

Sustaining of A Firm During Covid-19 Pandemic

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Abstract

Coronavirus Disease (COVID-19) Pandemic has caused worldwide havoc. Business in Malaysia is also undergoing a problematic situation as a strict preventive measure and a restriction by the Malaysian Government in the form of Movement Control Order (MCO). This study aims to investigate how managers face challenges in decision-making in the direction of the firm due to overwhelming information, especially from social media daily. As a result, managers exposed to a range of psychological and emotional reactions due to uncertainty. The study conducted base on an in-depth literature review analysis to explore the COVID-19 and the MCO impact on the managers' mental health and how this could impact decision-making on the survival of the firm. Previous studies analysis on mental health and decision-making has shown that managers need to be resilient to economies of scale over the long-term due to a lack of income during MCO and a decline in the Malaysia economy. Overall, previous studies result on managers were found to show a durable connection with other resilience factors, including mental health.

Purpose: to investigate how managers face challenges in decision-making in the direction of the firm due to overwhelming information, especially from social media daily.

Design/methodology/approach: an in-depth literature review analysis to explore the COVID-19 and the MCO impact on the managers' mental health and how this could impact decision-making on the survival of the firm.

Findings: mental health and decision-making have shown that managers need to be resilient to economies of scale over the long-term due to a lack of income during MCO and a decline in the Malaysia economy. Overall, previous studies result shown that managers found to establish a durable connection with other resilience factors, including mental health.

Research limitations/implications: The key message of this paper is that there is a need to re-examine and improve our fundamental understanding of how mental health impacted the decision-making process for the survival of the firm during COVID-19 through a multi-disciplinary and trans-disciplinary management approach.

Practical implications: Impact on the mental health of managers, such as uncertainty and social media

Originality/value:

Keywords: *COVID-19, decision-making, uncertainty, mental health, social media*

Introduction

2020 is the year of the outbreak of COVID-19 pandemic, spread throughout the world, except in Antarctica. Starting with Wuhan City, China, the global lockdown imposed to restrict the movement and products of people has brought economic and social activities to a halt worldwide, creating unprecedented instability for businesses. The International Monetary Fund (IMF) predicts global economic growth plunging into negative territory for the first time since the financial crisis of 2008-2009 (Georgieva, 2020), and the firms will experience the worst downturn in history, the study says. In Malaysia, the firm's supply chain disrupted (Sandra Gitten, 2020) after the government placed a Movement Control Order (MCO). The circumstances have either prompted many firms to close down their operations or have employees working from home. The MCO has driven a series of economic decline beginning with the tourism sector, which has grounded most of Malaysia's aeroplanes. Velusamy, (2020), reported that 15 per cent of Malaysia's hotels could face foreclosure while Yasanthi & Chandiran, (2020), added that 67.8 per cent of firms might have income deprivation. Finally, Hassan, (2020) reported that 53.4 per cent of firms have less than two months of cash flow, and 16.5 per cent less than one month.

The COVID-19 is an experience which is emotionally taxing. To sustain the firm, managers may have to be resilient (Chemers, 2001) in fulfilling a shared mission (Kouzes & Posner, 2007). Managers, while struggling to stay afloat in large, the roiling seas of information, were tempted to leap to over-simplistic to retain a clear sense of strategic direction to steer firms in the direction they needed (Forrest, Nicholls, Schimmel, & Liu, 2020). Consequently, the present study aims to investigate how managers mental health in the management decision-making to deal with organisational behaviour in the situation of global pandemic challenges such as COVID-19 outbreak and to identify how it important to strategic management.

Literature Review

Decision-Making Theory

Edwards, (1954) described decision-making uncertain theory as the degree of result-possible surprise to encourage the mind to decide what the individual wills. In COVID-19, the theory applied as the 'economic man' with three properties: (a) memory (b) perception (c) imagination (Cantillo, 2010) impacted by the uncertainty and social media. Decision-making depends on expected changes in the future. Furthermore, this anticipation becomes ever more difficult, which causes fear if short-term decisions are to be adapted to long-term goals or to prepare for rare events (Gao et al., 2020). Managers and the analysts they rely on had good reason to have less faith in their ability to correctly predict potential technological, economic and social changes and possible change in the competitiveness of firms during the pandemic.

