

Reinventing the Future of Work and Business in the COVID-19 ERA: Challenges, Opportunities and the Path Ahead



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1 Introduction

The greatest danger in times of turbulence is not the turbulence—it is to act with yesterday's logic.—Peter Drucker.

Coronavirus (COVID-19) disease reported first in the Chinese city of Wuhan in December 2019 and recognized by China as a new virus in the third week of January 2020 (Izumi et al. 2021).¹ The World Health Organization (WHO) finally recognized COVID-19 as a pandemic on the 11th of March 2020 (WHO 2020).² The US, India and Brazil experienced the highest numbers of daily cases, while the rest of the world attempted a transition back to a life that was known earlier. The grim prognosis is that while tens of thousands of people remain infected with the virus, a similar number of people may also die. In an interconnected world, the pandemic has had a devastating effect on life and work in general as governments around the world declared prolonged periods of lockdown ceasing almost all forms of human contact (Dwivedi et al. 2020).³ This cessation had unprecedented impact on personal and organizational life. These impacts created the concept of a *new normal* within the COVID-19 era which required people to totally rethink the way they interacted and operated within the organization (Griffin and Denholm 2020).⁴ While many companies have shut down operations, organizations that continued were forced to work with changing requirements, new processes and practices influenced by

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¹ Izumi et al. (2021).

² WHO (2020).

³ Dwivedi et al. (2020).

⁴ Griffin and Denholm (2020).

social distancing requirements. Organizations have been coerced to envisage newer, leaner, and sustainable methods of conducting their business. Future has arrived faster than anticipated as most companies have shifted to remote working style and most activities are being carried out on digital platforms.

For majority business leaders and managers, COVID-19 emerged as the most disruptive world-changing event in recent history. Managers are coerced to take decisions amidst tremendous uncertainty. For example, uncharacteristic human behavior, irrational patterns in financial markets, extreme volatility of the economy, lack of data measuring lockdown impact and unknown outbreak of the virus lead to incomplete information (Izumi et al. 2021). To cope with these unforeseen challenges, organizations move in with efforts to integrate information technology and artificial intelligence (AI) to better understand data and make more compatible decisions in a digital economy. Taking cues from the *new normal*, organizations recognize that agility is the key to deal with massive disruptions such as the COVID-19 pandemic. With significant rise in social media and remote working platforms, the demand for key products such as Zoom, WebEx, Microsoft Teams has risen exponentially. In the *interim normal*—one that is predicted to last till the end of 2021 (as rightly stated by Izumi et al. 2020)—the huge demand for homeworking and the necessary change in the infrastructure to accommodate this will have lasting impacts on the work processes and habits in the foreseeable future.

All sectors of work and business along with core functional verticals have experienced sweeping changes during the pandemic. As organizations institutionalize lessons learned through trial and error, an effort is required to document these efforts. Tremendous amount of research was published in the previous year noting the impact of COVID-19 in various sectors. The following sections in this chapter provide a succinct overview of the drastic changes experienced in diverse verticals of management.

2 Impact of COVID-19 on Work and Business

The COVID-19 (C-19) has presented a paradox like none other. While many organizations were forced shut down operations, C-19 helped organizations to think in terms of innovations and alternate business models (Seetharaman 2020).⁵ The following subsections present an exposition of the influences of C-19 on varied prominent functional verticals of business such as (1) human resources, (2) marketing/consumer behavior, (3) financial markets, (4) innovation and entrepreneurship and (5) supply chain management.

⁵ Seetharaman (2020).

2.1 Influence of C-19 on Managing Human Resources

The influence of C-19 on human resource management has been tremendous and all pervasive. The following areas in human resource management (HRM) are at the forefront of change (Vnouckova 2020).⁶

1. As the nature of work keeps changing, online education and training of managers equip them to work better in a virtual environment. Thus, digital tools used to map performance in the current environment are particularly useful.
2. The prolific use of online tools for recruitment and retention assumes importance. Database screening has been in use to effectively screen and complete the recruitment process. In contrast to recruitment, fewer digital tools for retention are used, and hence, HR practitioners need to invest further on discovering the optimal use of digital tools for employee retention.
3. The use of online tools has ushered digital pedagogies in training-related organizational activities. While practitioners do understand the limitations of digital pedagogies, they also give credence to their need while working remotely. Digital pedagogies require differing competencies from both the trainees and the trainers alike.
4. While much has already been spoken about the generational capacity to adhere to technology, COVID-19 has brought these issues to the forefront. Organizations need to equip their employees (of varied generations) to singularly adopt to technology to work remotely.
5. Massive utilization of technologies places a huge demand on information and data security. The greatest impediment to security issues is a lack of employee awareness about the same. Hence, organizational initiatives on provision of adequate training to employees in matters of information security are imperative.
6. In the new normal, as organizations shift to a hybrid working environment combing the best aspects of the physical and the digital, adherence to safety norms and helping employees maintain a safe working atmosphere takes precedence.
7. Lowered salaries, reduction in total compensation and muted increments have been common organizational occurrences during the pandemic. Hence, while organizations struggle to bring in revenue, they also need to invest to build the morale and engagement of their employees.
8. While remote working conditions have helped organizations cope with the onset of the pandemic, employers need to be aware about the psychological distance between employees and the organization. A close psychological distance will help alleviate the pressure of work hours and maintain a better quality of occupational mental health. Hence, constant updates on safety norms, changing work hours, work protocols and transparent communication channels will help in reducing the psychological distance.

