

# MAKING SENSE OF THE FUTURE – SENSEMAKING AND SENSEGIVING EFFORTS OF MANAGEMENT CONSULTANCIES DURING COVID-19 PANDEMIC

Master's Thesis  
Susanna Kervinen  
Aalto University School of Business  
Strategy  
Spring 2021

---

**Author** Susanna Kervinen

---

**Title of thesis** Making sense of the future – Sensemaking and sensegiving efforts of management consultancies during COVID-19 pandemic

---

**Degree** Master of Science in Economics and Business Administration

---

**Degree programme** Strategy

---

**Thesis advisor(s)** Jukka Luoma, Henri Schildt

---

**Year of approval** 2021**Number of pages** 116**Language** English

---

### Abstract

In Spring 2020, the world was hit by an unforeseen crisis, the corona pandemic. During this fundamental shock, management consulting firms took a role as message brokers, market mediators, and crisis strategists and published multiple reports and articles on how businesses can survive through the crisis but also how they can rebuild themselves for the future after the crisis. During the COVID-19-crisis, management consulting firms engaged in sensemaking and sensegiving processes which materialized in reports and articles. The purpose of this thesis is to study how the corona pandemic was made sense of and sense given in management consulting reports. This thesis intends to contribute to the emerging research on future-oriented sensemaking by examining the sensemaking and sensegiving efforts of an ongoing event. Also, this study adds knowledge to existing scarce research on the narratives of management consultancies.

This thesis is conducted as data-driven, inductive qualitative research. I analyse the texts published by four leading multinational management consulting firms. The empirical material was mainly collected from March 2020 to December 2020. The thoroughly read and analysed reports numbered 48 and comprised 699 pages of material for analysis. The data were analysed inductively, using the Gioia method as a basis to bring rigour to the data analysis and find meaningful themes from the texts in a structured way.

The findings of this thesis present that management consultants utilize both retrospective and prospective sensemaking in their narratives. By labelling concepts and describing future implications in reports, I find that management consultancies engage in a theorization of ideas (Strang & Meyer 1993) and legitimating novel categories (Navis & Glynn 2011) which may create change in current institutions. In addition, management consultancies utilize tools of environmental sensemaking and attempt to market the corona pandemic as the redefining critical event to shift the minds of the elite and mass public. This study suggests that sensegiving narratives of management consultancies constructed via three steps: first the disruptive COVID-19-related changes are explained, secondly speculations of the future development are presented, thirdly recommendations on how organizations can prepare for the future are stated.

My findings also present that the corona pandemic is considered a fundamental crisis that is believed to change the current economic order. In this study, I explain how COVID-19 is described to disrupt multiple business areas such as supply chains, crisis management, healthcare, consumer business, working practises, and technology.

---

**Keywords** sensemaking, sensegiving, COVID-19, corona pandemic, management consulting firms, narratives

---

---

**Tekijä** Susanna Kervinen

---

**Työn nimi** Tulevaisuuden ymmärtämisestä – Liikkeenjohdon konsulttien sensemaking ja sensegiving tulkinnot koronapandemiasta

---

**Tutkinto** Kauppatieteiden maisteri

---

**Koulutusohjelma** Strategia

---

**Työn ohjaaja(t)** Jukka Luoma, Henri Schildt

---

**Hyväksymisvuosi** 2021

---

**Sivumäärä** 116

---

**Kieli** Englanti

---

### **Tiivistelmä**

Keväällä 2020 maailmaa koetteli ennakoimaton kriisi, koronapandemia. Tämän perustavanlaatuisen kriisin aikana liikkeenjohdon konsultointiyritykset ottivat roolin viestinvälittäjinä, markkina-vaikuttajina ja kriisistrategoina ja julkaisivat useita raportteja ja artikkeleita siitä, kuinka yritykset voisivat selviytyä pandemiasta, mutta myös siitä, miten yritykset voisivat rakentaa itsensä uudelleen kriisin jälkeistä tulevaisuutta varten. COVID-19-kriisin aikana liikkeenjohdon konsulttiyritykset osallistuivat nk. sensemaking- ja sensegiving-prosesseihin, jotka ilmenevät konsulttiyhtiöiden raporteissa. Tutkielman tarkoituksena on tutkia, miten koronapandemiasta puhuttiin näissä julkaisuissa. Tämä tutkielma lisää ymmärrystä tulevaisuussuuntautuvaan sensegiving-tutkimukseen käsittelemällä käynnissä olevaa kriisiä. Lisäksi tämä tutkimus lisää tietoa johdon konsultointiyritysten narratiiveista, jota on nykytutkimuksessa aiemmin vähäisesti käsitelty.

Tämä opinnäytetyö on toteutettu datalähtöisesti, induktiivisena laadullisena tutkimuksena. Tutkimuksessani analysoin neljän johtavan monikansallisen liikkeenjohdon konsulttiyrityksen julkaisemia tekstejä. Empiirinen aineisto kerättiin pääosin maaliskuun 2020 joulukuun 2020 välisenä aikana. Raportteja kertyi 48, joka käsitti 699 sivua materiaalia. Materiaali analysoitiin induktiivisesti, käyttäen Gioia-menetelmää soveltuvin osin varmistaakseni, että data-analyysi olisi perusteellista ja auttaisi löytämään datasta merkityksellisiä teemoja.

Tämän tutkielman tulokset osoittavat, että johdon konsultit käyttävät kertomuksissaan sekä takautuvaa että tulevaisuussuuntautunutta sensegiving-kerrontaa. Luokittelemalla ja määrittelemällä uusia käsitteitä sekä tulevaisuuden vaikutuksia kuvaamalla, johdon konsultit harjoittavat ideoiden teorointia (Strang & Meyer 1993) ja ”laillistavat” uusia kategorioita (Navis & Glynn 2011). Lisäksi liikkeenjohdon konsulttiyritykset hyödyntävät nk. environmental sensemaking:iin liittyviä työkaluja yrittäessään markkinoida koronapandemiaa kaiken muuttavana, kriittisenä tapahtumana. Näillä keinoin konsultointiyritykset pyrkivät muokkaamaan eliitin ja julkisen yleisön mielipiteitä tapahtumasta. Tutkimustulokseni ehdottavat, että johdon konsulttien narratiivit rakentuvat kolmesta osasta: ensin konsultit selittävät koronapandemian takia tapahtuneet muutokset, toiseksi konsultit esittävät spekulatiota tulevaisuuden kehityksestä ja kolmanneksi johdon konsultit esittävät suosituksia siitä, miten organisaatiot voivat valmistautua näiden tietojen pohjalta tulevaisuuteen. Havaintoni osoittavat, että koronapandemiaa pidetään perustavanlaatuisena kriisinä, jonka uskotaan muuttavan nykyistä talousjärjestystä. Tässä tutkimuksessa kerron, kuinka koronapandemian uskotaan disruptoivan useita liiketoiminnan alueita, kuten toimitusketjuja kriisinhallintaa, terveydenhuoltoa, kuluttajaliiketoimintaa, työkalukulttuuria ja teknologian ja digitalisaation kehitystä.

---

**Avainsanat** sensemaking, sensegiving, COVID-19, koronapandemia, johdon konsultointi, narratiivit

---

# Acknowledgements

It was a long journey but now all is finished. I wish to thank my university, Aalto University, for giving me a place to grow and become the person I am now. I want to thank my teacher and thesis supervisor Jukka Luoma for support and encouragement in helping me finish this Master's thesis.

It was an interesting experiment to write a thesis about the global pandemic during the global pandemic. For keeping me sane and positive, I want to thank my friends, my mama, and my partner.

Lastly, lots of rubs to heaven to my beloved Shoko who gave frequent breaks of fresh air in between researching.

Susanna Kervinen

In Otaniemi, July 2021

# Table of contents

1. Introduction.....	1
1.1 Background and motivation for the study.....	1
1.2 Structure of the thesis .....	2
2. Literature review .....	2
2.1 Crisis theory and crisis management .....	3
2.2 Management consulting firms .....	4
2.3 Sensemaking and sensegiving .....	5
2.3.1 Sensemaking .....	5
2.3.2 Sensegiving and mise-en-sens .....	6
2.3.3 Sensemaking and sensegiving in organizations .....	7
2.3.4 Sensemaking and sensegiving process .....	8
2.4 Perspectives of sensemaking and sensegiving .....	11
2.4.1 Environmental sensemaking .....	11
2.4.2 Crisis sensemaking.....	12
2.4.3 The role of media and mediators in market sensemaking .....	16
2.4.4 Future-oriented sensemaking.....	18
2.4.5 Role of institutions in sensemaking .....	20
3. Methodology.....	23
3.1 Overview of the research method.....	23
3.2 Empirical setting.....	23
3.3 Ontology and epistemology of the study .....	24
3.4 Data selection .....	24
3.5 Data analysis .....	28
3.6 Limitations of my research.....	29
4. Findings .....	29
4.1 Nature of the crisis.....	29
4.1.1 Crisis types.....	29
4.1.2 Survival of the fittest .....	31
4.1.3 Crisis as an opportunity .....	32
4.2 Retrospective sensemaking .....	34
4.3 Leadership and crisis management.....	36

4.3.1 Crisis management .....	36
4.3.2 Mistakes leaders make.....	43
4.3.3 Summary of findings: leadership and crisis management .....	45
4.4 New Normal .....	46
4.4.1 Point of no return .....	46
4.4.2 Never normal .....	46
4.4.3 New normal influenced by trends .....	47
4.4.4 Steps to the next normal .....	48
4.4.5 Summary of findings: new normal.....	56
4.5 Changing roles of government and business.....	58
4.5.1 Increasing regulation .....	58
4.5.2 Triple bottom line.....	59
4.5.3 Summary of findings: changing roles of government and business .....	62
4.6 Future of global supply chains .....	63
4.6.1 The system error.....	63
4.6.2 Crisis-resistant supply chains.....	64
4.6.3 Summary of findings: global supply chains .....	67
4.7 Future of healthcare .....	68
4.7.1 Wake-up call .....	68
4.7.2 Digital health.....	69
4.7.3 Summary of findings: healthcare .....	71
4.8 Future of consumer business .....	72
4.8.1 Consumer behaviour trends .....	73
4.8.2 How business should react.....	79
4.8.3 Summary of findings: consumer business .....	81
4.9 Future of digitalization and technology .....	82
4.9.1 Fall of barriers.....	82
4.9.2 Momentum for platforms.....	83
4.9.3 New sources of growth.....	83
4.9.4 Digitalization in operations and investment decisions .....	84
4.9.5 Momentum for cloud computing and AI.....	85
4.9.6 Digital transformation in core agenda .....	86
4.9.7 Summary of findings: digitalization and technology .....	88

4.10 Future of working .....	89
4.10.1 Drastic shift to remote working .....	89
4.10.2 The need for office space.....	90
4.10.3 Videoconferencing hype.....	91
4.10.4 Productivity in remote working .....	92
4.10.5 How companies should react .....	94
4.10.6 Summary of findings: working .....	96
5.1 Contributions to the theory.....	97
5.1.1 Crisis management literature .....	97
5.1.2 Management consulting research.....	98
5.1.3 Sensemaking and sensegiving of management consulting firms.....	99
6. Conclusions.....	101
6.1 Main findings and theoretical contribution.....	101
6.2 Managerial implications.....	103
6.3 Suggestions for future research .....	104
7. References .....	105

## List of figures

Figure 1: COVID-19's impact on crisis management .....	45
Figure 2: Forming of the new normal .....	56
Figure 3: Strategies to the new normal .....	57
Figure 4: COVID-19's impact on regulation and the role of business in the future.....	62
Figure 5: COVID-19's impact on global supply chains.....	67
Figure 6: COVID-19's impact on healthcare .....	71
Figure 7: COVID-19's impact on consumer business .....	81
Figure 8: COVID-19's impact on digitalization and technology .....	88
Figure 9: COVID-19's impact on working .....	96



# 1. Introduction

## 1.1 Background and motivation for the study

Beginning from Spring 2020, the coronavirus pandemic (COVID-19) has caused major challenges worldwide. It is described as a health and humanitarian crisis, but also an economic shock (Accenture 23.3.2020). In business life, it is said to have changed consumer behaviour permanently (Accenture 28.4.2020). For companies, the corona pandemic is also an organizational crisis, meaning “*a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly*” (Pearson and Clair 1998, p. 60).

