

# Companies that survived the pandemic will recover

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Natural disasters, such as hurricanes and floods, have proven that businesses both big and small have the ability to survive and thrive.

While the COVID-19 [pandemic](#) has presented its own challenges, a Rutgers University–Camden management scholar reports that the situation remains the same for those learning how to resume operations

and recover. They must adapt to change.

Some businesses, such as restaurants, suffered great losses during the pandemic, while others experienced a boom by providing essential products and services. Either way, to make a successful recovery or sustain growth, firms must plan to do things differently, says Murad Mithani, a Rutgers University–Camden assistant professor of management.

While most firms have experienced interruptions (such as recessions), a major difference this time, Mithani says, is that the disruption lasted much longer and its impact is emotional as well as economic.

"When firms just are bottom-line-affected during an [economic recession](#), then it is relatively rational for them to figure out ways to respond to the crisis," says Mithani. "But when you see deaths and loved ones passing away, it is not very easy for firms or managers to stay rational. Due to the qualitative difference and length of time for which the crisis persisted, firms may not be able to use exactly what they have learned in the past to respond to the current circumstances."

The Rutgers–Camden expert in [business strategy](#), sustainability, and [international business](#) says that Amazon experienced a boom in [business](#) by delivering essential items to people's homes during the pandemic. As pandemic restrictions are lifted, says Mithani, Amazon and other companies that fared well through the crisis need to distinguish between items that will stay in demand versus those that may move out of conscious consideration.

Mithani suggests that these companies might be able to maintain their sales level of popular items purchased during the pandemic by marketing products that customers may believe they will continue to need, or will feel protected by these products.

"In the past, firms used extreme events as an opportunity to encourage behavioral patterns that are fruitful to them in the long run," says Mithani. "The perpetual demand for antibacterial soap was the result of people's concern about colds and the flu. Even as research showed that antibacterial soaps are not effective against the flu, firms kept promoting antibacterial soap as a means for ongoing protection to sustain their level of sales."

Mithani says among businesses such as restaurant chains and airlines that suffered severe losses, the companies began reducing staff during the pandemic to manage costs. "A lot of them will try to work along those lines with a leaner workforce so that they are relatively safer in the face of future shocks," he says.

Resilience is the key to surviving and continuing to thrive in the future, says Mithani. "Being able to figure out how not to be affected by a trauma is in itself [resilience](#). If the firm has losses, rather than let those losses bring them down, some immediately figured out ways to absorb the loss and continue to work through. You go through a negative phase and then you figure out a behavioral pattern that works for you. That is the more common—the elastic form of resilience."

Resilience is much more than just bouncing back after a shocking event such as a pandemic, Mithani explains. Pivoting helped many businesses survive, by offering different products such as protective equipment and hand sanitizer, and new online services and delivery options. "That's another form of resilience—figuring out what went wrong, and once you pivot, you end up doing better than in the past."

Mithani adds that pivoting is valuable only if you really know what did not work and then figure out what may be the most appropriate approach in the future.

In the article "Adaptation in the Face of the New Normal" in the journal *Academy of Management Perspectives*, Mithani explains that resilience is a capacity that operates at the boundaries of the organization. It entails a willingness to embrace threats and question how to do better when they occur again. He says that if there is a problem within an organization's systems and procedures, it becomes evident when there is a threat to the system.

"Resilience is not a proper characteristic that anyone retains forever," Mithani explains. "Resilience is a very transient property. It just vanishes if you stop asking questions."

Mithani says the power of human potential will allow many businesses to recover and be in a stronger position to withstand extreme shocks, such as a pandemic, in the future.

"We have survived thousands of years of history and we have bad events coming up in front of us," Mithani says. "A majority of firms can recover and will do better pretty soon."

Provided by Rutgers University

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