⁶ Vnouckova (2020).

9. The psychological aspects due to COVID-19 such as fear, depression, lack of social contact, high risk of job loss, uncertain work conditions and failing health issues have been devastating. Hence, organizations need to open regular channels for psychological counseling of their employees to help them adjust to these numerous changes.

2.2 *Influence of C-19 on Marketing and Consumer Behavior*

The pandemic has equally affected marketing management as traditional marketing philosophies and practices were rendered ineffective in the new normal. There have been suitable changes in marketing, advertisements, promotional engagements and the media (Yas and Alsaud 2020).⁷ Most businesses are engaged in promoting their marketing and advertisements on online platforms as it is relatively hard to engage in traditional channels during the pandemic.

As all of marketing is anchored to patterns of consumption, it is necessary to evaluate the changes in consumer behavior amidst the pandemic. Consumption patterns are anchored to time and location and hence have experienced sweeping changes from the onset of the pandemic. Yas and Alsaud (2020) highlight many of these changes:

1. There is a tendency in consumers to hoard essential items resulting in temporary stockouts and shortages during an emergency and prolonged periods of lockdown as was predominant during the pandemic. The extra demand created by hoarding also encourages marketing of counterfeit products.
2. Due to a crisis of this magnitude, there was an improvisation or “*Jugaad*” in consumers to deal with shortages in required product and services. Even for tradition-bound services such as weddings and funerals, the creativity of consumers was observed in sidewalk weddings or Zoom funeral services. Improvisation in consumption patterns also offers exciting vistas for further research.
3. While there was a tendency to hoard on essential products, consumers generally postponed the consumption of products such as large-scale durable products like homes, automobiles, etc. and discretionary services such as concerts, bars and restaurants. Hence, pent-up demand is a familiar outcome when access to market is denied for prolonged periods of time due to pandemic. The nature and scope of pent-up demand can also be researched upon in marketing management.
4. Influence of digital technologies is all pervasive in a consumer’s daily life during the pandemic. The largest population to be found now are the Facebook, WhatsApp and the YouTube. A fast-growing area of research are the influential marketers. The pandemic has witnessed the largest growing adoption of digital media during a compressed cycle. Hence, a worthwhile outlet of research can address

⁷ Yas and Alsaud (2020).

whether this digital boom will lead to near permanent changes in consumption patterns.

5. Due to complete lockdown in many different parts of the world, the stores have entered the homes of consumers along with work and education. Hence, with online delivery services and streaming giants like Netflix, Amazon, etc., the habit of going to brick-and-mortar places has taken a setback. Research can focus on how home consumption impacts consumer impulse buying behaviors.
6. Consumers are mostly confined to their homes with many discrete tasks to implement such as working, learning, shopping and socialization. Thus, there is a blurring and intermingling of boundaries between work and home and between tasks and chats.
7. The cultural and sociological associations of consumption practices also need a focus on. The pandemic took a huge toll on social contact in gatherings but also helped connect with distant relatives at a regular basis through Zoom calls. The universal adoption of technologies to maintain social contact may leave long-term impact on consumption patterns.

The managerial implications of these changes are manifold. Some of the more important implications as pointed out by Yas and Alsaud (2020) related to businesses concentrating on building an omni-channel delivery. Secondly, organizations need to match their demand and supply due to hoarding in consumption patterns in lockdowns during the pandemic. Thirdly, customer experience in the virtual world and post-purchase support both would require significant investments from organizations.

2.3 Influence of C-19 on Financial Markets.

The influence of COVID-19 on financial markets, on financing and costs of capital and finally on banking and insurance has been huge. COVID-19 as a global pandemic is differing in its intensity from any other disaster like a nuclear attack. While a nuclear attack is largely localized and the chances of human survival are next to nil, the impact of COVID-19 has been on a global scale and is also survivable. Thus, the value of financial markets remains extremely relevant (Goodell 2020).⁸ Regarding firm financing, COVID-19 is likely to increase the cost of equity capital (Goodell 2020). Future research may explore questions such as whether there will exist long-term shift in costs of equity or will firms adopt less of leverage.

COVID-19 also raises implications for banking and insurance. Banks become vulnerable during economic downturns due to possibilities of increase in non-performing loans. Thus, one question that requires further research efforts is how long would banks maintain a more conservative leading policy post the pandemic (Goodell 2020). Similarly, even though COVID-19 has had tremendous global impact and precipitated economic crisis on a huge scale, it cannot be treated as an unforeseeable event. As such events can be predicted, it is beneficial to make them insurable.