During this fundamental shock, management consulting firms have taken a role as message brokers, market mediators and crisis strategists by conducting research and creating reports on how businesses can restructure and rebuild themselves during and after the crisis. Management consulting firms both make sense of the situation themselves but also give sense to stakeholders they are trying to influence.

Management consulting services are frequently used by the executive management of companies to help them solve difficult problems, conduct reviews of markets and formulate a strategy. That is why they are influential in shaping the sensemaking of business leaders. Management consulting firms produce strategy articles and reports which have been rarely researched in the current academic literature. Also, as the corona pandemic is a new phenomenon causing extensive uncertainty, there is a need for research that studies these impacts for long-term in mind.

The objective of this research is to study how the corona pandemic was made sense of and how management consultancies gave sense about the pandemic. To study this, I collect and identify themes and patterns related to COVID from the management consulting literature. For managerial purposes, this study gives useful perspectives on how management consultancies use their influential power. This study is also an excellent overview of the impacts of COVID-19 and strategies to tackle this crisis, but of course, from a management consulting perspective.

This thesis intends to contribute to the emerging research on future-oriented sensemaking by examining sensemaking and sensegiving efforts of an ongoing phenomenon. Also, this study adds knowledge to existing scarce research on the narratives of management consultancies.

To study my research objective, I present a qualitative study of what was written about the corona pandemic by top management consulting firms. The research material covers a period mostly between March 2020 and December 2020. The research question of my study is:

*“How COVID-19 pandemic was spoken in management consulting reports during the first year of its commencement”*

## 1.2 Structure of the thesis

This thesis is structured as follows. In chapter two, the previous research relevant to my research is presented. Chapter three explains the methodological choices I made in this thesis and includes descriptions of empirical setting, data selection and analysis methods used. I will also shortly explain the limitations of this study.

Chapter four presents the findings based on the empirical study I conducted. This chapter is divided into ten subchapters that revolve around the biggest themes and perspectives that emerged from the data. In chapters five and six, I will discuss my findings in relation to the previous literature and conclude my thesis. In the last substance chapter, I will also present managerial implications and suggestions for future research. Finally, references used in this research are presented in chapter seven.

## 2. Literature review

This Master's thesis studies how the COVID-19 crisis was made sense of in management consulting reports. To better understand this topic, I will present previous research relating to sensemaking and sensegiving in this literature review. Because my research context includes both crisis management and management consulting business, I will first briefly introduce these topics at the beginning of my literature review before moving to the core theory of sensemaking and sensegiving.

The second section of this literature review presents how sensemaking and sensegiving are defined and what is their meaning in the organizational context. The second section also presents how the

sensemaking and sensegiving processes occur and how meanings are constructed via narratives and metaphors.

The third section of this literature review explains the different perspectives of sensemaking related to the thesis subject. These perspectives are environmental sensemaking, crisis sensemaking, market sensemaking and prospective sensemaking. In addition, the role of media and institutions and how they are linked to sensemaking and sensegiving are presented.

## 2.1 Crisis theory and crisis management

There are multiple attempts to define ‘crisis’ in the previous literature. Selbst (1978; as cited in Booth 2015) describes the crisis as a situation where *“any action or failure to act that interferes with an (organisation's) ongoing functions, the acceptable attainment of its objectives, its viability or survival, or that has a detrimental personal effect as perceived by the majority of its employees, clients or constituents.”* This definition is though problematic in the sense that it implies that crisis is self-imposed. According to Glamuzina and Lovrinevic (2013), a crisis can be both internally born or externally born. The external explanations for a crisis are most typically changes in industry or market structure, a decline of market share, loss of key stakeholders such as customers or suppliers and legislative changes. However, Faulkner (2001) points out that also natural disasters can cause a crisis in communities. I would consider the corona pandemic in the same category as natural disasters because of its sudden destructive external nature which was due to the spread of the virus to humans.

Crises are typically defined as negative events with the ability to damage or destroy a company's business (Mitroff et al. 1996). Crises are also said to catalyze an unwanted and unplanned process that can potentially harm the business Osmanagić-Bedenik 2003; as cited in Glamuzina & Lovrinevic 2013). According to Glamuzina & Lovrinevic (2013), crises bring about uncertainty to the market which makes companies more vulnerable. Other authors do not see crises as only negative events. For example, Faulkner (2001) thinks that crises can have transformational connotations: Crises can lead to both negative and positive outcomes. By using chaos theory, crises could be a chance for creative change process instead of a destructive process (Faulkner 2001): *“entrepreneurs will find a gap amid the chaos, create an opportunity and set about changing the status quo, bringing new standards into existence”* (Russell & Faulkner 2018, p. 561).

Glamuzina & Lovrinevic (2013) studied how companies acted in a crisis and what strategies they used. They say that companies are most likely to respond to a crisis with radical change. The authors also say that the proactive behaviour by top management is crucial in a crisis for the company to survive: The radical change will not happen unless there are actions.

One reason why management might fail to foresee a crisis is that standard procedures of the company may force abnormal conditions to look “normal” (Booth; 1993, p. 106) which leads to management failing to see the change in the environment happening. According to Faulkner (2001), crises can be, to some extent, avoided by good management. An uncertain crisis requires an effective crisis management system. Based on the mistakes and actions made during Hurricane Katrina in 2005, Comfort (2007) formulated a new intergovernmental crisis management system that can be used in a rapidly changing situation. The system includes four steps that should be taken as a crisis occurs:

- (1) identification of risk
- (2) recognition and interpretation of risk of its instant effects
- (3) communication of risk to a wide group of stakeholders
- (4) implementation of a collective response system that senses possible new threats and reacts to threats according to a decided protocol.

## 2.2 Management consulting firms

Because the empirical data which I will be using in this paper is the reports, surveys and articles written by management consulting firms, it is important to describe the nature of these actors. According to Meriläinen et al. (2004), management consulting is a field of business where knowledge gets recognized and transferred. Alvesson (2001) describes management consultancies as “*organizations that claim particular knowledge*”. Ambiguity, uncertainty and complexity are said to be the typical qualities for work in the field of management consulting (Alvesson 1995; Clark 1995; Sturdy 1997; Glückler and Armbürster 2003; as cited in Kärreman & Rylander 2008). Management consultancies are called innovation factories that utilize old concepts to create new ones (Hargadon & Sutton 2000). In addition, the value management consulting firms provide is systematic methods via which they structure their clients’ issues (Werr 1999). In essence, management consultants are intermediaries and knowledge brokers who connect knowledge and their clients. Originally an American phenomenon (McKenna 1995), the management consulting

business is currently mostly run by multinational companies with local offices. (Meriläinen et al. 2004).

According to Werr (1999), the use of language serves as the primary method in which consulting firms help their clients. Also, Legge (2002) calls consultants 'rhetoricians'. The reports and articles produced by management consulting firms could thus be characterized as artefacts of knowledge transfer but also as branding tools for the management of meaning (Kärreman & Rylander 2008). Management of meaning is a concept by Smircich & Morgan (1982) and it means "*systematic efforts from top management to influence and shape frames of references, norms and values among organizational members*" (Kärreman & Rylander 2008). Previous studies have found that professional services firms, including management consultancies, have become isomorphic by their use of language (Maister 2003; Christensen and Cheney 2000; Kärreman & Rylander 2008).

In subchapter 2.4.3, I will go through more the roles of management consultancies as I present how management consultants work as market mediators regarding market sensemaking.

## 2.3 Sensemaking and sensegiving

### 2.3.1 Sensemaking

As the corona pandemic struck hard into the minds of people, organizations and governments in March 2020, it created a mental environment of confusion and uncertainty (Christianson & Barton 2021). According to Weick et al. (2005), people in these kinds of situations, turn to processes of sensemaking: *What is going on?* Due to the unfamiliar, fast-changing and complex nature of the crisis, COVID-19-pandemic provides an interesting opportunity for sensemaking. The term sensemaking has many definitions (Maitlis & Christianson 2014, p. 63-65) varying from a cognitive process (Harris 1994) to a socially constructed process (Gephart 1993). An integrated definition of sensemaking is that it is "*a process, prompted by violated expectations, that involves attending to and bracketing cues in the environment, creating intersubjective meaning through cycles of interpretation and action, and thereby enacting a more ordered environment from which further cues can be drawn.*" (Maitlis & Christianson 2014, p. 67).

The sensemaking process is understood as social, dynamic, and triggered by cues of the environment which are "*events, issues, and actions that are somehow surprising or confusing*" (Maitlis 2005, p. 21). The goal of sensemaking is "*a shared sense of meaning*" (Zhang et al. 2010).

Especially in crises, sensemaking is a key organizational process (Maitlis & Sonenshein 2010). Sensemaking can also be used as a tool to gain back control and predictability in situations where people feel threatened (Maitlis & Christianson 2014). While most old-school scholars think sensemaking can happen only retrospectively (Weick 1995), there is an emerging field of research covering prospective sensemaking (Zhang et al. 2010) which I will discuss more thoroughly later in the literature review.

To put it simply, in the process of sensemaking, random instances are bracketed and divided into certain social categories which reduces uncertainty about the situation (Weick et al. 2005). However, Weber & Glynn (2006) point out that the sensemaking process isn't just gathering existing knowledge but is also a process that creates new knowledge.

### 2.3.2 Sensegiving and mise-en-sens

As sensemaking is a process that creates meanings, sensegiving is a process that intentionally tries to influence how others attribute meanings (Smerek 2011). According to Gioia and Chittipeddi (1991, p. 442), sensegiving is *"a process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organizational reality."* Sensegiving is often involved when higher-level managers or leaders attempt to influence the sensemaking of organizational members via the use of different methods such as images and symbols (Gioia & Chittipeddi 1991; Maitlis & Lawrence 2007; Corley & Gioia 2004). According to Smerek (2011), sensegiving has been seen as a persuasion of strategic change initiatives in the existing strategic management literature (Bartunek et al 1999; Corley & Gioia 2004; Dunford & Jones 2000; Rouleau 2005; as cited in Smerek 2011). Corvellec and Risberg (2007) argue that for sensegiving to occur, somebody needs to own "sense" in order to give it to someone else. They say that there is a better word for describing the actual content of sensegiving activities: mise-en-sens. Corvellec and Risberg (2007, p. 321) describe mise-en-sens as *"making sense for others rather than primarily for oneself or one's own organisation."* It is essentially influencing audiences to accept the preferred form of reality. Mise-en-sens intentionally sets the stage of reality but also provides direction. In the context of the coronavirus pandemic and this research, the COVID-19-related consulting reports could be seen as sensegiving or mise-en-sens efforts to influence their target audiences, presumably people with organizational power.

### 2.3.3 Sensemaking and sensegiving in organizations

In organizations, sensemaking is an important process as it facilitates other processes in the organization which create new comprehensions and routines in organizations (Maitlis & Christianson 2014). Based on existing literature, sensemaking enables especially strategic change (Gioia & Chittipeddi 1991; Gioia et al. 1994; Nag et al. 2007; Yu et al., 2005), organizational learning (Christianson et al., 2009; Colville, Hennestad, & Thoner, 2013), and innovation and creativity (Hill & Levenhagen, 1995; Jay, 2013).

When talking about strategic change, sensemaking both causes and is both caused by a change (Maitlis & Christianson 2014). According to Gioia and Chittipeddi (1991), a change in cognition and action enable strategic change when organizations are faced with new opportunities or threats. In addition to facilitating organisational change, sensemaking provokes organizational learning both during and after a crisis. Sensemaking reduces ambiguity by creating order and new meanings for the members of an organization which fosters learning among the people had faced by the crisis (Christianson et al. 2009). By learning from the crisis through sensemaking, people can better understand what went wrong and why. Afterwards, this learning can help in preparing for future challenges. In a study by Kayes (2004), a failure to engage in sensemaking endangers team learning. Failure can happen if individuals are unable to update existing beliefs based on emerging cues. Sensemaking can also fail if individuals focus their attention on a too-small set of issues as happened in Yu et al. (2005) and Nag et al. (2007) research. All in all, sensemaking is crucial for learning particularly in environments of high ambiguity (Maitlis & Christianson 2014).

Sensemaking also enables creativity and innovation. It happens by engaging actors via multi-party collective sensemaking and encouraging people to disrupt their belief systems to break down the existing status quo. This sensemaking-driven innovation process often gets catalysed by an organizational paradox or unexpected events. (Maitlis & Christianson 2014). In the context of this research, I presume that the sensemaking and sensegiving of management consulting firms can facilitate both organizational change, learning and innovation among different organizations by guiding them with future visioning and looking back past crises and the latest corona crisis development.

