money actually makes the inflation expectation come true. In other words, central banks are providing feedback to the pre-existing inflationary pressures by increasing the monetary base (Geiger et al., 2023; Teryoshin, 2023).

In Mexico, from June 2019 to October 2022, the monetary base grew 54% according to data from Mexico's central bank (Bank of Mexico, 2023). This positive trend in the quantity of money is also present in economies such as the United States, Canada and the European Union, thereby exacerbating inflation levels in these economies. Given that it has not been possible to control inflation through the internal market via interest rates, it is evident that the contraction in the monetary base may be the solution. However, public policy in most economies has been focused on providing economic relief to face the pandemic. The vast majority of this expense was financed not by economic growth, that is, higher income, but by a greater amount of printed money, as happened in the United States.

In summary, the management of interest rates coupled with the increase in the monetary base, together with the disruption of supply chains and the expansion in consumer demand, have resulted in the current phase of accelerated inflation. To complete the macroeconomic picture, the growth rate is beginning to drop in several economies.

The Weakening Recovery and the Uncertain Outlook for 2023

Economic growth at the end of 2021 showed signs of weakening, and by 2022 the economic recovery petered out. In most countries, the growth rate in 2022 dropped by about half, compared to the rate registered in 2021. When economies are not growing, effects on employment always appear. In 2021, the rebound in global economic growth was 5.8% according to World Bank numbers. This rebound began to lose strength at the end of the same year, and during 2022 there were indicators that showed that the rebound had run out of steam, (see Table 1.2).

Most of the economies are growing at slower rates; the slowdown clearly indicates fewer goods and services produced from one year to the next. This means a fall in the effective market supply, which has two important repercussions: on the one hand, an increase in the unemployment rate, and on the other, an increase in prices. Several governments are determined to achieve economic growth, most of them allocating fiscal resources in the form of economic stimulus, to such an extent that public debt is growing at faster rates than economic growth. The foregoing is always a very dangerous combination because eventually the indebtedness becomes a drag on growth, generating economic recession, which under the current conditions would likely result in a profound crisis. During this difficult year of 2022, the United States, China, the United

Table 1.2 Growth and unemployment rates for selected countries in 2022

Country	*Growth rate*	*Unemployment rate*
Brazil	3	4.8
Canada	2.7	5.1
Chile	2.1	8.4
China	2.7	5.6
European Union	2.6	6.6
France	2.2	7
Germany	1.9	3.7
Greece	1.8	11.6
Hong Kong	2.9	5.1
Italy	3.9	7.8
Japan	1.4	2.4
Mexico	3.1	3.9
South Korea	2.6	2.5
Spain	5.2	13
Turkey	1.8	10.1
United Kingdom	4.1	3.7
United States	1.9	5.2

Source Own elaboration with OECD (2023) data

Kingdom, France, Italy, India, Hong Kong, Malaysia, Brazil have considerably increased their debt as a proportion of GDP during 2022 (World Bank, 2023). As of this writing, it remains to be seen whether the Federal Reserve in the United States succeeds in bringing about a "soft-landing" during 2023, and what outcomes are achieved by central banks in other major economies.

Overview of This Book

The Call for Chapters which launched this research book in the Fall of 2021 called the current environment "a recovery stage of indeterminate duration." Such a stage has already lasted nearly two years, and as of this writing, in February of 2023, even the most optimistic observers hold no hope that 2023 will be the year of returning back to normal. Indeed, some analysts speculate that there may be no returning back to pre-pandemic levels, given the structural changes that have taken place since 2021, such as the paradigm change in inflation-targeting monetary policy (Economist, 2022 October 8), or the withdrawal from the hyperglobalization and just-in-time supply chains of the first decade of this century

(Krugman, 2022), and the current trend toward near-shoring and supply chain redesign, emphasizing security over low-cost efficiency (Economist, 2022 June 18).

National and business dynamics after the pandemic lockdowns are still a new and mostly uncharted phenomenon, which is why three years after the start of the pandemic there is still ample space for new research studies, ideally with a multidisciplinary perspective. Nearly thirty researchers answered the Call for Chapters, with both conceptual and empirical contributions, focusing on the economic, technological, and human levers that are being applied by governments, industries, firms, families, and individual employees to navigate these volatile times. Accepted chapters went through a minimum of two rounds of peer review by topic experts, in addition to editorial feedback for alignment with the objectives of the book, and an independent peer review by Palgrave Macmillan.

