

TRANSFORMATION IN BUSINESS OPERATION SINCE PANDEMIC DRIVEN DISRUPTION

Abstract

Businesses in all sectors changed its modus operandi since pandemic struck the world and rattled normal setting in every field of activities. Lockdown, social distancing, restriction on cross border trade triggered new normality where work from home and exploring the digital avenue became essential. Businesses had to deal with supply chain disruption and rise in price for significant input factors. War in Ukraine and geopolitical tension in the world added new dimension to business uncertainty. Dependence on one country such as China brought the downside risk of work abeyance and loss of market opportunity. Supply crunch of semiconductor created massive trouble for automobile industry and electronic goods manufacturer. Outsourcing which flourished in the prime time of globalization as a means of cost reduction, faster delivery and gaining competitive advantage, came under suspicion as viable option. Localization and multiple sourcing appeared as reliable alternative. Innovation received higher priority for business survival. Businesses started to leverage automation and artificial intelligence as they appeared suitable in the wake of skilful labour force deficiency. Organisations across all sizes and category felt that old model is redundant and new start up with brilliant business model can snatch away market share and market standing of old establishment in no time. Businesses have learnt the lesson hard way and playing all out to tackle resource crunch, global uncertainty and economic recession to stay afloat and make sustainability feasible by all means.

Keywords: Crisis management, Disruption withstanding strategy, New business model, Competitiveness and sustainability.

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I. INTRODUCTION

World economy has changed to great extent since covid episode took the world by surprise. Businesses were caught off guard. It had been unprecedented challenge which cleared out old pattern and brought in new normal. It had been tough to keep production process functional when supply chain got disrupted massively. It took several months to normalise trade, transport and tourism. Export driven economies took a severe blow. Export dependent businesses faced huge loss. Stock market indices across geographies made nose dive and so many investors left market out of panic. There was scramble for safe heaven. Gold and silver price skyrocketed as people felt confident about shining metals. There was massive boom in crypto market. As physical currencies became unstable and there was erosion in value, investors searched for alternatives. Youngsters got attracted to cryptos in great numbers and tried their luck like never before. Majority of the economies had to borrow heavily to survive. Central banks across the world such as Federal Reserve, European Central Bank, Bank of England, Bank of Japan lowered rate of interest rates to increase liquidity into the market and keep effective demand intact. As production-distribution-trade got hampered due to COVID restrictions, so many countries had to look inward and believe in self-reliance. Countries with high population base such as India and China had to rely on consumption led growth and import substitution. Massive vaccinations since early 2021 brought healthcare crisis under control. By Mid of 2021 countries started to normalise and end of 2021 economies got opened up and multilateralism started functioning. The fresh problem erupted when Ukraine was invaded Russia on 24th February 2022. There had been economic sanctions by western power on Russia. Supply chain faced a severe jolt as Ukraine used to act as food basket of Europe. Geopolitical tension heightened when world got divided into western power and eastern hegemony led by China, Russia and countries in support of them. There had been supply crunch due to war and economic sanction in eastern front. Whole world experienced sharp rise in prices for food, fuel and bare necessities. As inflation spiralled high in 2022 and 2023, majority of central banks went into money tightening with spike in interest rate. Business and household faced the tough situation with presence of two devils, i.e. inflation and credit crunch. Economic activities slowed down and recessionary tendencies were noticed in UK, Germany, Italy and France. Drastic change in climatic condition put further strain on economies. Volatility in weather, extreme heat condition and recurring natural calamities affected lives and livelihood. Fury of nature has forced businesses and government to priorities environmental protection, green business proposition and reduction of carbon footprints. Global businesses are at critical juncture and getting through uncanny twists and turns. It is quite difficult for fortune-tellers and data scientist to see through the clutter and make a correct prediction about the future. So many issues are currently plaguing the global business environments such as trade war, barrier to trade, mutual distrust, protectionism drive, nationalistic sentiment, local sourcing, finding alternative for labour crunch, AI based approach, automation, disruptive government policies, natural disasters, protest for wage hike, inflation of resource price, decarbonisation, cyber security, migration issue, ongoing warfare and so on. USA is the biggest economy and global superpower but in May 2023 it started struggling with humongous debt burden and there was slim certainty that it would overcome debt default risk. Germany as stalwart in Eurozone started facing severe manpower crunch. There was lack of productive workforce. Aging population became a big challenge. Education, training, skill development of migrated people can resolve the manpower scarcity in manufacturing and service industry. In May 2023, economy got impacted by inflation led recession. So many developed nations kept grappling with debt issue, currency depreciation, soaring inflation and labour movement. African and