### 2.3.4 Sensemaking and sensegiving process

According to previous literature, there are many ways through sensemaking that occurs or materializes. A bit older theory has understood sensemaking predominantly as a cognitive process (Kiesler & Sproull 1982; Louis 1980; Thomas et al., 1993). However, newer theorists comprise sensemaking through the use of language (Nicholson & Anderson 2005; Taylor & Robichaud 2004). According to Hubert & Daft (1987, p. 151), *“When confronted with an equivocal [ambiguous, confusing] event, managers use language to share perceptions among themselves and gradually define or create meaning through discussion.”* In the framework of language, especially the use of metaphors and narratives are highlighted as sensemaking resources (Abolafia 2010; Boje 1995; Brown 2004; Brown & Humphreys 2003; Cornelissen 2012).

#### *Language-based processes*

A narrative is described as *“the primary form by which human experience is made meaningful”* (Polkinghorne 1988, p. 1). A narrative is useful in sensemaking as it provides information on the actors, their actions and meanings produced in the process (Maitlis & Christianson, 2014). The strength of using narratives in sensemaking is said to be the diversity of narratives in organizations (Boje 1991; Rhodes 2001). However, in my research management consulting firms form a homogenous industry with a relatively homogenous group of people. Thus, the narratives of the corona pandemic in consulting materials may be uniform.

According to Abolafia (2010), a collective narrative is generated through a sensemaking process of three steps:

1. Abduction. The current operating model of an organization is compared to the conditions of the surroundings. Based on the comparison, facts of the situation are formed.
2. Narrative building. Based on the facts of the situation, narratives of the situation are built and elaborated to provide explanatory snapshots of what is going on. Eventually, the progressive narrative is born, patched from the strongest narratives but also through the mechanism of power politics.
3. Selective retention. As the progressive narrative is formed, the following policy choices are negotiated on how to act upon the situation.

Like narratives, metaphors also present as a mechanism for constructing meaning. Metaphors' role is said to connect incidents and frames (Gioia et al. 1994; Hill & Levenhagen 1995) but also to



create organization in unfamiliar settings and provide evaluative justification for certain actions (Cornelissen 2012). According to Weick (1995), in retrospective sensemaking, metaphors can be used to validate some incidents while discrediting other incidents. In other words, metaphors can be used to label events with purposeful meaning.

The third mechanism through which meanings are produced is discursive practices (Rouleau & Balogun 2011). According to this perspective, discursive practices are formal and informal discussions within and outside the organization. Also, actions that set the scene such as bringing together parties and facilitating discussion, are important discursive practises for sensemaking. Consulting reports could be seen as artefacts that work as conversation facilitators, tools for sensemaking. The sense is made via “*the combination of language use in particular settings with particular stakeholder groups*” (Rouleau & Balogun 2011, p. 975).

### *Sensegiving as a mise-en-sens process*

To study mise-en-sens, Corvellec & Risberg (2007) studied how Swedish wind farm developers managed the permit application processes. According to Corvellec & Risberg (2007), the mise-en-sens process consists of three phases: “*contextualisation, ontologisation and the neutralisation of eventual criticism*”. In the contextualisation phase, the present issue is being framed. Framing as an activity means “*a way to manage meaning by selecting and highlighting certain facts or issues over others*” (Bean & Hamilton, 2006, p. 323). Contextualizing considers both the current stage of the issue and future trajectory. The second phase, ontologisation is about describing the issue fully in detail. Corvellec & Risberg (2007) explains that this kind of description could materialize for example extensive detailed expert reports. In the last phase of the mise-en-sens process, sensegivers aim to communicate with various stakeholders, normalize possible criticism and organize sessions with stakeholders for questions and answers.

What we can see in this process description is that it is better suited to internal organization sensegiving projects where there is multi-sided communication between sensegivers and those being influenced. The sensegiving of management consulting firms may be rather one-way communication. However, some elements of mise-en-sens activities may apply in the sensegiving of management consulting firms.

### *Sensemaking and sensegiving processes in strategic change*

In their research, Gioia and Chittipeddi (1991) studied how strategic change is initiated through sensemaking and sensegiving from a CEO perspective. According to them, sensemaking and sensegiving occur sequentially through four phases:

1. *“Envisioning (sensemaking)*
2. *Signalling (sensegiving)*
3. *Revisioning (sensemaking)*
4. *Energizing (sensegiving) ”*

The envisioning phase for strategic change begins with information gathering that aims to assess potentials and possibilities through which embryonic strategic vision is built. After this signalling phase begins. The strategic change vision is announced to the public. The announcement is said to provoke ambiguity, but this ambiguity-by-design is partly intended part of the process as it facilitates change. In the third phase, revisioning, different parties try to contemplate what the change will meanwhile the top management begins to legitimize decisions and actions under the guise of announced strategic change. Via sensemaking of the change, some parties may arise against the change and resist the change of status quo. In the energizing phase, the first substantive actions towards the change are implemented. Sensegiving occurs while feedback from different stakeholders is being heard.

### *Social processes of organizational sensemaking*

At least via their media management consulting firms can have a dual role of both sensemaker and sensegiver. Thus, it is important to consider how they make sense of the environment. According to Maitlis and Christianson (2014), the sensemaking process in an organization is influenced by the relationship of leaders and stakeholders. Maitlis (2005) describes four social processes of organizational sensemaking which are guided sensemaking, fragmented sensemaking, restricted sensemaking and minimal sensemaking:

1. Guided sensemaking is a form in which leaders actively construct and advance sensemaking of events but also stakeholders actively take part in modifying some elements of the events.

2. Fragmented sensemaking means a form in which stakeholders, particularly, create constructs of events and opinions of possible counteractions. Leaders stay in the background and do not control the sensemaking of stakeholders.
3. Restricted sensemaking gives control to leaders control who take forward the understandings of issues, but also frequently get feedback from other organizational members on particular issues. Described as a top-down sensemaking process.
4. Minimal sensemaking is a form in which leaders and stakeholders do not participate in internal sensemaking but anticipate interpretations of the issue from outside the organization.

## 2.4 Perspectives of sensemaking and sensegiving

### 2.4.1 Environmental sensemaking

Another term that is linked to sensemaking is environmental sensemaking. Ocasio and Nigam (2010, p. 826) describe it as sensemaking where *"actors make sense not only of the event itself but of the broader organizational field."* What becomes clear from my research data is that the discourse of COVID-pandemic does only revolve around the disease itself but a broader, global organizational and cultural perspective. Corona pandemic is the trigger for sensemaking, but the management consulting narratives delve deeper into organizations and institutions at a system level. For example, the discussion of the condition of supply chains shaken by the pandemic, spark a conversation of how supply chains are and should be built.

To provoke environmental sensemaking, specific external events act as precursors (Hoffman & Ocasio 2001). Pride (1995) calls these events *critical events* which are *"contextually dramatic happenings, such as economic depressions, environmental disasters, intense physical confrontations, strategic initiatives by a social movement organization, or new public policies."* A critical event attracts public attention and invites collective definition. A redefining critical event is a more powerful critical event – It changes the elite's and mass public's existing idea of reality distinctly (Pride 1995). Based on the vast amount of discourse on the corona pandemic being an event that "changes everything" in the research data, it could be argued that the pandemic is a redefining critical event if also the mass audience adopt the concepts.

According to Ocasio and Nigam (2010) giving attention to events via environmental sensegiving may cause a change in institutional logics which are *"socially constructed organizational principles*

*for institutionalized practises in social systems*” (Friedland & Alford 1991, Thornton & Ocasio 2008; as cited in Ocasio & Nigam 2010). Environmental sensemaking is said to occur via two processes: “*theorization*” and “*representation*” (Ocasio & Nigam 2010). Theorization means the elaboration of abstract models that relate to organizational structures and practices. Representation means giving examples of the features that illustrate these organizational structures and practices. (Ocasio & Nigam 2010). In their research, Ocasio and Nigam (2010) found that environmental sensemaking had three time periods during the event life span: baseline, anticipation, deliberation and retrospection. However, because Ocasio and Nigam’s study was a case study of a particular event, one cannot draw direct conclusions so that the development would be necessarily the same in the corona pandemic event.

## 2.4.2 Crisis sensemaking

In the media, the corona pandemic is constantly referred to as a crisis. According to Maitlis & Sonenshein (2010) and Weick (1988), crises, in general, offer a highly potent opportunity for sensemaking. Crises of exogenous nature are said to create difficulties to organizational routines, but they also can have a wide-arching effect on current perceptions (Pearson & Clair 1998; Weick 1993). Since crises are highly uncertain, equivocal, and unexpected events, they trigger sensemaking processes, where people try to make sense of the event itself and its implications in a larger picture (Park 2010). Sensemaking during a crisis is a highly important activity because if sensemaking fails, crisis responders will not understand the situation right and thus may fail to respond accurately possibly leading to an even worse situation (Weick 1993; Enander et al. 2009; Kayes 2004). Crisis sensemaking is, however, dependent on the thinking infrastructures and artefacts that have been developed before the crisis began (Weick & Sutcliffe 2015). Thus, it would be important to focus attention on the thinking infrastructures (Gazweiler & Ronzani 2019) that guide sensemaking before any crisis emerges.

Scholars have previously utilized crises for theorizing sensemaking in extreme contexts. There have been case studies of sensemaking during the crisis (Weick 1990, 1993; Christianson et al., 2009) and case studies of sensemaking after the crisis (Gephart 1993; Gephart, Steier, & Lawrence 1990) explaining the crisis retrospectively. When Bogner and Barr (2000) studied hypercompetition as a perpetual situation, they found that large environmental changes such as technological developments and regulatory changes created a highly dynamic and unpredictable competitive environment causing existing cognitive frameworks to lose meaning and require unlearning of

established sensemaking processes. For sensemaking in these kinds of turbulent environments, Bogner and Barr (2000) suggest three sensemaking practises: “*developing cognitive diversity*”, “*implementing rapid decision-making*”, and “*taking experimental actions*”. According to Maitlis and Christianson (2014), the sensemaking of a crisis is often a painful and motivationally challenging process because it requires people to give up existing understandings and build new ones. In another study by Christianson et al. (2009) the collapse of the roof at the B&O Museum caused a crisis sensemaking process which culminated into a question of existing: Could the museum institution carry on or would the crisis infused by collapse put a stop to the museum for good. Thus, it can be said that crises often stimulate sensemaking that includes disruption of existing mental models and recreation of new institutional order.

More recently, Höllerer, Jancsary and Grafström (2018) studied sensemaking and sensegiving efforts during the 2008-2012 global financial crisis. They used Financial Times business news media as their sole material. They argue that visuals enrich the verbal text and provide a more comprehensive production of meaning. According to Gamson (1992), news media offers lots of material for social meaning construction. By using this multimodal approach, Höllerer, Jancsary and Grafström (2018) were able to build a set of narratives of the financial crisis.

Maitlis & Sonenshein (2010) have divided crisis sensemaking into two chronological dimensions (Maitlis & Sonenshein, 2010):

1. sensemaking during a crisis
2. sensemaking after a crisis

Sensemaking after a crisis draws upon public inquiry reports and other documents which aim to construct a full picture of what happened and why (Maitlis & Sonenshein 2010). As the corona pandemic is an ongoing crisis, my research will naturally fall into sensemaking during the crisis category. However, it seems in my research data that sensemaking during this crisis includes both retrospective and prospective views meaning that the data also tries to explain what happened and why but also – based on the recent development – what will happen next and in the future.

In addition to these above-mentioned temporal dimensions, there are three themes affecting crisis sensemaking (Maitlis & Sonenshein, 2010):

1. Assessment of the environment
2. Collective sensemaking

### 3. The institutional context

#### *Assessment of the environment*

According to Maitlis and Sonenshein (2010), a positive assessment of an environment can lead to a parlous situation at the beginning of a crisis. Positive assessments of the current environment mean early, public, and optimistic evaluations of the current situation and/or environment. When positive assessments are applied at the beginning of the crisis, they may cause blindness to see conflicting evidence of an unfolding crisis (Weick and Sutcliffe 2003). Especially when people make these assessments publicly and voluntarily, it is very difficult to change afterwards (Cialdini 2007).

However, Maitlis & Sonenshein (2010) point out that positive assessments in sensemaking after the crisis can be beneficial in making people empowered and thus enabling renewal in organizations.

In a study by Seeger and Ulmer (2002), they found that when CEOs emphasized possibilities over issues and viewed the crisis as an opportunity, enabling organizational renewal.

