

Decision Making During a Crisis

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COVID-19 has “exposed clear decision making problems faced by the government and organizations” as stated by Berger [1], this is a very powerful statement which is applicable to all major organizations around the world. Several developed countries around Europe and America have been severely hit by the pandemic resulting in staff furloughs, high rates of unemployment leading to financial and fiscal crisis. However, evidence suggests that there are certain jobs which have an increased demand after the pandemic [4].

Decision making is an important role within the organization where leaders of the organization involved in the process need to ensure the decisions made do not damage the reputation and integrity of the organization. A good example is the actions of the British business tycoon Richard Branson who decided to close his

companies amid COVID scares and had to cut down jobs as well [2]. Although being criticized widely around the world, his employees and stakeholders were happy with the decision being made as it allowed him to gather investors into a new business idea in which he has raised over \$400 million [16]. Evidence suggests leaders do think “out of the box” because they do not think about what others think, instead think what would work for their respective companies [4]. The proposed decision-making model consists of four main pillars where “people first organization next” policy is implemented after analyzing various researches and identifying potential needs of the organization [10,11,14].

E&A focuses on understanding the “uncertainty, complexity and dynamic nature of the crisis” as adapted from the report on “Decision making during a crisis: a practical guide” [5]. The

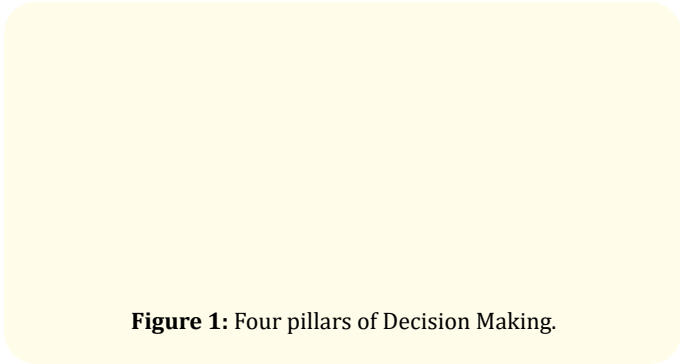


Figure 1: Four pillars of Decision Making.

leadership committee of the organization needs to understand the complexity of the crisis, in the current scenario COVID-19 is our major concern which needs to be addressed. By evaluating and understanding the situation, the organization can replan on the short term and long term goals for the current and upcoming years, this will provide a “practical leadership” style to be implemented that enables decision making adapting to the situational needs [13].

IAC is the second pillar of decision making where challenges will be identified and solutions will be given for any potential issue. This needs to involve everyone who is part of the organization from the employees to the respective stakeholders to voice out possible problems that could affect the organization. One of the key challenges that was addressed in the previous lockdown was employees work modality, where work from home became the new normal. Addressing challenges could also lead to strengthening organization unity as people’s voices will be heard giving confidence and assurance to the employees that they are valued [6,12].

FAI is most important part of the organization where the cashflow and finance will be monitored. As an organization we need to protect our resources as well as try to reach out a break-even point without cutting down jobs and reducing the overall morale of employees. The finance and HR department will be the chief contributors in potentially providing solutions to manage the finance of the organization where commonly break-even charts, balance score sheets, credibility and bankruptcy models will be used to manage the finances of the organization [15]. Recent evidence shows artificial intelligence (AI) has taken over all financial statement processing where the organization have private extranet platforms to visualize and understand the “big data” in a better representation [7,9].

ESP is the last pillar which addresses the issues faced by employees and stakeholders worried about the overall performance of the organization. Stakeholders and employees have invested heavily on the company and expect outcomes the same way, with the current pandemic ongoing and increased competition in the global space there are high chances for increase in exits within the organization. To prevent this from happening flexible and profitable business framework models needs to be created that guarantees rewards and encourages all stakeholders and employees to stay longer at the organization [3].

Collectively all four pillars address the major concerns surrounding the organization and by identifying the key problems at each decision-making stage we as an organization can evaluate and formulate a solution that would provide a long-term sustainable solution. However, to emerge stronger from this pandemic a collective decision-making effort with the right leadership skills and support from the entire organization is required to become a resilient organization.

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