Given the wide scope of topics addressed, and the global reach intended by several of our contributors, this volume is organized into two parts: Part I is titled ***Human, Economic, and Technological Levers*** and comprises five chapters. To set the stage, the present opening chapter examines the state of the world economy in the aftermath of the COVID-19 pandemic. The remaining chapters examine organizational, technological, and human levers that businesses can implement to rebuild their productive activities, and the effect these measures have on individual employees. The chapters in Part I are ordered from a macro to a micro-level perspective, and since they are conceptual, the levers they propose are generalizable to both advanced and emergent economies.

While Part I intends a global reach through conceptual chapters, the studies in Part II of the book adopt a data-based strategy to examine the application of various levers in the context of an emergent economy. Under the title ***Lever Deployment in an Emergent Economy***, Part II brings together five studies which cover the full range of the economy, from macro-variables related to public finance, to micro-indicators such as the level of household incomes. As these empirical studies are based on economic and company data from Mexico, a relevant emergent economy, their findings can be judiciously generalized to other similar countries.

Chapter 2, which follows this introductory chapter, bears the title “The Effects of Flexible Workspace on Organizational Structure and Inequality: An Equilibrium Analysis.” Morganti and García-Cano develop the connection between the micro-dimension of the firm, and the macroeconomic dimension of the country with emphasis on inequality, firm size and distribution, and wealth. The antecedent of this research is the Great Confinement, which made telework the only safe alternative for office workers for most of 2020, until the vaccination campaigns ramped up in early 2021. The authors posit that with the implementation of hybrid work, companies experience a friction in their communications and in the transmission of knowledge across their organizational layers. As they adapt their structures under this pressure, they induce a transformation of the entire productive system with profound effects on the economy as a whole. Using a theoretical approach, the authors attempt to predict unexpected long-term outcomes. Under the new organizational structure, an efficient management of knowledge and communications is projected to lead to more firms, but of smaller size. Following this change, companies' profitability can be expected to fall, but their differences should converge. As knowledge transmission slows down, the authors expect a fall in a country's GDP and in workers' wages. Unfortunately, the combined effects are projected to contribute to an increase in the country's inequality. Morganti and García-Cano conclude that in the post-COVID-19 era, organizational design and knowledge management are levers that need to be mastered in order to survive the new competitive environment. Indeed, these crucial organizational levers are investigated in Chapters 4 and 10 of this volume.

Chapter 3 is titled "Harnessing Middle Management Innovation for Business Recovery." Its focal lever is the human capital of the organization, specifically its middle managers, in order to enhance firm innovativeness, which is essential to navigate the uncertain post-pandemic environment. In this chapter, Brown and Rivas make a theoretical contribution grounded in the resource-based view of the firm (Barney, 1991). They advance a model which refines and extends this theory by asserting that middle management behavior is a valuable and unique resource bundle that can be leveraged to increase organizational innovation. Specifically, this model advances four managerial behaviors, questioning, observing, experimenting, and networking that are posited to have a positive impact on organizational innovativeness. Furthermore, the model proposes that three external factors will positively moderate the effect of the behaviors on innovativeness, specifically a higher population density in the region, a low level corruption in the region, and a high level of patent activity in the region. This model highlights the importance of managerial activity within the organizations. Thus, it is not just the ownership and control of valuable and rare resources that confers competitive advantage, but the development and application of said resources by the firm's middle managers.

The next chapter is a conceptual contribution focused on the issue of leading people in large organizations after the workplace changes sparked by the pandemic. Titled "Co-creating Value Through People-centered Leadership: Lessons Learned from the COVID-19 Crisis," Chapter 4 draws from organizational design theory, specifically the organizational form of adhocracy, advanced by Mintzberg. Specifically, García-Álvarez and López-Fernández examine the interaction between adhocracy and a person-centered leadership style, which is proposed as a management lever that is well-suited for the challenges faced by organizations after the pandemic forced the closure of offices and the shift to remote work. Some of those challenges have endured even after the end of mandatory confinement, with many employees resisting in 2022 a return to the office as before. Among the challenges now faced by organizations are calls for greater organizational flexibility, optimal use of technology, and the need for a leadership style that enables employees to perform their tasks and contribute their knowledge and competencies without compromising efficiency. Accordingly, García-Álvarez and López-Fernández posit that moving forward, value may be co-created as employee well-being is prioritized with the intent to build work communities; in such way that, a successful recovery is not only based on organizational flexibility, optimal technology use, and efficiency, but is driven by both business and social growth and development.