How do then assessments get created during a crisis? According to Weick (1988) action precedes and focuses cognition. Action is important for sensemaking for three reasons. First, actions generate material i.e. cues for sensemaking. Second, provisional understandings can be tested via taking action and learning from the results. Lastly, Weick (1988) sees that actions affect the context for sensemaking (Maitlis & Christianson, 2014) because when actions are made, they are likely to change the environment that is being made sense of. This process is called “enactment” which means “*the process in which organization members create a stream of events that they pay attention to*” (Orton 2000, p. 231).

Because crisis settings are ambiguous and difficult to comprehend, people are said to collect as many cues from the environment as possible in order to ease their decision making on next actions. (Maitlis & Christianson, 2014). This can be problematic because according to Weick (1988) inaction does not produce more understanding, rather it produces confusion. Weick (1988) sees sensemaking during crisis optimistically: Even though crises often involve high uncertainty and complexity, people can get a sense of control by taking actions which create information. Thus, Weick believes this enacted sensemaking is a valuable tool for crisis prevention and management (Maitlis & Sonenshein 2010).

During the corona pandemic, different actions have been made throughout the crisis to combat against virus spread. For example, governments and other organizations have had to take precautionary actions without knowing the perfect implications of the actions. Because of different actions, the sensemaking environment has been constantly changing. Based on data, management consulting firms have actively promoted action taking because they see that inaction can lead to an even more dangerous situation in the future, realizing in a form of for example loss of competitive advantage. Management consulting firms also emphasize action-taking by stating that companies can still shape the direction of the future via their proactive action.

### *Collective sensemaking*

Collective sensemaking also affects crisis sensemaking through the phenomenon of “pluralistic ignorance” (Weick 1990). In the early phase of an unfolding crisis, groups of people face difficulties in finding a common understanding of a crisis typically being uncertain and fast-paced (Maitlis & Sonenshein 2010). Pluralistic ignorance means a belief where individuals think that others have already assessed the environment correctly, inhibiting the individual to take action (Maitlis & Sonenshein 2010). This kind of psychology may prevent cautious action that could prevent the actual crisis. Also, when the crisis situation is already on, shared understanding via collective sensemaking is critical for collaboration among multiple parties trying to solve the crisis together (Wolbers and Boersma 2013; Mills and Weatherbee 2006). Because knowledge is distributed, collective sensemaking generates multiple perspectives when people use different knowledge sources (Dunbar & Garud 2009). In order to realize collective sensemaking, social processes among parties are required to facilitate “*construction, discovery, and correction of unexpected events capable of escalation*” (Weick et al. 1999, p. 88).

### *Institutional context*

Finally, Maitlis & Sonenshein (2010) say that the institutional context frames individuals' sensemaking by making them think mostly about environments where current institutions are conserved. Also, in a study by Wick (2001), it was found that existing institutional and organizational logics may prevent individuals from seeing important cues. The institutional context in sensemaking is more discussed later in the literature review.

### 2.4.3 The role of media and mediators in market sensemaking

The role of media is said to be both a sense maker and a sense giver (Hellgren et al. 2002). Sense maker in a sense that media participates in sensemaking by creating frameworks for understanding a complex situation. It is also a sense giver in the sense that media tries to influence its audience sensemaking process. Media itself draws its cues of sensemaking from the sensegiving of experts who know about the situation (Höllerer, Jancsary and Grafström 2018). Thus, the media is a multisided platform for making and giving sense. According to Maitlis and Christianson (2014), even though sensemaking is assumed to occur within individual parties, collective sensemaking happens when some individuals advocate their views and try to influence others' understanding of some phenomenon. Management consulting companies' reports could be seen as a sort of business media with an intention to shape the collective sensemaking of business managers and other decision-makers which are their supposed target group of audience.

Media has also an important role in sensemaking markets: Media exposure of discourses shape collective sensemaking of the market. New business markets emerge from ventures that do not fit existing categories (Kennedy 2008). This role of defining markets is called market sensemaking, which is described as a macro version of meaning construction in an organization (Kennedy 2008). Media shapes market sensemaking by giving visibility and cognitive legitimization (Aldrich & Fiol 1994) and positioning new ventures into emerging categories (Lounsbury & Glynn 2001). According to Fiss and Hirsch (2005), public attention is needed to create an understanding of a complex situation that, especially, happens over a long period. Thus, news stories and press releases by media contribute to cognitive embedding by *"building a shared mental map of associations that make up a new category or concept"* (Kennedy 2008, p.272).

Just recently, Hilkamo et al (2021) studied management consultancies' temporal work in new market category emergence. According to Hilkamo et al (2021), new market categories emerge when category participants such as producers, intermediaries and audiences construct a new category including boundaries and expectations. Temporal work means a process where market participants both make sense and produce temporal structures (Granqvist and Gustafsson 2016). Management consultant firms participate in market sensemaking as professional intermediators (Bessy & Chauvin 2013) and key brokers of knowledge as they help in forming a nascent market category (Granqvist, Grodal, and Woolley 2013). Market intermediators are defined as *"third parties"* who work in *"between the "supply" and "demand" of the market"* (Bessy & Chauvin



2013). In the literature market mediators has many roles in shaping markets. Zuckermann (1999) found that market mediators, in this case, critics, shaped exchange in the market and gave “market its character”. If companies were not noticed by market mediators, they experienced a social penalty of decreased stock price. According to Hilkamo et al (2021), this means that market mediators *“enforce existing categories by providing sanctions or rewards to producers according to their category positioning.”*

In addition to enforcing existing categories, market mediators also influence and establishing new market categories (Durand & Khair 2017). In his research, Kennedy (2008) found out that media established the “market” for computer workstations in the 1980s by connecting early entrants together in a discursive manner. Management consultancies are described to have a “visible hand” for shaping new market categories (Brès and Gond 2014). They, for example, engage in translating issues and reconstructing them into sellable business opportunities (Brès and Gond 2014). According to Hilkamo et al (2021), management consultant firms participate in nascent market forming in two ways: 1) by publishing reports and analyses of a nascent market, 2) by organizing events such as conferences and trade shows. The reports and analyses which management consultancies actively promote often include future-oriented narratives which have the power to shape expectation regarding a certain market (Hilkamo et al 2021). More rhetorically speaking, management consultancies are said to shape nascent market categories in X ways:

- creating an atmosphere of uncertainty around the new market
- urging market participants to take action quickly for seizing new market opportunities, implying early mover advantages.
- warning about the dangers of slow action or inaction towards the new market
- showing benchmarks of how other market participants have acted on the new market

By all these actions, management consultancies aim to create a "knowledge shortage" (Hilkamo et al 2021) where their services come in handy. In the context of COVID-19 and its future implications, management consulting firm reports could be viewed as media and management consultancies as market mediators with the power to shape the market sensemaking of the future world.

## 2.4.4 Future-oriented sensemaking

Much of the covid-19 related consulting material focuses on the question: *What happens in the future?* Answering this kind of question requires future-forward thinking. There are conflicting theories on the temporality of sensemaking. According to Weick (1995), the sensemaking process has been typically described as a retrospective process, which makes sense of past events. However, a new body of research sees that sensemaking can happen prospectively or future-oriented. Gioia et al. (1994, p. 378) describe prospective sensemaking as *“the conscious and intentional consideration of the probable future impact of certain actions, and especially nonactions, on the meaning construction processes of themselves and others”*. Another description of the phenomenon is that prospective sensemaking efforts aim *“to develop novel understandings about a desired but ambiguous set of future conditions”* (Gazwailer & Ronzani 2019, p. 2). A similar term, *future-oriented sensemaking*, means making sense of the future by analysing existing knowledge and based on that forming *“the desired future image”* (Gioia et al., 2002). Also, Zhang et al. (2010, p. 285) describe future-oriented sensemaking. They say it means sensemaking that *“seeks to construct intersubjective meanings, images, and schemes in a conversation where these meanings and interpretations create or project images of future objects and phenomena.”* To synthesize, sensemaking of the future is about utilizing existing knowledge in measuring the impact of events and how they shape the future. While there is no consensus on how to differentiate the terms prospective and future-oriented sensemaking, I will use both of the terms interchangeably further in my research.

Weick (1979 as cited in Bruskin & Mikkelsen 2020) has called future-oriented sensemaking as thinking future in the perfect tense. To make sense of the future, one must imagine it as if it has already happened. Newer studies of sensemaking have criticized this retrospective point of view on future-oriented sensemaking because it loses the multi-temporal nature of sensemaking by ignoring the present moment (Kaplan & Orlikowski 2013; Wiebe 2010) and it is said to work poorly in situations of great uncertainty: According to Stigliani & Ravasi (2012, p.1250-1251), *“thinking in future perfect tense [...] seems less appropriate to explain prospective cognitive work when expectations or aspirations about the future are ambiguous or unclear.”* Also, Zhang et al. (2010) emphasize that past and present temporal states impact future-oriented sensemaking by utilizing both past and present trends to create future context. Thus, the new school of thought authors emphasize that future-oriented sensemaking can also happen prospectively by having more open-ended exploratory processes (Zhang et al. 2010; MacKay 2009; Gatzweiler & Ronzani 2019).

Gatzweiler and Ronzani (2019) point out that understanding the processes of prospective sensemaking is especially relevant for organizations operating in turbulent industries to avoid threatening situations in the future. While the whole world is battling against a global pandemic, I would see prospective sensemaking as highly relevant for all organizations.

Even though future-oriented sensemaking still represent an emerging line of research (Gatzweiler & Ronzani 2019), previous literature has studied prospective sensemaking processes from the perspectives of material infrastructures (Maitlis & Christianson 2014), metaphors (Bruskin & Mikkelsen 2020), mundane artefacts (Stigliani & Ravasi 2012) and performance evaluation systems (Gatzweiler & Ronzani, 2019). According to Gatzweiler and Ronzani (2019), thinking infrastructures can guide collective sensemaking during turbulent events such as crises. Thinking infrastructures mean *“technologies and social practices that guide cognition and shape organizing work across distributed settings and temporal scales”* (Gatzweiler & Ronzani 2019). During crises, these thinking infrastructures, however, may encounter limitations and system failures which are, according to Gatzweiler and Ronzani (2019), said to be *“ambiguities of choice”* (March 1987), *“shifting loci of control”* (Quattrone & Hopper 2005) or *“insufficient knowledge of system boundaries”* (Garud, Sanjay & Tuertscher 2008). It is important that knowledge infrastructures are set to avoid complying with all existing standards. Instead, knowledge infrastructures should be harnessed to detect anomalies and unexpected incidents (Gatzweiler & Ronzani 2019).

In their research, Bruskin & Mikkelsen (2020) studied the use of metaphors and the link between retrospective sensemaking and future-oriented sensemaking. Via a single case study, they found that members of an organization used trivializing metaphors when talking about past change events – and negatively-charged metaphors when making sense of changes in the future. The study indicates that people tend to build gloomier images of the future and more down-sized images of the past, perhaps due to high uncertainty about the future. It will be interesting to see if this is the case in the sensemaking of COVID-19.

A key acknowledgement in prospective sensemaking is that existing knowledge structures are limited to capture all important cues. Thus, thinking infrastructures can help in anticipating emerging issues before they become difficult to handle. (Gatzweiler & Ronzani 2019). However, the use of metrics in sensemaking can be dangerous as they predispose to classifying emerging phenomena as in-family (Weick 2005). This quick normalisation is due to retrospective sensemaking which normalizes anomalies to fit into existing knowledge systems (Weick & Sutcliffe

2015). To practise prospective sensemaking is a prerequisite to diminish the tendency for normalization (Gazweiler & Ronzani 2019).

To successfully apply prospective sensemaking, existing mental models need to be disrupted and new thinking structures built (Stigliani & Ravasi, 2012). In the research of Gazweiler & Ronzani (2019), they found that using evaluative principles helped in influencing managers to think prospectively by encouraging questioning of wanted but not clearly defined future alternatives and doubting on existing observations to avoid normalization.

In addition, Gazweiler & Ronzani (2019) studied the role of participatory mechanisms in sensemaking. They found out that fostering the participation of different groups can provide relevant information for sensemaking unable to find through formal systems. The finding is aligned with Maitlis & Sonenshein (2014) who stress that the more sensemaking resources exist, the better. It is stated that open and participatory mechanisms serve as thinking infrastructures for collective sensemaking resource by building trust and channelling engagement between different groups of influence (Gatzweiler & Ronzani 2019).

