What Business Professors Are Saying about COVID-19

## This post highlights the contributions made in [blogs by professors](https://www.nbs.net/articles/covid-19-insights-from-business-sustainability-scholars) from over 50 business schools, applying their many years of research to the COVID-19 challenge.

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The day before our university closed down, my MBA students debated the price that the company that discovers the COVID-19 vaccine should charge. None of us expected the university to shut down indefinitely the next day.

Two months later, I am still talking about the implications of the pandemic. Today (May 6, 2020), my students and I discussed the long-term implications of the US and Canada COVID-19 stimulus packages. But now we discuss the question virtually, not in person.

I’m not the only business professor talking about COVID-19 with my students. Business professors worldwide are considering the impact of COVID-19 on business and society. As businesses fail and markets slide, business professors have insights into how businesses can manage such crises and avoid them in the future.

In this post, I want to highlight the contributions made in [blogs by professors](https://www.nbs.net/articles/covid-19-insights-from-business-sustainability-scholars) from over 50 business schools over the last six weeks. These professors have applied their many years of research to the COVID-19 challenge.

No one can resist a good list, so I have grouped the ideas into six recommendations for business.

## 1. Respond quickly in a crisis

Businesses need to act quickly to meet society's basic needs when a disaster first occurs. These are opportunities for companies — especially first responders — to build their reputation and differentiate themselves from others ([Meyer, Pedersen, & Ritter](http://one.aom.org/covid-19-insights-from-business-sustainability-scholars/meyer-covid19-insights)).

One research team calls this *rapid responsible innovation* ([Gutierrez-Gutierrez et al](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/gutierrez-gutierrez-castillo-montiel))*.* Companies need to stay calm in crises: exhibiting confidence, retaining their employees, and helping victims ([Walls and Walls](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/walls-and-walls)). As examples: Spanish companies produced medical products and designed new mobile apps ([Gutierrez-Gutierrez](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/gutierrez-gutierrez-castillo-montiel) et al). Nigerian companies replaced cash, a vector for spreading the disease, by offering cashless transactions ([Nwagwu](http://one.aom.org/covid-19-insights-from-business-sustainability-scholars/nwagwu-covid19-insights)). Many manufacturers have retooled to provide equipment to slow down the transmission of the pandemic (sanitizers, personal protective equipment).

## 2. Don’t just manage risks, build resilience

Ideally, businesses would prepare for potential crises. However, [Dowell](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/covid-19-insights-glen-dowell) says that businesses are unlikely to prepare for major events, such as pandemics and climate change, because they find it difficult to understand “large, complex systems and all the interrelationships.” It’s the Goldilocks syndrome: businesses are paralyzed if the disaster is major and imminent, yet they are apathetic if the disaster is slow and distant. The disaster has to be ‘just right’ to catalyze firms to act ([Rivera](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/rivera)).

But, there is an answer to this paralysis. Rather than preparing for a specific disaster, [Linnenluecke](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/linnenluecke) advocates for building resiliency. This is the ability to respond and adapt quickly to any new situation. Paths to resilience include:

* Building strong cross-sectoral business relationships ([Linnenluecke](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/linnenluecke))
* Creating redundancies and maintaining higher cash reserves ([Haigh](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/covid-19-insights-nardia-haigh))
* Scenario planning rather than forecasting ([Haigh](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/covid-19-insights-nardia-haigh))

## 3. Scrutinize global supply chains; strengthen local ones

As supply chains face massive disruption, businesses need to protect and strengthen their sources of supply. And they need to distinguish global suppliers from local ones.

Global, opaque supply chains often involve hidden risks. For example, Chinese suppliers control much of the rare earth elements needed for computer equipment and solar panels. China has been known to use their power for political advantage, so businesses need to build strong relationships with their suppliers — especially those who supply critical components ([Dolsak and Prakash](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/dolsak-and-prakash)). Additionally, companies need to ensure that their suppliers meet ethical standards ([Crane](http://one.aom.org/covid-19-insights-from-business-sustainability-scholars/covid-19-insights-crane)). Some suppliers have been treating employees unethically during COVID-19 by dismissing them without benefits or forcing them to work in dangerous conditions.