Latin American nations are dealing with sporadic insurgencies, corruption, unemployment, poverty, ethnic violence and anti-government demonstration. Business doesn't flourish in a situation riddled with misgovernance, policy failure, inadequate infrastructure, low purchasing power of consumers and pessimistic market sentiments.

II. OBJECTIVE OF THE STUDY

The principal objectives of the study are delineated below

1. To explain about the change in business operation to deal with economic turmoil, social disturbance and supply chain disruption owing to pandemic and war in Ukraine.
2. To highlight the integration of technology in business process to acclimatize with economic uncertainty, market transition and change in consumer behaviour.

III. RESEARCH METHODOLOGY

Research method adopted to script the research work was descriptive and exploratory. It had been analytical in nature. Real life business and economic challenges were highlighted. Rational interpretation and scientific views were presented. It was epistemological expedition to winkle out the compelling truth. Articles and research papers were studied, analysed to present the realistic views and opinions. The secondary data and facts were checked and scrutinised to get authentic information. All fictitious sources were avoided. The topic of the research is chronologically dynamic. Things changed in quick succession. There had been effort to see the impact of volatility in the business due to pandemic, war in Ukraine, geopolitical tension and looming recession. The research paper tried to cover both domestic and international business. There had been factor analysis and attempt to figure out correlation among different impulsive forces. Literature review was helpful to detect the sequence of events. All complicated aspects of business environments had been presented in simple lucid interpretations. There was attempt to connect dots and see the things as they evolved over the period of time during the turbulent phase of recent past. The sequence of events has been key reference points to provide comprehensive delineation of business environment and changing circumstances.

IV. LITERATURE REVIEW

In the article by Deborah Rowland, Michael Thorley, and Nicole Brauckmann(2023) titled 'The Most Successful Approaches to Leading Organizational Change' authors have stressed on change management needed for a business in today's dynamic, well connected, integrated world. They have referred about different change approaches such as directive change, self-assembly change, masterful change and emergent change. Any unquestioning, "default" modification strategy may provide a lot of busy work but no real system transformation. The writers have determined the best approaches to conceptualise, develop, and carry out effective organisational transformation via their research and practise. As per authors recommendation, skillful change is most strongly associated with long-term success, whereas emergent change works best in situations where swift change is required.

Yasmin Elgazzar, Rehab El-Shahawy, and Youssef Senousy(2021) referred about digital gateway to ensure business survival in tough time. As per their delineation, since the pandemic epidemic, the problem has gotten worse and has given the future of work and living

a greater importance. Digital technology would be a fundamental component of business resilience given that practically every company will need to rely on data analytics, digital tools, and automation. The purpose of this study was to give an overview of the research on how the digital revolution affects corporate resilience. Furthermore, the foundational and primary stages of business resilience compelled the organisations to apply it throughout the epidemic.

Andreas J. Reuschl, Maximilian K. Deist and AdnaneMaalaoui(2022) in their research paper 'Digital transformation during a pandemic: Stretching the organizational elasticity' elucidated that during the worldwide epidemic, businesses boosted their digitization activities to an emergency pace. Businesses have limited time to adapt their organisational structures, operating processes, and cultural practises to the new environment because of the rapid pace at which digital technologies were embraced. Authors investigated this situation from the standpoint of organisational flexibility and created a plan for businesses to support long-term digital transformation. The study offers crucial perceptions into organisational flexibility as a framework to control the pandemic's long-term organisational effects.