## 2.4.5 Role of institutions in sensemaking

Taylor and Van Every (2000) say that interpretations do not do get born in a vacuum but contexts play a role in sensemaking. Institutions are said to bring macro cognitive-cultural context to sensemaking theory (Weber & Glynn 2006). Institutions are defined as “*systems of established and prevalent social rules that structure social interactions.*” (Hodgson, 2006, p. 2). In addition, institutions are said to bring consistency to the everyday life of individuals as people can form certain expectations (Hodgson 2006). Even though institutions regulate and constrain behaviour, they also open up possibilities by enabling choices and actions, such as communication via language or safe commuting via traffic rules, which would not occur without constraints imposed by institutions. (Hodgson 2006).

As introduced earlier, institutions work as antecedent contextual mechanisms for sensemaking as macro-level structures. Described as “*internalized cognitive constraint*” (e.g., Barley & Tolbert 1997), institutions are said to set boundaries on what opportunities and alternatives we can notice which restrict sensemaking (Barley & Tolbert 1997). This phenomenon is called *preclusion of potential alternatives* meaning that some alternatives are made unthinkable in order to put the current action aligned with the rules of the institution (Weber & Glynn 2006). In conclusion, one

role of institutions is a contextual, top-down mechanism that provides bounded but stable substance for sensemaking of people who have internalized the roles and structures of the institution (Weber & Glynn, 2006).

In addition to internalized cognitive constraint -attribute, Weber and Glynn (2006) found that institutions have three additional contextual mechanisms to serve sensemaking. Firstly, institutions prime sensemaking by providing social cues (Weber & Glynn 2006). These cues cumulate over time and action-taking is not immediate. What differentiates priming from internalized cognitive constraint is that local situational context has a higher emphasis over macro-institutional context. Secondly, institutions modify sensemaking via social feedback processes (Weber & Glynn 2006) by making some enactments more prevalent. Even though the sensemaking of an individual could pass institutionalized expectations, the editing mechanism, which is social policing through feedback, can cause a restructuring moment for sensemaking. (Weber & Glynn 2006). Lastly, institutions trigger sensemaking *"by providing dynamic foci that demand continued attention, and second, by creating puzzles that require sensemaking due to the contradictions, ambiguities and gaps that are inherent in institutions"* (Weber & Glynn 2006). Sensemaking is triggered when institutions supply an *"occasion for sensemaking"* (Weick 1995).

In the existing sensemaking literature, Maitlis and Christianson (2014) write that institutions have been studied as part of collective sensemaking where different actors discuss, promote, and negotiate meaning (Danneels 2003; Nigam & Ocasio 2010; Santos & Eisenhardt 2009). Previous literature emphasizes sensemaking as a significant activity in institutional change (Maitlis & Christianson 2014). As Weber & Glynn (2006) frame it, institutions engage in transformative mechanisms which emerge from sensemaking. Institutionalization takes place when actors create a shared definition of reality and that the shared definition is created through linguistic processes (Berger & Luckman 1967). Namely, collective sensemaking is said to provoke the early signs of the creation of a new institution (Scott 2013).

A particularly interesting study that links institutions and sensemaking is from Zilber (2007) who studied institutional entrepreneurship. According to Zilber (2007), stories can *"frame, justify, and legitimate new or renewed institutional orders"*. In stories, past events are used to build a particular construction that envisions the desired future from the point of the narrator.

Still, according to Maitlis & Christianson (2014), actors do not proactively pursue to change institutions unless they are engaged in sensegiving, in which there is an attempt to influence others' sensemaking related to an institution.

Sensegiving has two ways in which it influences institutions. Firstly, it works as a mechanism of legitimating novel categories: Actors inside a new category give sense to interested outsiders and thus affect their sensemaking (Navis & Glynn 2011) Secondly, sensegiving enables a process of "theorization" (Strang & Meyer 1993) which is an important instrument for change on a system-level (Maguire, Hardy, & Lawrence 2004). Sensegiving affects the process of theorization by involving the *"rendering of ideas into understandable and compelling formats"* (Greenwood et al., 2002, p. 75) to create change in the institution. Overall, sensegiving is seen as an activity which both creates and maintains institution but also disrupts them (Lawrence & Suddaby 2006).

### *Isomorphism*

Because of the feature internalized cognitive constraint, institutions have been viewed as isomorphic meaning that the 'content' of sensemaking reflects in great measure the 'content' of institutions. (Weber & Glynn 2006). Isomorphism means a process where *"one unit in a population starts to resemble other units that face the same set of environmental conditions"* (Hawley 1968; as cited in Dimaggio & Powell 1983). According to Dimaggio & Powell (1983), there are three mechanisms through which institutional isomorphism occurs: coercive isomorphism, mimetic isomorphism, and normative isomorphism.

Coercive isomorphism stems from formal and informal pressures that an organization experiences from other organizations on which it is dependent. Coercive isomorphism thus is often political, for example, governments regulate other institutions. Under a wider institution, others conform to its rules and rituals and as a group become homogenous. (Dimaggio & Powell, 1983).

Mimetic isomorphism, on the other hand, does not stem from legal or political authorities. Especially in an environment of uncertainty, organizations tend to mimic themselves leading to isomorphism. Because of mimetic isomorphism, public institutions have for example imitated the structures of those in the business world to bring improvements such as efficiencies, sometimes with worse performance. (Dimaggio & Powell 1983).

Lastly, normative isomorphism stems from professionalization. Groups of professionals who have similar education and similar professional networks occupy similar positions across many organizations creating isomorphism. In my research in which I use management consulting firms both as research target and source material, it is important to understand their institutional background because as said earlier institutional isomorphism affects the substance of sensemaking. (Dimaggio & Powell 1983).

### 3. Methodology

In this chapter, I will present the methodology I used to conduct the empirical research for my thesis. First, I will give an overview of my research method, empirical setting and ontological-epistemological standing points. Then I will provide information on how I conducted my data collection and analysis. Lastly, I will present the limitations and other considerations related to my research.

#### 3.1 Overview of the research method

The objective of this research was to study the sensemaking and sensegiving of management consulting about the corona pandemic and its implications for business. To study this objective, I conducted data-driven, inductive qualitative research (Langley 1999). A qualitative research method was chosen for this study since the method aims to give a more holistic understanding of an unknown topic (Eriksson & Kovalainen 2008). COVID-19 pandemic can be said to be a novel phenomenon due to its unprecedented scale and impact in modern times. According to Ghauri and Gronhaug (2005, p. 202), qualitative research works best in research situations where there is little when prior insights about a phenomenon which is the case in my research phenomenon.

#### 3.2 Empirical setting

The corona pandemic is probably the biggest global phenomenon of the current decade with wide-ranging impacts. By nature, the pandemic has created extreme ambiguity and uncertainty, creating a high need for knowledge. One of the knowledge sources for companies and organizations are management consultancies that have actively provided knowledge throughout the pandemic. The sensegiving of management consultancies is a rarely studied topic even though these companies may have a strong power to impact the sensemaking of other business leaders who make decisions.

Moreover, the pandemic provides a topical and meaningful context to study the sensemaking and sensegiving of management consultancies.

### 3.3 Ontology and epistemology of the study

The onto-epistemological starting point of my research is constructive realism. Constructive realism is a branch of philosophy that combines positive features of realism and constructivism (Tcytcarev et al. 2019). In this paradigm, a reality exists independently of professional researchers, but the knowledge of reality is constructed via cognition (Tcytcarev et al. 2019). Thus, there are two versions of reality: “actual reality” and “factual reality” which are described as follows: “*Actual reality (Wirklichkeit) is the reality itself, existing independently of the subject, while factual reality (Realität) is the reality constructed by a human being.*” (Tcytcarev et al. 2019). The term “microworld” is used to define the reality constructed by the use of language. The factual reality is said to be the total of microworlds (Tcytcarev et al. 2019). In this study, I see that the reality impacted by the corona pandemic exists as its own without human consciousness, but the knowledge of the pandemic is socially constructed. I also see that social cognition of the crisis consists partly of the microworlds that my research subjects have. In addition, I assume likewise Gioia et al. (2013) that people in organizations are knowledgeable agents, meaning that people are capable of explaining their thoughts and intentions accurately. This leads to the second assumption that I, as a research, can take the role of “glorified reporter” who can accurately describe the informants' experience and discover possible patterns in data (Gioia et al. 2013).

### 3.4 Data selection

My primary data for this paper are reports, brief notes and written presentations. Because the data related to COVID-19 was enormous, containing hundreds of articles, I first chose to narrow the focus on a few management consultancies: McKinsey & Company, Boston Consulting Group and Bain & Company. According to Statista (2020), these companies are the top three most prestigious management consulting globally. In addition, as many of the changes of COVID-pandemic is related to digitalization and technology leap, I chose to add Accenture to my list for data collection as the company is specializing in technology consulting (Pereira et al. 2017).

After this, I began a systematic collection of all published consultancy reports related to the corona pandemic and its implications. The data samples were collected from international websites of the



selected consulting firms because the companies did not have separate Finnish websites. From the websites, the data was collected under the topics of “*featured insights*” and “*Our latest thinking*”.

My criteria for collecting data were the following:

1. The data article should have COVID-19-pandemic as its core content.
2. The data article should favourably deal with strategies for the future after COVID-pandemic.
3. The geological emphasis of the data article should be more general, Western or Nordics focused.

This was my methodological strategy to delimit data into a manageable amount and focus on more general narratives and themes. At the start, I used "COVID-19" as the keyword for searching data in the websites. Also as reading through the content of the data, I began using an emerging term of "New normal" as it was linked with meaning the future after the corona pandemic. Thus, the process of data collection and data analysis was iterative: By reading through the data, I learned which terms and themes gained importance. After a sufficient number of articles were collected and read, I found that no further articles and reports brought any major insights. This is the point where I reached data saturation and I stopped data selection and began further analysis with the collected ones.

The empirical material was mainly collected from March 2020 to December 2020 with few exceptions expanding to February 2020 and January 2021. The thoroughly read and analysed reports numbered 48 and comprised 699 pages of material for analysis.

<b>Reports published by management consultancy firms</b>				
N	Authoring firm	Publish date	Pages	Title
1	Accenture	17.3.2020	20	Rapid Response - A pragmatic approach to maintaining supply chain resilience in times of uncertainty
2	Accenture	30.3.2020	21	Building Resilience Amid Disruption
3	Accenture	30.3.2020	19	COVID-19: Leading with integrity and trust in life sciences

4	Accenture	7.4.2020	10	COVID-19: Mobilizing the automotive industry
5	Accenture	14.4.2020	18	The platform foundation - Laying the groundwork now for future business recovery
6	Accenture	24.4.2020	23	COVID-19: Finding new growth in a time of crisis
7	Accenture	4.5.2020	3	COVID-19 Increasing Consumers' Focus on "Ethical Consumption," Accenture Survey Finds
8	Accenture	July 2020	37	Digital health technology vision 2020
9	Accenture	4.8.2020	36	Is it time for a course correction? COVID-19: What to do Now, What to do Next
10	Accenture	12.8.2020	23	Busting the myths of agile
11	Accenture	23.11.2020	17	The big value shift
12	Bain	10.2.2020	12	Beyond the Coronavirus Crisis: Prepare Now
13	Bain	15.2.2020	8	China's Retailers and the Coronavirus Outbreak: Lessons from the Past
14	Bain	4.3.2020	12	Coronavirus Accelerates the Transformation of China's Meat Supply Chain
15	Bain	16.3.2020	8	Coronavirus: A CEO's Dress Rehearsal for the New World
16	Bain	20.3.2020	3	Put Your Customers and Employees First during the Coronavirus Crisis
17	Bain	17.4.2020	6	Growing Healthier after Covid-19
18	Bain	1.9.2020	5	Four Questions (And Answers) About Covid-19's Lasting Impact On Business
19	Bain	3.9.2020	6	The Doctor Is Online: Why Telehealth Will Outlast the Pandemic
20	Bain	8.9.2020	6	More Digital, More Flex: Retail Banking Behavior amid Covid-19
21	Bain	8.9.2020	4	Don't Snap Back