Uncertainty

To understand the role of uncertainty in pandemics, the idea of a pandemic has created an extreme sense of danger in the event of future catastrophic events or new adverse events. In a crisis, urgency is rarely objectively produced but interpreted as such by other individuals or the community, who demand immediate and dramatic reactions (Rosenthal & Kouzmin, 1993). Managers cannot acquire any intelligence on the origins of a pandemic or its present state.

Timeframes are also unpredictable for a crisis because they do not follow a linear cycle or essential causal relationships. In short, confusion is a fundamental characteristic of a pandemic (Hart & Boin, 2001) that impact the decision making of the managers.

Social Media

In COVID-19, managers often seek event-related information to stay informed about what is going on. However, where official outlets neglect or uneven information distribution, managers can be exposed to misleading social and media information. Purgato, (2018), added managers receiving conflicting information reported higher levels of acute stress. Besides, many self-media and internet trolls often release and transmit similar information on social media, contributing to (mis)information overload (Roth, 2013). WHO suggested that recognising the underlying drivers of fear, anxiety and resentment that fuel misinformation and speculation, mainly via social media (WHO, 2004), may have triggered mental health issues. Gao et al., (2020) concluded that mental health problems are widespread and strongly associated with mental health concerns.

Mental Health

Mental health is define as 'a state of well-being in which the individual realises his or her abilities, can cope with the normal stresses of life, can work productively and fruitfully, and can make a contribution to his or her community' (WHO, 2004 p.10). Psychiatrists typically equate the mental health of a person with the ability to control or depression in social, occupational, or other vital tasks, generating the impression that one has more resilient in handling and making decisions. However, Hutcheson, Jaffe, & Gilliland, (2013) postulate that the firms' leaders are more likely to have a more significant bearing on mental health because of the firm's accountability and scrutiny to sustain. However, Kouzes & Posner, (2007) added that the linkage of COVID-19 to management decision-making is by insinuating that the mental health of the leaders is more likely to be affected due to the MCO that indirectly halted the firm's income. The theories of organisations state that the mental health of leaders in crisis has an impact on the decision-making process (Kang et al., 2020). Using abstract modelling that involves people continually communicating with the world, Bandura, (1999) provides theoretical support for a correlation between mental health and decision-making interpretation of a manager.

In addition to the stresses of COVID-19 themselves, MCO guidelines (including home orders, quarantine and segregation) are new to Malaysia and raise concerns about the reaction of individual and collective leaders. The principles of mental health used in many publications contain both main elements, i.e. positive emotions and positive functioning of the definition of WHO. (Keyes, 2006, 2014) describes three aspects of mental health: emotional well-being, psychological well-being and social welfare. Emotional well-being includes happiness, a sense of purpose and satisfaction; the psychological well-being includes the enjoyment of other facets of our personality, the excellent handling of everyday tasks and obligations, a healthy relationship with others, and a balanced relationship with one's own life.

Recent psycho-sequelae analysis of samples of quarantine individuals and healthcare professionals may be instructive and expose various emotional outcomes, including tension, depression, irritability, insomnia, anxiety, unsafeness, rage, frustration, boredom and quarantine related stigma (DiGiovanni, Conley, Chiu, & Zaborski, 2004). More comprehensive containment, defective materials and financial losses included in everyday stressors (Brooks et al., 2020). Even if mental health studies among COVID-19 members are minimal (Kang et al., 2020), several authors have concluded that the anticipated impact on the mental and physical health of the most vulnerable segments of the population could be predicted more or less.