Lavinia Javier Cueto, April Faith Deleon Frisnedi ,ReynaldoBaculioCollera,Kenneth Ian TalosigBatac, and Casper BoongalingAgaton(2022) in their research paper 'Digital Innovations in MSMEs during Economic Disruptions: Experiences and Challenges of Young Entrepreneurs' referred about pandemic driven opportunitespresented to entrepreneurs from different parts of the world.This study examines the variables that encourage and restrict digital innovations in micro, small, and medium-sized enterprises (MSMEs) in reaction to economic developments. The negative consequences of the pandemic may be classified as extrinsic (such as mobility limitations, market circumstances, and household economic position) and intrinsic (such as personal and professional growth) motives, according to study results. The difficulties facing digital platforms due to market issues, the lack of high-quality internet infrastructures, and pandemic limitations were all discussed by the authors as obstacles to digital enterprise. The study's findings add to the body of knowledge on entrepreneurship and point to potential topics for empirical research in order to create initiatives that assist businesspeople in times of economic uncertainty.

V. PARADIGM SHIFT IN BUSINESS OPERATION TO ATTAIN COMPETITIVENESS AND SECURE SUSTAINABILITY

Economy and business are deeply connected. Domestic businesses depend on indigenous business environment. Export driven businesses and global business operations by multinationals depend on global economic condition, financial market stability, political framework, technological availability, legal structure and support of trade regulatory authority. Pandemic had been a wrecking ball for export-oriented businesses. Domestic businesses in hospitality sector, hotel and tourism were affected tremendously. Recovery had been slow and uneven. Businesses struggled hard to get back on track. Need for sustainability was felt deeply by all businesses. Gaining competitiveness was priority to pave the way for sustainability. So many companies such as British Airways, Airbnb, Boeing Corporation, Alphabet, Microsoft, Vox Media, Blackrock, Goldman Sachs, Coinbase, McDonald's, Amazon, Salesforce want on a retrenchment spree. Cost cutting and slim inventory management became order of the day. Repetitive jobs were automated. AI has been incorporated to do real time data collection, analysis and interpretation. Data were tracked to

understand consumer behaviour, product selecting pattern and market trend. Connection and communication with customers got a heightened urgency. There have been proactive approaches for consumer durable and non-durable goods to offer personalised and last mile service. There has been attempt to make every buying event an indelible memory. There were serious arrangements to redress customer complaints and grievances. There was no scope for customer to feel let down. There was huge concern for public health, hygiene, social welfare, community development and environmental preservation. All stores and company outlets got special surveillance, hygiene protocol and safety guidelines. Health, hygiene and working condition of working class became important. Companies had to spare a thought and do something positively about work-life balance. It had been tough for companies across geographical locations to bring employees back to workplace when they got accustomed to work life balance. Organisation wanted to gain confidence of all stakeholders by showing concern about environment. There were attempts to reduce carbon emission during material acquisition, production, distribution and marketing activities. There was awakening of sense that if environment is disturbed, business will bear loss or debilitating impacts. There were following of innovative approaches to produce environment friendly products, achieve carbon neutrality and reduce stress on environment through use of e-vehicles for distribution. Well established companies came forward to protect and preserve green reserve, bio diversity and ecological balance. It has been observed that customer friendly and environment centric companies gain trust of consumers, secure good market share and enhance viability of business in the face of economic upheaval, biological challenge, political instability and social uncertainty.