22	Bain	23.9.2020	12	Shaping the Consumer of the Future
23	Bain	14.10.2020	96	Technology Report 2020
24	Bain (Harvard Business Review)	1.12.2020	6	The Pandemic Is Widening a Corporate Productivity Gap
25	Bain	3.12.2020	12	Covid-19 Has Upended Business. Which Trends Will Stick?
26	Bain	9.12.2020	3	How Covid-19 Has Accelerated the Transformation in Luxury
27	BCG	24.3.2020	6	How to Remain Remotely Agile Through COVID-19
28	BCG	2.4.2020	12	The Rise of the AI-Powered Company in the Postcrisis World
29	BCG	14.4.2020	12	Building the Bionic Supply Chain
30	BCG	14.4.2020	18	Crisis Can Spark Transformation and Renewal
31	BCG	1.5.2020	49	COVID-19 BCG Perspectives: Facts, scenarios, and actions for leaders. Publication #4 with a focus on Accelerating Digital & Technology Transformation
32	BCG	1.6.2020	10	Ten Tactics for “Growth Techs” to Survive, Thrive, and Inspire
33	BCG	7.7.2020	11	Win the fight, win the future - How nordic companies are navigating the Covid-19 crisis
34	BCG	9.7.2020	4	COVID-19 CFO Pulse Check #2
35	BCG	4.11.2020	6	A Plan for Facing the Long COVID Winter
36	BCG	19.11.2020	37	BCG COVID-19 Perspectives - Future of work
37	BCG	December 2020	33	COVID-19 BCG Perspectives - State of the World
38	McKinsey	16.3.2020	6	Leadership in a crisis: Responding to the coronavirus outbreak and future challenges

39	McKinsey	23.3.2020	5	Beyond coronavirus: The path to the next normal
40	McKinsey	25.3.2020	6	Applying past leadership lessons to the coronavirus pandemic
41	McKinsey	14.4.2020	7	The future is not what it used to be: Thoughts on the shape of the next normal
42	McKinsey	14.4.2020	4	In the tunnel: Executive expectations about the shape of the coronavirus crisis
43	McKinsey	July 2020	9	The future of business: Reimagining 2020 and beyond
44	McKinsey	5.10.2020	9	How COVID-19 has pushed companies over the technology tipping point—and transformed business forever
45	McKinsey	23.11.2020	8	When will the COVID-19 pandemic end? An update
46	McKinsey	15.12.2020	5	This way out: How leading companies chart a full-potential COVID-Exit
47	McKinsey	4.1.2021	13	The next normal arrives: Trends that will define 2021—and beyond
48	McKinsey	6.1.2021	3	COVID-19 and the great reset: Briefing note #37, January 6, 2021
		<i>Total</i>	<i>699</i>	

### 3.5 Data analysis

I began my data analysis with a closer reading of the data. At the same time with reading, I extracted meaningful paragraphs from each article into an excel sheet. After all, data was systematically organized in one excel sheet, I was ready to begin further analysis. To make interesting findings from the data, I was inspired by the Gioia method for its systematic, structured approach to data analysis. Similarly to the Gioia approach, I conducted data coding in multiple phases, first arranging the data according to informant-centric terms and codes, and then, inductively, arranging codes based on researcher-centric concepts, themes, and dimensions. (Gioia et al. 2013). My goal in data analysis was to compare data points and find repeated statements, their

similarities, differences, themes, and patterns in the data (Chun Tie et al., 2019). For example, by emerging from the data, it became clearer and clearer that the majority of the consulting material had a strong future focus in their narrative. This notion led me to research prospective sensemaking when I did my literature review. Overall, throughout my research, the data points were arranged organically as I discovered new links and dimensions. Via this analytical process, I was able to construct ten large themes and perspectives relevant to my research objectives.

### 3.6 Limitations of my research

One of the limitations of this study is that I only studied included four management consultancies in my data selection. By taking a broader set of consultancies, the data could have looked different and could have included new dimensions. However, this was a conscious choice and by analysing a smaller, more focused set of data, I was able to delve deeper into the data and make a more detailed analysis. Another limitation of my study is that I focused mostly on articles based on the North American perspective. Thus, the findings of my research may not apply to all geographical areas.

## 4. Findings

In this chapter, I will present the findings from the empirical research. The chapter has been divided into ten parts based on the themes that emerged from the data. At the end of most of the sections, I will present summaries that compact the findings of the particular chapter. I shall begin with the findings that describe the nature of the corona crisis. Next, I will describe how retrospective sensemaking was shown in the thinking of management consultants. Thirdly, I shall present the way management consultants view leadership and crisis management during this crisis. Finally, the last big section will describe the phenomenon of “the next new normal” and how it will affect the different industry and business function sectors such as supply chains, healthcare, consumer business and technology and working life.

### 4.1 Nature of the crisis

#### 4.1.1 Crisis types

Already in March 2020, the coronavirus pandemic was referred to as a global crisis. I identified three crisis types: humanitarian, societal and economic crisis. Preliminary the pandemic narrative

started as a fatal threat to humans: *“By mid-March 2020, COVID-19 had visited tragedy on countless people by claiming thousands of lives”* (McKinsey, 16.3.20). Accenture used the term tragedy to emphasize the emotional impact of the pandemic: *“The COVID-19 crisis is a human tragedy that will have a lasting impact on our lives.”* (Accenture 14.4.20).

To prevent the virus spread, many governments all over the world began restrictions on the movement of people during spring 2020. This led the pandemic to become an economic crisis which impacts management consulting firms described as massive for a long time:

*“The pandemic has metastasized into a burgeoning crisis for the economy and financial system. --- The shock to our livelihoods from the economic impact of virus suppression efforts could be the biggest in nearly a century.”* (McKinsey 23.3.20).

Accenture writes that the economic impact of the virus was far from expected in terms of impact:

*“The scale of the impact on supply chains eclipses anything most companies have anticipated. Global epidemics like COVID-19 ranked low as a focus for risk mitigation efforts, per a survey of supply chain leaders”* (Accenture, 17.3.20).

The reasons why the economic impact is said to be massive are fundamental changes in the way companies currently do business: *“Fundamental changes in consumer behaviour, supply chains and routes to market are knocking companies off balance”* (Accenture, 24.4.20). Not all companies however experience the same changes – the impact depends on industry sectors and local restrictions:

*“The present economic crisis is primarily caused by exogenous factors, and from the perspective of individual companies, its impact has been largely dependent on industry and government responses.”* (BCG 7.7.20).

As the data reveals that this size of a shock was not anticipated by companies, as Accenture described on 17 March, there was little focus on risk mitigation related to global pandemics which is likely the reason why businesses were said to have the struggle to stay in balance (Accenture 24.4.20). Thus, this global imbalance could be the causal factor for an economic downturn for 2020: *“Economic forecasts indicate a significant downturn in 2020; global rebound to pre-COVID levels not expected before 2021”* (BCG, 1.5.20).

When describing the impact of COVID, management consulting firms compare the pandemic to previous economic crises such as Great Depression (1929) and financial crisis (2008) possibly to help readers to put the effects of the corona in the right proportions. McKinsey believed in March 2020 that the corona pandemic would exceed the impacts of the Great Depression: *“likely to lead to a decline in economic activity in a single quarter that proves far greater than the loss of income experienced during the Great Depression.”* (McKinsey 23.3.20) and resemble the impact of the financial crisis: *“COVID-19 could end up dwarfing the financial crisis in economic damage.”* (McKinsey 14.4.20 A). The impacts of the corona crisis are not, however, limited to temporal high mortality or downturn of the economy. It is said to be a starting point of a much radical change in the society that creates a new status quo as both McKinsey and Bain write:

*“The coronavirus is not only a health crisis of immense proportion—it’s also an imminent restructuring of the global economic order”* (McKinsey 23.3.20).

*“What’s different about Covid-19 compared with other recent geopolitical, environmental or even health shocks is that, this time, the business world realizes it isn’t a one-time event, but rather the start of a new status quo.”* (Bain 1.9.20).

#### 4.1.2 Survival of the fittest

As described earlier, the corona pandemic is seen as a disruptive force that changes the global economic order. As a result of the pandemic, Accenture expects massive disruptions in the competitive dynamics of organizations. They describe that the crisis will divide organizations into survivors and losers based on business resilience: *“Future survival hinges on business resilience.”* (Accenture 24.4.20). Survivors of the crisis will be those who have better responded to the changes of the pandemic and remodel their competitive advantage. Losers will be those who don’t recreate themselves and continue their business as usual.

*“Business success or failure will be determined during the COVID-19 crisis. -- Some companies’ products will accelerate to scale. Others who fail to properly serve customers during the crisis will burn critical bridges.”* (Accenture 14.4.20).

Resiliency is said to be the key to survival and long-term prosperity (McKinsey 14.4.20) and a vital necessity (McKinsey 23.3.20). Resiliency is described as the *“ability to absorb a shock, and to come out of it better than the competition”* (McKinsey 14.4.20 A). In many ways, this narrative of

“survival of the fittest” reflects Schumpeter's theory of creative destruction (1942) as new companies outdate slower incumbent firms in serving new customer needs: *“New unicorns will be created, and customer preferences will be solidified.”* (Accenture 14.4.20). Accenture recommends companies to focus on changing their business and renewing their competitive advantage: *“Disruption occurs along the fault lines of an industry’s ecosystem. Prepare for cascading consequences that can destabilize historical competitive advantage”* (Accenture, 24.4.20).

### 4.1.3 Crisis as an opportunity

In addition to rather negative narratives of the pandemic, I found that management consulting firms repeatedly describe the current crisis as an opportunity for learning and a turning point for better business: *“Despite the fear of the unknown, the pandemic and the subsequent economic challenges present a defining moment.”* (Bain 16.3.20). Due to the creative destruction and shifting status quo, the pandemic has been described to open doors for many positive trends. These trends relate to for example innovations and relationship-building.

#### *Accelerated learning and innovation*

Firstly, the pandemic is seen as an opportunity for learning and accelerated innovation. Governmental restrictions due to virus spread prevention acted as a catalyst for creative thinking. BCG (12/2020) gives an example of accelerated innovation work from India. They found that because of the pandemic 64% of businesses in India found it easier to innovate during the pandemic, compared with 32.5% before the pandemic. New experiments were dictated by compulsion due to the pandemic. The COVID spurred innovation work in e.g., vaccine development, workplaces and in every-day-life:

*“The aftermath of the pandemic will also provide an opportunity to learn from a plethora of social innovations and experiments, ranging from working from home to large-scale surveillance”* (McKinsey, 23.3.20).

*“The global pandemic has spurred a massive innovation effort from companies, governments, universities and individuals.”* (Accenture, 07/2020).

*“The urgency of addressing COVID-19 has also led to innovations in biotech, vaccine development, and the regulatory regimes that govern drug development so that treatments can be approved and tried faster.”* (McKinsey, 14.4.20).



## *Opportunity for relationship building*

Secondly, management consulting firms see that because of the pandemic, companies have had a chance to learn new ways to connect with customers and other stakeholders virtually and build trust:

*“Businesses have the opportunity to emerge in a stronger position and deepen relationships with customers and trading partners.” (Bain 16.3.20).*

*“This crisis offers a unique chance to build trust with customers and reset around their needs, including how they want to buy and receive service.” (Accenture, 24.4.20).*

The opportunity is said to be unique because the pandemic forced people into acting differently in their everyday life. Accenture sees that since people have tried and tested new virtual experiments, such as grocery eCommerce, this has widened the selection of service channels. Because of this Accenture recommends that companies should carefully listen to the customers and offer services in their individually preferred way. Trust with customers and employees can be reinforced by aiding stakeholders with the necessary support during changes:

*“The crisis also brings opportunities to strengthen current relationships and build new ones, and businesses have an important role to play in this regard. Anxious customers and employees need reassurance and support as their needs change radically.” (Bain 20.3.20)*

## *Rebuilding for a better world*

Even though the pandemic is generally seen as an essentially negative event, the overall view by management consulting is that even the worst event can offer an opportunity for rebuilding a better world. The pandemic could thus be considered as a point of restart:

*“While challenging, these changes can also help companies accelerate toward a different—and potentially even better—future” (Bain, 17.4.20).*

*“We think about ways to build back better” (McKinsey 07/2020).*

Management consulting firms encourage companies for changing their business into something better not only for business but also for society. Bain recommends (16.3.20) building the business to be “*more fit for the purpose in the world ahead*”, implying that the old ways of doing business may not be aligned with how businesses should do in the future. These suggestions can mean changing the business to become more sustainable.

## 4.2 Retrospective sensemaking

To guide organizations in responding to the corona pandemic, management consulting often referred to historical knowledge and experience of the past. They suggest that the advice from past crises can be applied to the present problems:

*“The best military leaders study history—and for good reason. By understanding the battles of the past, they can better prepare their forces to win in current and future conflicts. That concept applies to the business world as well, particularly right now.”*  
(BCG 14.4.20).