Business professors are also advocating for more local supply chains because the risks are more evident and the opportunity exists to build stronger community. The last decades have seen increased globalization and free trade agreements that have eroded local communities. But local enterprises can reverse that trend, as on Fogo Island in Newfoundland Canada ([Smith and Slawinski](http://one.aom.org/covid-19-insights-from-business-sustainability-scholars/smith-covid19-insights)). Fogo Island sources many of its needs locally, including food, energy, furniture and textiles. Smith and Slawinski write: “The current crisis is putting into sharp focus how virtual human connections are a highly imperfect substitute for physical human contact and place-based geographic communities.”

## 4. Build strong cross-sectoral relationships

The pandemic has highlighted the importance and opportunities for business, civil society, and government to work together. This kind of coordination and collaboration strengthens the entire industrial system. If one sector fails, others will likely also collapse. The strongest long-term outcomes for individuals occur when the collective good prevails over individual interests in the short term ([Hoffman and Jennings](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/hoffman-and-jennings)).

Trust is critical, especially among unlikely bedfellows ([Oetzel and Oh](https://one.aom.org/covid-19-insights-from-business-sustainability-scholars/oetzel-and-oh)). Government and NGOs are often skeptical of partnerships with business. Building deep, trusting relationships takes time but will yield large rewards during a crisis. Such relationships are helping Nigeria weather COVID-19 ([Appiah-Konadu and Atanya](http://one.aom.org/covid-19-insights-from-business-sustainability-scholars/covid-19-insights-appiah-konadu-and-atanya)). In Nigeria, businesses, government, and high net worth individuals are collectively and collaboratively shouldering costs — offering money, goods, services, or time — and helping to protect the community from COVID-19.

## 5. Don’t retreat, innovate

People are consuming less during this pandemic, so business earnings are falling. With many businesses struggling to meet their basic expenses, many business owners are retreating, waiting for what seems to be inevitable bankruptcy.

However, numerous companies are taking the crisis as an opportunity to reposition themselves. Companies are now using technology to grow their on-line business and meet new and growing customer demand ([Meyer, Pedersen, & Ritter](http://one.aom.org/covid-19-insights-from-business-sustainability-scholars/meyer-covid19-insights)). Others are starting up new social enterprises that help the community by offering goods and services for people on the front line, such as making masks and delivering food to medical staff. In this way, they are assisting in the recovery efforts while making a living ([Bacq](http://one.aom.org/covid-19-insights-from-business-sustainability-scholars/bacq-covid19-insights)).

## 6. Let the light in through the cracks

“There is a crack in everything. That's how the light gets in.” Canadian songwriter and poet Leonard Cohen reminds us that something that appears broken may actually open the door to something better ([Waddock](http://one.aom.org/covid-19-insights-from-business-sustainability-scholars/covid-19-insights-waddock)). COVID-19 doesn’t simply reveal faults in business and society — it is a source of opportunities. Academics, executives, NGOs, and governments can all work together to tackle seemingly intractable problems such as coronaviruses and climate change.

More than ever, COVID-19 has shown us the power of connection and the importance of looking at problems in different ways.

## About the blogs from business professors

Academic networks focused on organizations and sustainability have pooled resources to provide research-based insights into COVID-19. Through this effort, management scholars from across the globe have shared ways to navigate the crisis. Contributions from scholars are posted on the websites of multiple academic societies (see list below). See Op-eds already online at:

- ONE (Organizations and the Natural Environment Division of the Academy of Management),
<https://one.aom.org/covid-19-insights-from-business-sustainability-scholars>

- GRONEN (Group for Research on Organizations and the Natural Environment)

 <http://www.gronenonline.com/_gronen1/covid-19-forum/>

- ARCS (Alliance for Research on Corporate Sustainability),
<https://corporate-sustainability.org/covid-19-insights-from-business-sustainability/>

- NBS (Network for Business Sustainability)

 <https://www.nbs.net/articles/covid-19-insights-from-business-sustainability-scholars>

- RRBM (Responsible  Research for Business and Management network)

<https://rrbm.network/tag/covid-19/>

- SIM (Social Issues in Management Division of the Academy of Management)

<https://sim.aom.org/covid-19-insights>

## About Tima Bansal

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