⁸ Goodell (2020).

But once again further research needs to address that how would these insurance policies affect the bottom of the pyramid (Goodell 2020).

2.4 Influence of C-19 on Innovation and Entrepreneurship

The outbreak of C-19 has led to the collapse of many a brick-and-mortar businesses and supply chains as consumers simply postponed their purchases or cut down on their demand altogether. Hence, under the onslaught of this crisis, firm's survival is guaranteed on their ability to innovate. Li-Ying and Nell (2020)⁹ in their paper provide an interesting description of market opportunities for entrepreneurs during the pandemic under the heads of testing, tracking, isolation, and treatment. Firstly, given the importance to testing of infectious diseases, new opportunities for companies emerge to produce test kits and face shields. Secondly, robust surveillance techniques are required to contain the spread of the virus. As countries are debating on restrictions on social gatherings, surveillance becomes even more important. Once reopening of schools, colleges, restaurants becomes inevitable, new age solutions such as drones, tracking apps and artificial intelligence (AI) will raise opportunities for organizations. Thirdly, people under isolation and treatment require psychological support to remain motivated. While these requirements open opportunities for relevant service providers, banks and other public services need to creatively design their operations to meet the demands of consumers under isolation. Fourthly, treatment in the form of drugs and vaccines has raised a host of opportunities for pharmaceutical and vaccine companies. Li-Ying and Nell (2020) also highlight the qualities that firms need to imbibe to innovate for competitive advantage during and beyond the pandemic, i.e., customer-centric creativity, agility, resilience and the ability to reinvest and restructure.

Ratten (2020)¹⁰ highlights three other areas that need to be taken into consideration, i.e., changing lifestyle and work, cultural entrepreneurship and lifestyle entrepreneurship. The increase in the gig economy and temporariness of the workforce has created space for digital nomads who can work from any location. These nomads rely on the gig economy and are alike to micro-entrepreneurs. Similarly, cultural entrepreneurship highlights business opportunities resulting from cultural considerations of COVID-19. As entrepreneurial behavior is influenced by culture, businesses need to consider cultural consideration while reimagining their products and services. Lifestyle entrepreneurs are people who start businesses on lifestyle values resulting out of COVID-19. They emphasize on social values and financial benefits. These entrepreneurs can typically be found in art and craft industries apart from tourism and hospitality sectors. During the pandemic, many traditional industries in arts and crafts were severely affected leaving artisans devoid of income. Hence, research efforts on entrepreneurial efforts in these sectors are desirable.

⁹ Li-Ying and Nell (2020).

¹⁰ Ratten (2020).

2.5 Influence of C-19 on Supply Chain Management

In the backdrop of the magnitude of COVID-19, on February 21, 2020, Fortune (2020)¹¹ reported that 94% of businesses included in the Fortune 1000 list experienced supply chain disturbances. An apparent and serious consequence of the pandemic has been the reduction in demand for goods and services due to partial or absolute lockdown in different parts of the world. The pandemic led to unprecedented job losses lowering the demand for goods further and leaving businesses in many sectors (such as hospitality and tourism) almost bankrupt. Disruption in the work of schools and colleges, government institutions, closure of restaurants, stores, cafes, etc. to prevent interaction among people and contain the spread of the virus interrupted global supply chains halting activities of multinational companies and declining revenues (Grida et al. 2020).¹² Supply chains were affected either in demand or in supply or logistics. Maximum research has focused on the negative effects of the pandemic on supply chains (Grida et al. 2020). The biggest challenge faced by companies in mitigating these negative effects on their supply chains is determining the optimal amount of demand for their goods and services. However, supply chains always susceptible to pandemics have witnessed an unprecedented impact of the COVID-19 due to its very reach and magnitude. While researchers studied the possibilities of alternative supply chains for important medical equipment such as face shields (Shokrani et al. 2020)¹³; Cappelli and Cini (2020)¹⁴ in their study stated that food supply chains and local productions were minimally affected by international policies as they were located closest to the consumer. Hence, supply chains in varied industries require a systematic examination to fully comprehend the impact of COVID-19.

All sectors of work and business along with core functional verticals have experienced sweeping changes during the pandemic. As organizations institutionalize lessons learned through trial and error, an effort is required to document these efforts. Tremendous amount of research was published in the previous year noting the impact of COVID-19 in various sectors. Notwithstanding the importance of these research efforts, the International Management Conference (IMC) 2021 was hosted at KIIT DU on the 27th and 28th of February 2021 to collectively gather insights on the future of work and business encompassing varied industries, businesses, countries and core management functions such as strategy, organization behavior, human resource management, production and operations, higher education, economics, finance and sustainability initiatives. The thrust of this conference was different as we sought to gather a holistic picture of the lessons derived during the pandemic hardship. Selected papers presented in the conference and published in the book provide readers with an idea of the new normal in various domains of management across industries and organizations.

¹¹ Fortune. (2020).

¹² Grida et al. (2020).

¹³ Shokrani et al. (2020).

¹⁴ Cappelli and Cini (2020).

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