By doing this, consulting firms apply retrospective sensemaking. Aligned with sensemaking theory, management consultants believe past experiences can give guidance on how things might progress based on past experiences:

*“It is possible to consider the lessons of the past, both distant and recent (referring to 2008 financial crisis), and on that basis, to think constructively about the future. We believe the following elements will be important in the shaping of the next normal”*  
(McKinsey, 14.4.20 A).

*“Although there is no proven playbook for this moment, past crises are instructive.”*  
(Accenture, 24.4.20).

To compare the corona pandemic, management consultants use both examples of past economic and health crises such as the 2008 financial crisis and the 2002-2003 SARS epidemic:

*“Perhaps most comparable to the COVID-19 epidemic is the 2002–2003 SARS outbreak, which can provide some lessons for how quickly the industry may recover once the outbreak abates”* (Bain, 4.3.20).

*“We have looked backwards, towards those companies that not only survived the most recent crisis—the global financial meltdown of 2008—but emerged stronger.” (BCG 7.7.20).*

By analysing what went wrong and what went right in similar crises, management consultants base their recommendations for managing the current crisis:

*“.... using what we have learned from the highest-performing companies during previous crises, we share our views on a number of steps that are necessary for companies to come out stronger.” (BCG 7.7.20).*

These analyses include for example an analysis of the top 25 performing companies globally which came out of the Financial Crisis as a clear winner. BCG believes the same success factors can apply in this crisis too: *“These steps form the foundation of a modern playbook for how today’s leadership teams should manage the ongoing crisis”* (BCG 7.7.20). Bain takes China as a reference for handling pandemics. Already in February 2020, Bain tried to make sense of the emerging crisis via retrospective thinking:

*“It is early days, but China’s experience with epidemics over the past 20 years can provide a sense of what this latest outbreak may mean for China’s economy. Also, history provides some signposts that can help companies navigate through the crisis and emerge stronger and better positioned.” (Bain 10.2.20)*

In March 2020, Bain used even the current pandemic itself to provide retrospective sensegiving by analysing the actions and consequences of the early responders of the crisis: *“The early responses by leading companies worldwide—both in acting now and in preparing for the future—suggest a short set of principles to guide senior executives. (Bain 20.3.20).*

Management consulting firms believe that learning from past crises is useful and instructive. Some consulting firms such as Accenture and Bain are a bit more cautious when applying past lessons to the current pandemic as they use more emollient expressions: “although there is *no proven playbook...*” and “history provides *some signposts* that can help”. BCG on the other hand is more confident when they claim that the actions which best-performing companies took in the 2008

financial crisis would *"form the foundation of a modern playbook for how today's leadership teams should manage the ongoing crisis"*. There is little or no evidence though how or why past crises management would be relevant in today's pandemic – As I am considering the root causes of for example the financial crisis and this pandemic, the causes are quite different. In the first quote of this chapter, BCG referred to military leaders who study history to prepare for the crisis and used this analogy to recommend the same for business leaders in today's crisis. However, it should be carefully considered which parts of the history are applicable. I find the early responders' experience in China during this crisis most relevant retrospective sensegiving.

## 4.3 Leadership and crisis management

A recurring theme in management consulting reports was the management of the current crisis at hand. When pandemic struck, it required companies to react to changes at unprecedented speed, creating high demands for leaders: *"The coronavirus pandemic has placed extraordinary demands on leaders in business and beyond."* (McKinsey, 16.3.20). The crisis management efforts, however, seem to have worked well – management consulting firms reported that companies were highly efficient in responding to the pandemic:

*"Executives say their companies responded to a range of COVID-19-related changes much more quickly than they thought possible before the crisis. For many of these changes, respondents say, their companies acted 20 to 25 times faster than expected."* (McKinsey 5.10.20).

In this chapter, I will present the key takeaways which management consulting firms think of as the best way to manage this crisis. Lastly, I describe the identified mistakes leaders can make during this crisis.

### 4.3.1 Crisis management

According to McKinsey (16.3.20), the difficult first step in crisis management is the recognition of the crisis itself. The pandemic was not featured in management consulting insights until around mid-February 2020, and the earliest reports dealt mostly with the pandemic in China. The incidents in China were the early signals for the upcoming crisis. However, based on the content and timing of the consulting reports, the global health crisis was not fully recognized until March 2020. According to the management consultants, as the crisis is defined, responsive actions begin.

McKinsey says that improvisation in crisis management overrides careful planning in effectiveness when an organization is faced with an immediate threat:

*"During a crisis, which is ruled by unfamiliarity and uncertainty, effective responses are largely improvised. They might span a wide range of actions: not just temporary moves (for example, instituting work-from-home policies) but also adjustments to ongoing business practices (such as the adoption of new tools to aid collaboration)"* (McKinsey, 16.3.20).

McKinsey emphasizes a resilient mindset over pre-decided plans as the crisis can develop highly unpredictably:

*"What leaders need during a crisis is not a predefined response plan but behaviours and mindsets that will prevent them from overreacting to yesterday's developments"* (McKinsey, 16.3.20).

The uncertain situation can be better handled by collecting information gradually and acting based on that information: *"In practice, this means frequently pausing from crisis management, assessing the situation from multiple vantage points, anticipating what may happen next, and then acting"* (McKinsey, 16.3.20).

Two cognitive behaviours are found to be helpful when assessing and anticipating the environment (McKinsey, 16.3.20). These are updating and doubting. Updating means editing the knowledge at hand continuously based on what network of teams collect. Doubting means considering current actions and analysing if the actions need to be altered or dismissed. When leaders decide on certain actions, they should do them prominently to motivate their team: *"Visible decisiveness not only builds the organization's confidence in leaders; it also motivates the network of teams to sustain its search for solutions"* (McKinsey, 16.3.20).

In addition to recognition, improvisation, collecting and updating of data, management consulting firms advise taking an integrated multi-timescale approach. The integrated approach means considering four aspects when planning business moves: 1) virus and medical care situation, 2) governmental responses, 3) societal reaction and 4) economic implications into consideration. This multi-time scale means managing both the immediate, near-term and long-term goals simultaneously. (BCG 19.11.20).

In addition to the multi-timescale approach, I found six other recommendations of management consulting firms for leaders during a crisis:

- supporting internal stakeholders
- avoiding top-down orders
- building a network of teams
- leading with current data
- innovating rapidly
- communicating frequently and showing optimistic stability

### *Avoiding top-down orders*

During a crisis, McKinsey sees that leaders should not be in the front of actions and give top-down orders as it weakens the overall stability when organizing crisis movements: *“During a crisis, leaders must relinquish the belief that a top-down response will engender stability.”* (McKinsey, 16.3.20). Instead, leaders should focus their own work on a longer-term strategy of the future: *“The ‘leader’ is not in front, making all the immediate decisions. They are following, navigating a course to the future.”* (McKinsey 25.3.20).

### *Building a network of teams*

Instead of leaders making top-down orders, management consulting firms see that decision-making should be allocated to specific teams, namely to *a network of teams* that have different crisis-related tasks. In an article by Bain (17.8.20), they provide a division of “green team” and “red team”. The red team would be responsible for urgent crisis operations whereas the green team would focus on promoting other strategic priorities.

McKinsey (16.3.20) provides a wider model for a network of teams in the case of COVID-19. The network of teams means according to McKinsey (16.3.20) a network that consists of *“teams consists of a highly adaptable assembly of groups, which are united by a common purpose and work together in much the same way that the individuals on a single team collaborate”* The model is essentially a general guideline for organizing operations under a threatening event such as a pandemic. This network of teams would consist of five different teams with one team integrating and coordinating other teams:

1. nerve centre integration team
2. supply-chain stabilization
3. financial stress testing
4. workforce protection
5. customer engagement

The nerve centre integration team would provide the single source of truth of the pandemic and be responsible for gathering all the information related to the pandemic in real-time. It would also run scenario analyses, ensure effective resource allocation, coordinate response actions across portfolio all teams, and align team leaders to a common strategy. The team would consist of an executive leader, an epidemiological expert, a project coordinator, and a scenario-planning analyst. (McKinsey 16.3.20).

For the workforce-protection team, McKinsey proposes members such as the head of HR (team leader), the HR full-time leader, representatives from security, legal, and employee communications, and the ombudsperson. Especially as the pandemic is by nature a health crisis, a crisis organization would need a team that plans and coordinates support actions that are aligned with health policies. The team would not only publish policies for employees but also align health guidelines with third-party and real-estate contractors. Also, enabling safe work such as tools for remote working and maintaining feedback channels would be tasks of the workforce-protection team. (McKinsey 16.3.20).

The supply-chain stabilization team would have four responsibilities: 1) ensuring risk transparency across suppliers of all levels and supporting supply restarts, 2) *“managing ports, prebooking logistics capacity, and optimizing routes”*, 3) *“identifying critical parts of the supply chain and optimizing locations”*, and 4) *“developing scenario-based sales and operations planning.”* The team would consist of the head of procurement (team leader), the procurement manager, a supply-chain analyst, the local supply-chain managers, and the logistics manager. (McKinsey 16.3.20).

As customer retainment is considered key activity, the crisis organization would need to have a team specifically targeted for taking care of customers during the crisis. With the team of the head of sales and marketing (team leader), a financial analyst, and managers for customer communications, the customer engagement team would create and develop customer communication regarding COVID-19 and its effects on their customers, ensuring a safe customer

journey to prevent customer loss and training of employees who confront customers. (McKinsey 16.3.20).

As a prolonged pandemic holds a threat to the company's liquidity, the financial stress testing team would be in charge of creating different scenarios include on the latest virus and economic development. This team could consist of e.g., CFO (team leader), the leader of strategy or business development, the leader of the treasury, a representative from legal, and one or more financial analysts. (McKinsey 16.3.20).

The emphasis on teams during a crisis is due to the notion that people close to the issue can best decide actions. *“Local teams are often the best positioned to judge the situation on the ground”* (McKinsey 25.3.20). McKinsey provides an example of Ebola crisis coordination where an organization allocated decision-making to a local team:

*“in 2015, we had 4,000 employees in Guinea during the Ebola crisis. The mortality rate was high, so naturally, we had to decide if we should send home all the expatriate employees—knowing that they would then lose all credibility and never be able to go back? We delegated that to the team. We said, “You are the best to make that assessment because we can’t judge the health risk on the ground for you as expats.”* (McKinsey 25.3.20).

It is emphasized though, that while a local team is judging the situation together, there needs to be one party that makes the final decision which should not be questioned afterwards:

*“There also needs to be accountability, so that even when there are different people and different departments giving input, at the end of the day, there is a single decision-maker. --- There can’t be any internal criticism or questions around decisions, because in a crisis the organization is fragile.* (McKinsey 25.3.20).

Trust and open frequent communication are said to be crucial among crisis teams to function efficiently: *“If there are genuine, honest relationships among senior leaders, you’re going to have a much better functioning crisis team”* (McKinsey 25.3.20). Frequent check-ins with the team members are recommended: *“We had daily calls and daily communications at a fixed time with all the employees through mobile phone—and we did that daily for 18 months.”* (McKinsey 25.3.20).



### *Leading with current data*

Leading with real-time data has been a major trend in recent years. The fast-changing and even unpredictable epidemiologic situation was described to amplify the importance of quick actions based on current data. Management consulting firms predict an even stronger trend for real-time data analytics and less emphasis on traditional, longer-term forecasts in leading:

*“Forecasts are out, dashboards are in. --- Now we’re in an environment where we’ve also learned that what you really need to have a handle on are the metrics, insights, and what’s actually happening on the ground—the dashboard of daily life“*  
(McKinsey 07/2020).

*“Traditional benchmarks and insights used to manage the business are suddenly obsolete.”* (Accenture, 24.4.20).

### *Innovating rapidly*

Because of governmental restrictions and people’s security-oriented behaviour, industries with face-to-face customer contact such as service businesses got into difficulties during the pandemic. Thus, the industry leaders needed to kick off rapid innovation processes to save some revenue. Accenture (07/2020) provides a few guidelines on how businesses can implement innovation work effectively. Firstly, leaders would need to strengthen their ability to innovate at a fast pace and create methods for fast response as problems emerge. Secondly, Accenture says that team structures should be reconstructed in a way that enables fast pivoting. In addition, to prevent major health crises in the future, the "extreme teaming" model should be used. Extreme teaming means, according to Accenture, rapid collaborative innovation initiatives that bring together experts across sectors and nations.