Chapter 5, titled "COVID-19: An Opportunity to Explore Hybrid Work," analyzes how, in the wake of the Great Confinement, there has been an expansion of telework, which had begun decades earlier, and a push by employees for hybrid work models to improve results for organizations and employees. Mucharraz y Cano, Dávila-Ruiz, Murcio Rodríguez, and Cuilty-Esquivel explain how the Fourth Industrial Revolution with its technological communication tools had largely made it possible for many office employees to work from home. However, the once-in-a-generation lockdowns sparked by the COVID-19 pandemic resulted in most companies and workers experiencing for the first time the benefits and challenges of working from home. Many employees perceived a reduction of work-life conflict and increased productivity. Others experienced more ambiguous results, especially for female talent. Difficulties arose from the intersection of three elements: (a) family, (b) work, and (c) school in the same place and, often at the same time. Many women professionals experienced these as conflicting demands on their attention, resulting in stress, Zoom fatigue, burnout, and mental health problems. After isolation measures were relaxed, the hybrid work scheme gained momentum. This is defined as the combination of work in and outside the office, where space, time, and home intersect as a novel combination of technological and human levers. Returning employees argued it allowed an optimal combination of face-to-face and remote working. The hybrid model seems to respond to the need for more malleable work schemes that allow for a better work-life balance. Nevertheless, there are still issues to be analyzed to successfully implement hybrid work in organizations, for example, the necessary changes in companies' operational frameworks and policies, and the effects on productivity. The post-COVID-19 era could bring changes in the preferences of customers, suppliers, and employees, as well as new forms of interactions at the social, family, and work level, where technology use will continue to increase. The described context is likely to maintain virtual and face-to-face interactions simultaneously, promoting a wider dissemination of hybrid models in the future labor market.

Part II of the book, as mentioned earlier, comprises five empirical studies that examine the application of various economic, technological, and human levers in the context of an emergent economy, drawing on country and company data from Mexico.

Chapter 6 is a macro-level investigation titled "VAT Elasticities on Imports as a Lever to Forecast Collection: Mexico 2010–2021." Moreno, Mata, and Beltrán-Godoy undertake an empirical analysis of VAT elasticities on merchandise imports using data from the Tax Administration Service in Mexico for the period 2010–2021. The objective of this research was to identify the main chapters of goods that generate the greatest tax collection for the government. Given that the VAT is the second source of income for the Mexican Treasury, identifying the sensitivity of VAT collection in generating tax revenue from particular chapters of goods can contribute to better forecasts of tax government revenue and can also suggest fiscal policy measures that are conducive to achieving increased revenue collection. Following the IMF recommendation on the elasticity methods, the authors estimate the elasticity of VAT collection on imports for each of the 99 chapters classified in the International Harmonized System of customs and trade procedures. The econometric analysis relied on vector autoregression, specifically a vector error correction

(VEC) model. The authors propose that by using the estimated elasticities, the Government can focus its surveillance and auditing resources on the 16 chapters that explain 82% of the value of imports and which display varying elasticities. By knowing the elasticity, the tax authority can forecast the expected increase in tax revenue from particular chapters that are growing, and where these expectations are not met, the authority can increase its auditing efforts with a higher probability of detecting illegal practices.

The next chapter, "Employment, Gender Gap, and the Mexican Industry: The Effect of COVID-19 on the Dynamic Structure and Recovery in the Labor Market," investigates the recovery of the national labor market after the pandemic lockdowns, using historical data from urban employment surveys in Mexico. Moreno, Cuellar, and Ramos identify consistent micro-founded time series of employment and wages from 1993:Q1 to 2021:Q4 segmented by industrial sector and gender. The research follows a neoclassical production and labor demand approach and, with these datasets, estimates a vector autoregression (VAR) model linking aggregate production and each labor market segment in the implied long-run equilibria. Model results suggest significant adverse effects on employment resulting from the pandemic lockdown, both for females and males. The estimations suggest a structural and persistent effect on employment losses, with lengthy recovery of employment levels, particularly in the male segment, and a more significant recovery rate of female employment. With respect to sectors, the results show that employment in the tertiary sector is highly reactive to the first COVID-19 shock compared to the other sectors. The secondary industrial sector shows a similar but less pronounced reaction, so all observed job losses are related to a structural change in the labor market. By contrast, primary sector employment is inelastic to the initial shock. The chapter's conclusion is that sectorial-gender employment effects present a lower forecasted response to the initial shock from the pandemic, but substantial employment losses by the fourth quarter of 2021, potentially linked to changes in the labor market structure due to the pandemic.