Method

This study is focused solely on available data, research literature and reports from various media and Scopus, Jstor, Springer, ProQuest and Science Direct publications which should be as up-to-date and appropriate as possible. Literature quest and analysis were used as the framework where mental health discussion/debates and strategic management approach were reviewed during the writing process. The drive of this study is to evaluate COVID-19 impact on the managers' mental health on the management decision-making of the strategic direction of the firm. Explanatory case studies are used to explain the presumed casual links in real-life interventions which are too complex to investigate or to carry out experimental strategies to achieve the targets (Hancock & Algozzine, 2006). The explanations, in evaluation language, will connect program execution to program impact (Yin, 2018). The authors restrict the free-text search in this paper on case studies, field studies and survey (empirical papers) excluding theoretical papers (non-empirical) keywords of pandemic, uncertainty, social media, mental health, decision-making, strategic management and organisational behaviour approach.

Discussion

In COVID-19, uncertainty continues to dominate the minds of managers, especially as it is not yet clear how the easing of the MCO will manifest across Malaysia. The long-term impact of COVID-19 on the markets is also hard to ascertain, given that the COVID-19 cure has not yet been found. While many managers mental health and management decision making are well on their way through the crisis. With vast information from social media, managers feared that a worse financial situation might begin to emerge later in the year. In response, managers need strategies to reduce the potential loss of synergy effects. Lack of synergy effects hinders economies of scale and distribution over the longer term, as management can no longer distribute resources and costs through firms. The impact on managers mental health on management decision making, therefore, have the following options:

- i. Retrenchment may be an essential or even inevitable short-term ad hoc response to, the long-term viability of this response is far from unchallenged;
- ii. Persevering unlike a small range of mitigation measures, these programmes aim to preserve the status quo and the negative impacts of the crisis;
- iii. Innovating in a new venture development that is conducive to expand the reach of business activities of a firm;
- iv. Exit, when all reactions fail, an exit may be inevitable.

Additionally, in this study, the researchers found that various studies have involved a link between managers' mental health and management decision-making on the survival of the firms. Also, cognition and mental health have been considered as internal resilience (Schmeichel, Volokhov, & Demaree, 2008) factors for the decisions of managers (Kumpfer & Summerhays, 2006), for example, a positive correlation between self-control (Singh et al., 2003); conscientiousness and self-regulation (Tang et al., 2009). Social media impact managers on dealing with bad news, disrespect and hatred, etc. every day that feeds a feeling that can affect their mental health. Also, fear was heightened by a lack of optimism and confidence in the potential for businesses to survive COVID-19. The unbelievable might come true, the firms that seemed so invulnerable, or might disappear. This general mental state is of no benefit if it affects the survival of the firms. In this situation, Wollmann, Kühn, & Kempf, (2020) added that managers' mental health are generally sensitive, focused on the state of the wider outside world, and to match the real vulnerability that COVID-19 has created for management decision making for one firm. However, managers with mental health that are generally positive and

optimistic are better able to make management decision making when dealing in the uncertainty of COVID-19. The managers' management decision making will accommodate the global environment of the COVID-19 that has an additional effect, not just on the material, but also on the mind.

Conclusion

The key message of this paper is that there is a need to re-examine and improve our fundamental understanding of how mental health impacted the decision-making process for the survival of the firm during COVID-19 through a multi-disciplinary and trans-disciplinary management approach. This paper suggested one approach to these, focusing on the psychological attributes of managers. The paper examined the collective impact on the mental health of managers, such as uncertainty and social media. It also offered some thoughts on the damage to strategic management that these impacts could cause. However, given the possible-even likely-adverse impact of one or more of these variables on the survival of the firm, the issue of manager's mental health, like other performance metrics, should be on the agenda for meaningful top management discussions regularly. Most importantly, managers should become more aware of their tendencies toward mental health behaviour in formulating management decision making. Reflection on the role that mental health can play in moving towards and wisely exercising leadership is an underestimated virtue in the pursuit of corporate power.

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