ORGANIZING IN TIMES OF CRISIS: THE CASE OF COVID19

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Class 1: Organizational Decision-Making in Crisis

https://timesofcrisis.org

LEARNING AIMS

■ Reflect about what the current Covid19 pandemic has to do with organizations and management

■ Understand crisis management as a process

■ Reflect about the specific characteristics of the Covid19 crisis as a grand societal challenge

■ Understand decision-making in non-routine situations

■ Identify mechanisms by which crisis can (fail to) lead to organizational or societal change

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Federalism Is a Bad Prescription for Handling the Coronavirus Crisis

Kilgore, E., New York Magazine, 1.4.2020

Coronavirus outbreak

Germany's devolved logic is helping it win the coronavirus race

With 400 public health offices forging ahead with testing, the country is a model for others to emulate

As the coronavirus crisis tests the resilience of democracies around the globe, Germany has gone from cursing its lead-footed, decentralised political system to wondering if federalism's tortoise versus hare logic puts it in a better position to brave the pandemic than most.

Oltermann, P., The Guardian, 5.4.2020

The global effort to tackle the coronavirus face mask shortage

March 17, 2020 5.48pm GMT

People wearing protective face masks walk on a nearly deserted plaza outside Canada Place in Vancouver on March 14, 2020. THE CANADIAN PRE

Email
Twitter 25
Facebook 239

In recent weeks, two stories out of many about the shortage of face masks shed light on what our reliance on global supply chains means in the COVID-19 pandemic.

Zhou, Y., The Conversation, 17.3.2020

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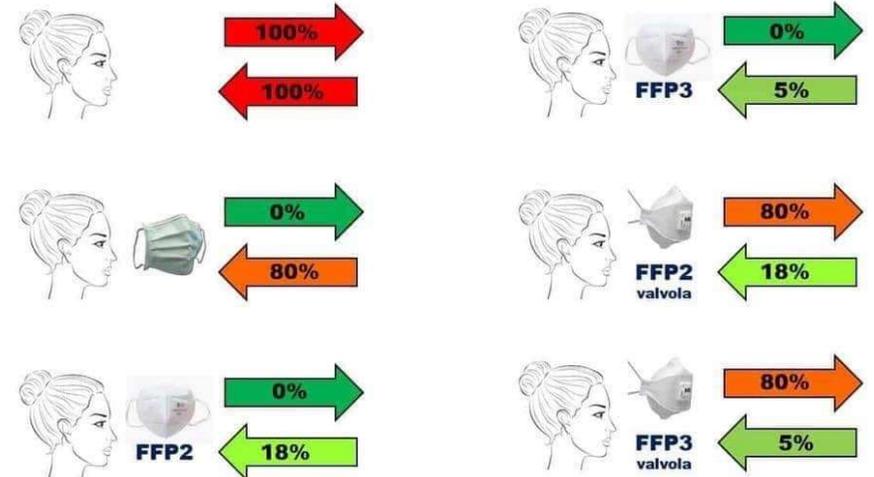
CRISIS AND ORGANIZATION THEORY

■ Crisis as "a rare, significant, and public situation that creates highly undesirable outcomes for the firm and its stakeholders" (James & Wooten 2010: 17)

■ *Krisis* as moments of decision and turning points marked by radical openness towards the future (Kornberger et al. 2019)

■ Much organizational knowledge based on organizations that routinely deal with (extreme) risk and uncertainty (e.g. Perrow 1984)

■ Organizations as devices for absorbing uncertainty - extreme contexts as windows into organizational phenomena that are otherwise concealed (Hällgren et al. 2019)

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CRISIS MANAGEMENT IN ORGANIZATIONS: FROM EVENT TO PROCESS

Before:
Preparedness

During:
Leadership

After:
Retrospection

Triggering events

Organizing for reliability through structure, culture, resources, routines, relationships

Sensemaking and framing, dealing with emotions, mobilizing resources, improvising

Learning or inertia, managing social evaluations

Managing resilience: continuous attention, communication, sensemaking, evaluation, stakeholder interaction,..

Williams et al. (2017); figure inspired by Nigam & Ocasio (2010)

COVID19: A DISASTER WAITING TO HAPPEN AND A GRAND SOCIETAL CHALLENGE

Complex

Uncertain

Ferraro et al. (2015)

Evaluative

POLITICAL DECISION-MAKING IN CRISIS AS GARBAGE CANS?

■ Organizations resemble anarchies when preferences are problematic, technologies are unclear, participation is fluid.

■ Organizational decisions result from loosely coupled streams of **problems**, **solutions**, **decision makers** and **choice opportunities**.

■ Key role of (in)attention to issues, temporality and situational context

"Substantial differences in final outcomes are sometimes produced by small (and essentially unpredictable) differences in intermediate events leading to the outcomes." (March & Olsen, 1976: 20-21)

Cohen et al. (1972)

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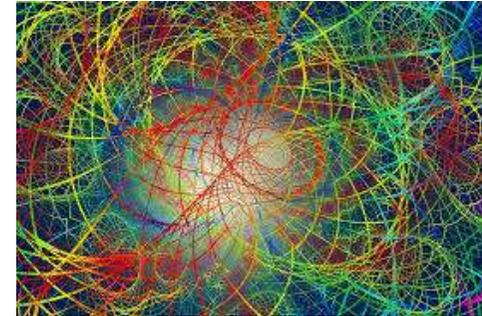
CRISIS AS OPPORTUNITIES FOR COUPLING

" *What the coronavirus has done is it has poured gasoline on every slow-rolling crisis that we have been experiencing in the United States and just set it on fire for everyone all at once.*

US Rep. Alexandria Ocasio-Cortez, 23.3.2020, in a streaming event with pres. candidate Bernie Sanders

CRISIS: A (PROBLEMATIC) DRIVER FOR CHANGE

As an „exogenous shock" crisis…

- Challenges dominant logics (Nigam & Ocasio 2010)
- Increases the salience of issues (Bundy et al. 2013)
- Triggers strong emotions (Isabella 1990)
- Provides opportunity structures for agency (Kingdon 1984)
- Allows actors to transgress their institutional identity (Kornberger et al. 2019)
- Facilitates new social interactions (Kapucu 2006)

…but this does not always trigger systemic change

- Uncertainty reinforces existing paths – difficulty to "drop tools" (Weick 1996)
- Attention from issues quickly fades away (Birkland 2004)
- No attention to temporal and spatial scale (Bansal et al. 2018)

- *Decision-making is situational and opportunistic, not strategic*

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SUMMARY

■ Crisis and organization theory are tightly interwoven.

■ The management of the COVID19 crisis has started long before the actual outbreak, and will continue into the future.

■ The COVID19 crisis is a grand societal challenge creating unstructured decision situations.

■ (Political) decision-making in crisis situations can resemble "garbage cans".

■ Crisis can be a trigger for change, because it focuses problems and solutions – but often such opportunities are not seized.

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