Chapter 8 adopts a micro-level perspective focused on household income which was severely affected in Mexico by the restrictions imposed by the government during the Great Confinement. Under the title "Access to Microfinance for Social Mobility in Mexico," De la Torre-Diaz analyzes the concept of social mobility as a dimension of the study of inequality of opportunities. Data from the National Survey of Household income and Expenses presented by INEGI shows that the confinement negatively impacted household income in 2020 by −3% compared to 2018. The distribution of household expenses was also altered affecting items such as education, which changed its proportion from 12 to 8% between the 2018 and 2020 surveys. This scenario raised the already high obstacles faced by the Mexican population regarding their expectations of upward social mobility, a phenomenon that in itself presents daunting challenges derived from the country's considerable level of inequality of opportunities. The chapter presents a conceptual model proposing the accumulation of household assets as a novel mechanism to promote social mobility, particularly during difficult times in which income-driven social mobility is challenging. An additional element in this model is the use of microcredit as the financial lever that enables households to acquire such assets. The proposed model, therefore, combines the previously mentioned relationships between asset accumulation and social mobility, and by including the positive impact of microcredits, offers a plausible program considered as a way for families to climb the socioeconomic conditions ladder, thus contributing to a reduction of inequality.

In Chapter 9, Murillo and Atristain focus on the lever of strategic planning, viewed as a recurring process, as a tool for managerial learning and decision-making when organizations are faced with substantial environmental volatility. More specifically, this study measures the impact of two brand-related marketing strategies implemented by a private university in Mexico City as part of its strategic plan devised to respond to the lengthy campus lockdown brought about by the pandemic. The strategies in question were the unveiling of an updated corporate visual identity (CVI) and a strong emphasis during the lockdown on the university brand promise of personal attention. Using an online survey, student assessments of brand promise delivery and of the new CVI were measured, with 288 usable surveys obtained. A conditional process analysis was applied to the data using the PROCESS macro for SPSS (Hayes et al., 2017). The results show that perceived brand promise delivery had a significant positive effect on the university's reputation and student brand advocacy, mediated, in both cases, by perceived brand image and student satisfaction. In addition, the new CVI moderates the relationship between brand promise delivery and brand image, so that in students who rated the CVI better, the link between brand promise delivery and brand image was significantly stronger. By measuring the impact on a key stakeholder group of two marketing strategies that were themselves nested within the general strategic plan of the university, Murillo and Atristain illustrate the cyclical nature of the strategic planning process, and how successive cycles of planning can be enriched with the knowledge gained through empirical research of relevant stakeholders, in addition to conventional control metrics.

The book closes with Chapter 10, titled "Knowledge Management and Innovation in the Furniture Industry in Mexico." This empirical study traces the application of the knowledge lever in the furniture industry in Mexico. Specifically, Castillo-Girón, Ayala-Ramírez, Martínez-Velasco, and Terán-Bustamante build a decision model that identifies the most critical processes that are required to manage knowledge and innovation in the furniture industry. The model was built with expert opinions obtained through multiple data collection instruments, namely a written questionnaire applied to four large furniture enterprises, triangulated by semi-structured interviews with a range of experts. Based on the information from these sources, a conceptual model of the industry was developed which maps the network of directed arcs between the 30 identified critical processes (e.g., protection of intellectual property, modern technologies, marketing capacity, e-commerce, etc.). The principal benefit of this model is that it allows companies in this sector to make the best decisions to innovate in new products/services, processes, sales, and marketing, as well as in the organization. This conceptual model was then estimated using Bayesian networks and Machine Learning techniques. Knowledge is a valuable asset for all companies. Hence, the ability to learn and accumulate new knowledge regarding the essence of their innovation processes is of great value to companies in the sector. The authors thereby illustrate the importance of the knowledge management lever in an industry that generates a significant number of jobs in the country and a substantial economic contribution.

Some observers might call 2022 the first year of the New Normal. The studies in this volume show that this dynamic economic and social environment carries with it numerous unresolved questions, that call for thoughtful multidisciplinary research studies. It is to be hoped that more books adopting such a perspective will be forthcoming in the following years.

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