

# Global Disruption: Perspectives from HRM, Marketing and Strategic Management

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Global business disruptions are regular and (mostly) predictable occurrences, but their timing, size, impact, and magnitude often elude human imagination. Therefore, leaders' and managers' ability to effectively deal with global disruption, whether it's the supply chain, sales or cash flow distribution, is being tested regularly. Understandably, disruptions force managers and leaders to look constantly for measures needed to survive and effectively manage in turbulent times.

Furthermore, business models that help companies manage such chaos are often shaped by unexpected economic shifts, technological changes, globalisation and other disruptive forces. However, the strategic capability of organisations and their leaders to understand the challenges posed by such events and find effective solutions can be problematic.

A [study](#) conducted in collaboration with Harvard Business Review Analytic Services examined how 1890 senior executives view their organization's ability to manage disruption. The findings were quite overwhelming; only 15% of respondents expressed confidence in their senior leadership, while 61% of respondents were tentative, and the other 24% reported that they were worried. The reasons reported by most worried executives included the lack of vision and the resistance to change within the organization.

Given the challenges brought by disruption, it is important to understand the role of leaders and strategies used to effectively get ahead of the unpredictability. The following section highlights the challenges organisations and managers face and some strategies to effectively deal with using guidance from HRM, Marketing and Strategic Management literature and practice.

## Challenges as a result of Disruption

In light of the challenges brought by the global disruption, it is significant for HR leaders to rethink ways for effective planning, performance management and hiring strategies. According to the [World Economic Forum Report](#), there is a rise in the importance of artificial intelligence, which prompted the need to diversify and expand the skill set of individuals and organizational capabilities to meet future demands. It has also

given a renewed emphasis on the importance of soft skills and relationship-oriented skills.

We have seen how the pandemic has somehow accelerated the shift and importance of the human element as the core focus for leaders. Organisations have also seen a major shift in emphasis, for example, in the adoption of hybrid ways of work, an emphasis on soft skills and well-being, contingent worker expansion, work-life balance issues and so on.

Similarly, global disruptions impact marketing practices as deeply as in any other business practice. Besides, many disruptors are inevitable and turning out to be excellent opportunities for marketers, such as technological advancements. However, disturbances caused by pandemics, wars, natural calamities, and other uncontrolled [black swan events](#) (e.g. economic downturns) might cause permanent damage, as they undermine customers' ability to participate. The lockdowns during the peaks of the pandemic lead to closures of businesses, inability to buy, the inclination to panic buy, dwindling demands, and a host of similar disruptions to marketing practice.

Unprecedented social, economic, political, technological, and environmental changes as well as the extraordinary fluctuations in supply, demand production and consumption of goods during the pandemic have upset the goals and objectives of most businesses internationally. While companies need to remain flexible and emphasise how to address [immediate shocks](#), they also need to use strategic management to improve future performance and attain competitive advantage. These strategic initiatives could involve updating goals and objectives, engaging in a careful planning exercise, making specific choices regarding business focus and resource allocation, and undertaking strategic actions.

Given the above challenges, we hope to provide some solutions for managers and leaders to cope effectively with disruption.

### **A multidisciplinary approach to dealing with disruption**

What managers and organisations need to deal with disruption is a not predefined plan but rather some changes in approaches, behaviours and mindsets that help them be more proactive and agile. In this short paper, we offer a multidisciplinary approach that might facilitate managers to navigate effectively through future disruption.

#### **Lessons from HRM:**

The importance of effective leadership has been a topic of debate among researchers for a long time. However, the recent pandemic has raised doubts on what constitutes effective leadership in an era of disruption. Terms like "act decisively and think strategically" have been significant to leadership, but the recent disruption has made it clear that these might not be enough.

A [World Economic Forum Report](#) emphasized that leaders need the following seven skills to effectively lead during disruption. They include 1) authenticity, that is acting with credibility, reliability and being a reliable role model; 2) communication, effectively communicating the plan of action and being a listener; 3) urgency, being an effective decision maker in critical and complex times; 4) collaboration, involving employees and multiple stakeholders in the decisions; 5) fearlessness, being confident and resilient in tough times; 6) strategic mindset, the ability to see the bigger picture and simplify for others; and lastly 7) empathy, leading with a caring mindset focused on developing trust. Similarly, [Horton Management Consultants](#) in their report have highlighted the importance of agility, data-driven decision making and empathy as three crucial skills needed by leaders in a post-pandemic world.

[McKinsey](#) has recently conducted research on how businesses can better fit into the future. As part of the research, they spoke with 350 Chief Human Resource Officers on the role of uncertainty and disruption in their organisations. The findings revealed the need to strengthen the company's ability to foster change in 'leadership, culture and experience'.