VI. MISCELLANEOUS RISK FACTORS CONFRONTED BY BUSINESSES

Businesses are not on usual steady path since pandemic. There had been disruptions in every sphere of business activities. Big, medium or small-scale business became worried about supply chain management. There had been increase of input cost, technology price, labour wage, overhead expenses and transport fare. It had been a task to maintain every operation and run every functional area and keeping the businesses in profit. There had been switch from physical to digital and back to physical again or maintaining both the operations seamlessly. Earlier businesses were for limited few. But in tech driven world all are trying to be entrepreneur and crazy to hit the market with new product and services. All are trying fill the existing gap, walk extra mile and reach out to customers with new offerings. Start up ecosystem is flourishing and providing supportive strength, information, knowledge, expert opinion and guidance to new start up enterprises. It has caused a crease in the forehead of existing age-old businesses. Old businesses are feeling the pressure as the market is getting crowded and paradigm is getting ruptured with new ideas, business model and market philosophy. Due to Ukraine war, geopolitical tension and supply chain disruption, inflation was felt across the globe. There had been case of monetary tightening by central banks to tame inflation. It led to less of liquidity and higher cost of borrowing. People, businesses and government agencies were in tight spot. Downsizing option was availed by businesses across several industries to tide over the crisis and stay afloat. As financial hardships went high for borrowers and consumers, all became choosy and selective about buying products and subscribing services. As inflation hurt Family budget in developed and developing nations, people held restraint on conspicuous consumption. Customer had been loyal to the products which they felt value for money. Producers had no choice but to double down innovative practices and creative efforts for creation of product variant and diversification. It had been tight rope walking for business groups across geographical locations to deal with tumultuous

time period. It had been nerve wrecking to confront surging input price, transport expense, higher wage demand and fulfilling the requirements of demanding customers. So many companies felt the necessity to install AI driven approaches to understand market dynamics and customer preference better. Change management was important in the volatile scenario plagued by warfare, inflationary trend, recessionary tendency, rising income inequality, rising interest rate and cost of borrowing, jobloss and declining purchasing power. Attainment of business sustainability had never been so tough than the time in post pandemic period.

VII. CONCLUSION

It should be acknowledged that Businesses are supposed to face boom and slump. This is true as per inevitable business cycle. There are phases for expansion and contraction. Expansion can be caused by economic growth, enough money supply, low rate of interest, high credit facility, low cost of borrowing, scope for business expansion, better job opportunities, higher purchasing power, exuberance in market ambience. It can create a bubble the way it happened in 1929, 2000, and 2008. As bubble burst, market euphoria disappears. The imperfection in market gets detected. Sometimes problem in overheated market is led by hype for one class of asset, excessive greed and serious slackness in market regulation. Problem occurs in mega scale when too many people are blind shielded by remarkable growth prospect of one business type or investment instrument. In 2022 and 2023, IT sectors turned out to be damp squib after a breath-taking performance during pandemic time. IT sector was in great demand as majority of businesses tried to explore digital avenue and brought there sales, marketing, promotion and customer relationship online. As situation started to get normal and returned to earlier physical mode, demand for digital service was less compared to excess supply in digital space. Big tech companies in US and elsewhere such as Amazon, Twitter, IBM, Microsoft, Capgemini started retrenchment to tackle revenue loss. Banks which relied on new tech start ups and doled out funds became the worst sufferer. It led to bank failure Silicon Valley Bank and Signature Bank. In Switzerland Credit Suisse bank collapsed and subsequently been taken over by its arch rival UBS bank with a deal of record breaking \$3.3 billion much to the disapproval of shareholders. These incidents made a dent in business environment and market confidence across the globe. Stubborn inflation remained a pain in the neck for consumers across the globe. So, banking crisis was insult to the injury. So many central banks started losing faith in green bucks and started accumulating gold as reliable option. G8 summit in May 2023 highlighted multilateral issues and showed concern about Ukraine warfare. It had been deeply perceived by world renowned trade and financial institutions such as WTO, World Bank, IMF, UNCTAD that peace, stability and mutual cooperation is needed to boost up economic activities and business operations. Isolationism and decoupling approaches are not favourable for sustainable development. Disregard to globalisation process will lead to slow growth, unfulfillment of consumer expectation, incompetency among producers, rise of monopoly tendency and despondence due to low exposure or barring from overseas market exploration.

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