This was further broken down into three main areas of focus for improvement; 1) identity (which includes the purpose, value and culture of a company); 2) agility (which includes changing the ways to operate such as flattening the organisation to foster faster decision making), and finally 3) scalability (which involved reskilling and collaboration with HR tech players to foster value-creation processes).

#### **Lessons from Marketing:**

Since global disruptions are [intensifying](#), a more sustainable yet flexible approach is desirable in combating disruptions effectively. Interestingly enough, companies are known for creating planned [market disruptions](#). Personal computers and smartphones (IBM and Apple), Shared-Mobility Services (Uber), and online-CRM software ([Salesforce.com](#)) were market disruptors in their own right. However, an astute observer would appreciate that the revolutionary evolutions of those markets and industries invigorated by these [disruptive innovations](#) were positive. Those evolutions would offer valuable lessons and strategies for managing disruptions, be they innovative, planned, unexpected, random or otherwise. [Julian Birkinshaw](#) observed that many experts erroneously predicted the full-scale disruption of many industries, such as finance, insurance, and education, due to disruptive innovations. The survival of the above sectors and companies underlines that disruptions can be overcome. Birkinshaw suggested four strategies to counter the impact of disruptive innovators, and we believe these strategies would guard against any disruptions.

**Fight back** strategy propagates a resilient retaliation, the way [New York Times](#) created NYTimes.com to welcome the digital disruption era. Carmakers' introduction of fully electric cars to fight against the threats posed by Tesla was another example. Recently, many marketers who migrated to online business platforms and digital marketing during the pandemic have epitomised a fight back.

**Double down**, committing to a company's strengths and core competence during disruption is another suggested strategy. [Disney](#) acquired Pixar and Marvel, strengthening its core competence of movie-making in the 2000s, and thereby obtaining time to develop its digital streaming service to fight Netflix is a good example. The important lesson here is that limiting marketing activities to the company's core competence might help save resources and buy time in reacting to business disruptions. Many survivors of recent disruption caused by the pandemic took this approach.

**Moving away** – diversifying into safer markets, thus creating new strengths and opportunities – is another strategy option. [IBM's](#) iconic transformation is a case in point.

And fourthly, **Retrenchment** is a well known defensive strategy during disruptions. However, most organisations use it as a short-term last resort in managing disruptions.

Learning lessons from such strategic directions, marketing tactics could play their part, though limited in their ability to reverse the effects of disruption. [Stay present and communicative](#) with the key stakeholders, including customers, during times of disruptions by providing regular updates on the disruptive event, its impacts and the company's initiatives. Make use of [social media](#) as much as possible for this purpose. This way the key stakeholder's confidence in the marketing organisation would be restored. [Managing costs](#) to the absolute optimal level is critical in securing a reasonable profit margin in a flexible pricing approach during disruptions. Stay focused concerning products, services, distribution, and supply chain decisions. *Less is more* would be a useful, practical mantra during global disruptions. In other words, a drive for [marketing for minimalism](#) would help companies sail through the disruptive times.

### Lessons from Strategic Management:

Strategic management can help businesses both survive and thrive; it provides an [overall direction](#) through developing action plans to achieve long term goals and objectives. To recover loss and successfully operate in the "new normal" environment and to gain a competitive edge over competitors, businesses need to [review](#) the corporate vision, mission, objectives as well as the key strategies, business activities, opportunities, and competition. According to [Sandra Coffey and Lucie Chouinard](#), post-COVID strategic planning should include a careful assessment of three priority areas, namely 1) Needs of existing and potential clients and the company's competitive positioning (changes in client's needs and the relevance of the company's competitive advantage); 2) Marketing and sales strategies (e.g., effectiveness of the existing distribution strategy, distribution partners, direct versus indirect online sales, etc.); and 3) Supply and operations management (e.g., supply chain efficacy, management of a remote workforce, employee health and safety, identifying priority actions, etc.).

It can be argued that new normal strategies should begin with establishing an "employees first" culture. It is important to ensure a safe working environment for employees as they are the most valuable resource of the company in terms of sustaining business operations during the time of crisis. Examples of "employees first" policies include 1) establishing effective communication channels to build trust with employees, and addressing their concerns related to general health, job security, financial safety and standard of living; 2) an increased investment in digital technologies/platforms (to facilitate online communication, sophisticated documentation, data storage, and recruiting); 3) re-evaluating financial strategies (financial allocation should be made making a balance between short-term, mid-term and long-term goals); and 4) an increased investment towards future crisis prevention (such as availing automation technologies including artificial intelligence and cybersecurity tools, and increasing the number of remote workers).

### Conclusion

This short paper outlines a multidisciplinary approach that managers and leaders might use in dealing with disruption. It offers useful insights from some organisations' best practices in managing uncertainty. Insights gained through internal and external analysis combined with observations from some of the best practice can help leaders develop alternate strategies and plans that enable the organisations to embrace disruption with innovation and confidence.



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