### *Communicating frequently and showing optimistic stability*

According to management consultancies, effective crisis management requires effective crisis communication. Successful communication by the leadership team signals first and foremost to the stakeholders that the management has the crisis under control and is making resolute action:

*“Thoughtful, frequent communication shows that leaders are following the situation and adjusting their responses as they learn more. This helps them reassure stakeholders that they are confronting the crisis.”* (McKinsey, 16.3.20).

*“In times of crisis and uncertainty, you need leadership to show stability” (McKinsey 25.3.20).*

Management consulting firms advise leadership teams to communicate via a single voice and maintaining an optimistic but realistic outlook for stakeholders: *“It takes a great deal of consciousness from leaders in the midst of crisis and upheaval to maintain a balance that is neither too negative nor overly optimistic.” (McKinsey 25.3.20).* By reflecting 2008 financial crisis, the learning is that leaders should not give promises to employees which cannot be kept:

*We couldn't promise uninterrupted employment, because we didn't know what was going to happen in the economy. This (2008 financial crisis) was an unprecedented economic disaster. (McKinsey 25.3.20).*

### *Managing and supporting stakeholders*

McKinsey (25.3.20) believes that the challenge for leaders during the corona pandemic is not only how they can maintain the business but also how they maintain the relationships with their most important stakeholders such as staff, customers, investors. For example, supporting employees during the uncertainties of the pandemic was considered a highly important task for leaders: *“Since each crisis will affect people in particular ways, leaders should pay careful attention to how people are struggling and take corresponding measures to support them.” (McKinsey, 16.3.20).* The right support was seen to enable employees to stay motivated and fit for work. Retaining stakeholders throughout the crisis was said to utmost importance:

*“If you don't create a genuine relationship between them (staff) and the business, they will lose and you will lose in the long term. I think boards need to keep that as a central theme in their considerations.” (McKinsey 25.3.20).*

To promote genuinely caring relationships, leaders should create an environment of psychological safety:

*“Another crucial part of the leader's role, especially in the emotional, tense environment that characterizes a crisis, is promoting psychological safety so people can openly discuss ideas, questions, and concerns without fear of repercussions” (McKinsey, 16.3.20).*

In addition, consultants see that this pandemic is gravitating the focus of leadership work from sole business management to taking care of their people: *“A crisis is when it is most important for leaders to uphold a vital aspect of their role: making a positive difference in people’s lives”* (McKinsey, 16.3.20). Bain states that the pandemic has changed the mindset of leadership. Instead of focusing on business metrics, leaders will put more emphasis on the wellbeing of their community: *“What is Covid-19 teaching us about leadership? - There’s a certain humanizing element that Covid-19 has brought to the surface”* (Bain 1.9.20).

### 4.3.2 Mistakes leaders make

The uncertain, quickly changing environment also predisposes leaders to mistakes. According to management consulting firms, mistakes that leaders make relate to limited attention capacity, fixed mental models, a need for full control, overconfidence and delayed or non-action. As the crisis hits, the attention of leaders shifts into managing immediate crisis responses. While this kind of action is important, the mistake leaders make is that they forget to develop the organization’s long-term asset investments such as staff development, which can be harmful in the long term:

*“Leaders in a crisis tend to stop what they consider to be peripheral activities to focus on survival. That is a fundamentally flawed way of thinking. People development and team building are not peripheral activities”* (McKinsey 25.3.20).

According to McKinsey, unique crises demand unique responses. Thus, fixed mental models are especially harmful in crisis management. Leaders shouldn't blindly follow protocols of familiar incidents when managing a new type of crisis such as COVID-19: *“Once leaders recognize a crisis as such, they can begin to mount a response. But they cannot respond as they would in a routine emergency”* (McKinsey, 16.3.20).

The importance of a network of teams in crisis management was discussed earlier. Related to this, a common mistake is that leaders do is that they don’t decentralize power. As discussed, local teams are usually best equipped to assess the situation:

*“It is vital that a leader resist centralizing control. The temptation in a time of crisis is for leaders to put themselves at the centre of all activity. ---- precisely the opposite is needed.”* (McKinsey 25.3.20).

Communication-wise, even though cautious confidence is beneficial, overconfidence is bad for crisis management as stakeholders might not take overconfident discourse seriously:

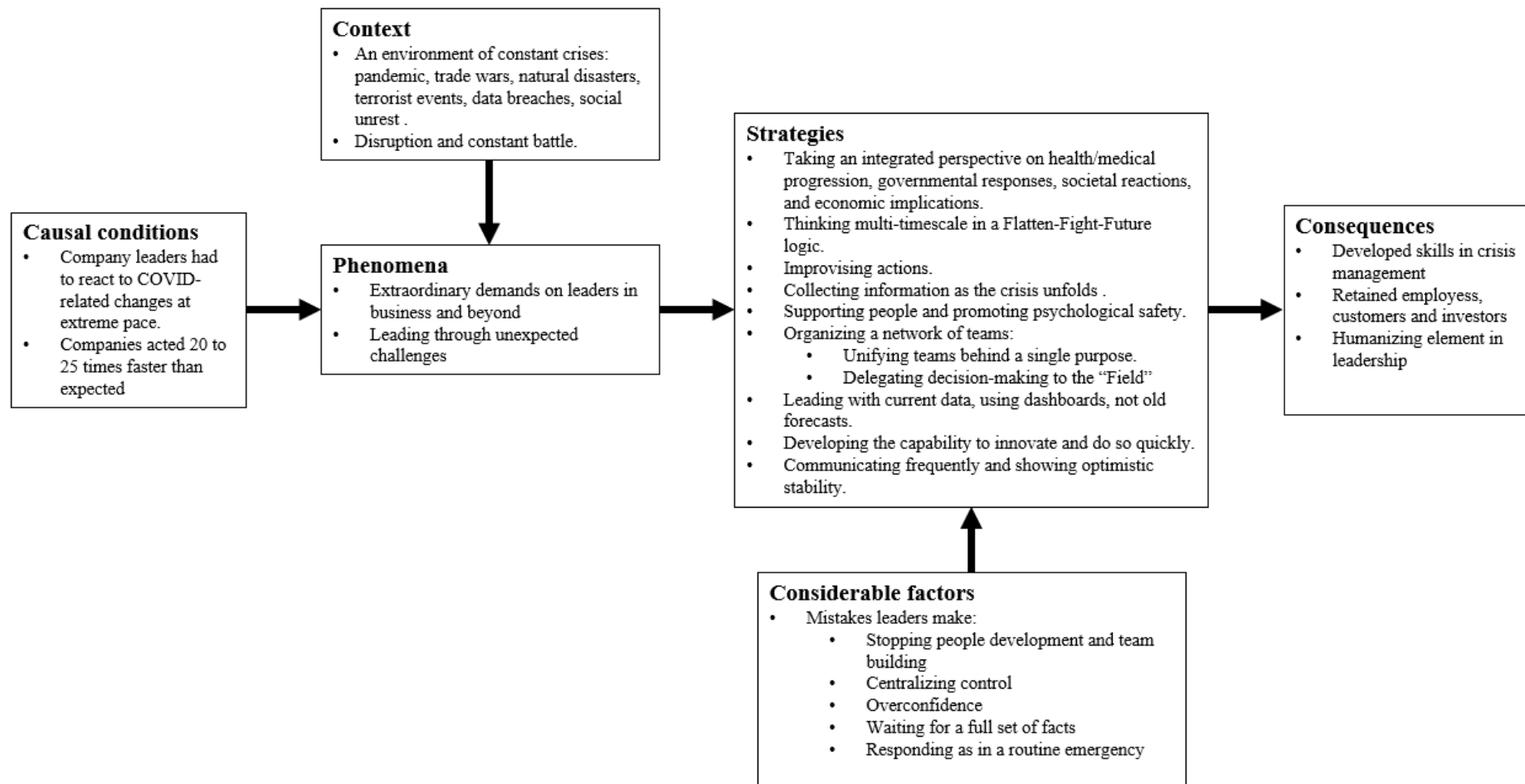
*“Time and again, we see leaders taking an overconfident, upbeat tone in the early stages of a crisis—and raising stakeholders’ suspicions about what leaders know and how well they are handling the crisis.”* (McKinsey 16.3.20).

Lastly, the final mistake leaders make is holding action-taking too long while waiting for more information. This can be risky, especially during the corona pandemic, as fuller knowledge of virus development comes with a delay. However, it was stressed that leaders should not only rely on intuition but make data-based decisions even with incomplete data (McKinsey, 16.3.20).

### 4.3.3 Summary of findings: leadership and crisis management

Here I will present the main findings of COVID-19's impact on crisis management.

Figure 1: COVID-19's impact on crisis management



## 4.4 New Normal

Already in the early weeks of the pandemic, management consulting firms began discussing the future after the pandemic. The post-pandemic future was given several names such as “new normal”, “next normal”, “new reality” and “never normal”. Amid acute crisis, management consulting firms began giving advisory on what the future in the new normal would look like and how businesses should prepare for it. The time when this new normal would begin remains uncertain. However, during the time of data collection, management consultants expect the year 2021.

### 4.4.1 Point of no return

Based on research data, I noticed that the pandemic is seen as a point of no return where there is a drastic change between the time before the pandemic and after the pandemic:

*“It is increasingly clear our era will be defined by a fundamental schism: the period before COVID-19 and the new normal that will emerge in the post-viral era: the “next normal.” (McKinsey, 23.3.20).*

*“No one knows exactly how this will all play out, but it is clear that for many industries and companies, there will be no going back to how things were before.” (Bain, 17.4.20).*

*“During & after COVID-19 crisis, the world will be different –business leaders are starting to face a New Reality” (BCG 12/2020).*

The change caused by COVID-19 is described to be even so drastic that McKinsey refers to war terms indicating that this pandemic will define historical periods:

*“Indeed, just as the terms “prewar” and “postwar” are commonly used to describe the 20th century, generations to come will likely discuss the pre-COVID-19 and post-COVID-19 eras.” (McKinsey 4.1.21).*

### 4.4.2 Never normal

The drastic change, however, may not be towards a better future. Accenture used the words “never normal” to describe a future where uncertainty and turbulence would be the constant state of reality:

*“Never normal” might be the new normal as leading companies learn they indeed can outmanoeuvre uncertainty in rapid cycles”* (Accenture, 24.4.20). Bain and McKinsey describe this "never normal" as follows:

*"Businesses increasingly operate in an environment of constant crises—be that a pandemic as we are in now, trade wars, natural disasters, terrorist events, data breaches, social unrest”* (Bain 1.9.20).

*“It’s become very clear just about everywhere that we are going to have to get used to waves of disruption and, as a result, a constant battle”* (McKinsey, 07/2020).

A peaceful non-crisis world would no longer exist. Businesses would need to position themselves in a way that they are always prepared for crises: *“Leadership teams should watch for include catastrophic storms or floods resulting from climate change and cybersecurity attacks.”* (Bain 3.12.20). Even though there have been many crises before, the corona pandemic is seen as a clearer starting point for even more crises ahead. Bain calls the corona pandemic a "dress rehearsal" for upcoming crises:

*"The world ahead will only be filled with more uncertainty, from the evolution of globalization to climate change. Leading firms will view the current situation as a dress rehearsal. The muscle memory that they develop today will prepare them for the next generation of business.”* (Bain 16.3.20).

#### 4.4.3 New normal influenced by trends

Based on research data, management consultants emphasize ongoing trends as they engage in future-oriented sensemaking and sensegiving. The new normal is realized by the changes in behaviour that lockdowns and restrictions have imposed. Bain (17.4.20) provided learning from the banking industry where trials of digital banking during pandemic has started a change process that is expected to be the new normal in the future:

*“For many industries, that future looks quite changed. In Italy, where people have been leaving home only for urgent necessities such as food and medicine, bank customers are using online banking and call centres to do things for which they usually would visit a branch. One major Italian bank would like this digital migration to continue when the crisis abates, and its leadership team is already thinking about how to make these changes permanent. --- The bank is also planning for the post–*

*Covid-19 future. This includes not only supporting customers' digital migration but also thinking through potential new products and services for evolving customer behaviour and economic conditions.” (Bain 17.4.20).*

Generally, the new normal would, according to BCG (12/2020) be formed by new organizational models, new working models, raised ESG expectations, purpose-driven organization and culture, and resilient and bionic organization due to digitalization acceleration. In addition, McKinsey (4.1.2) envisioned trends that would formulate the new normal:

- Confidence among consumers grows and rebounds consumer spending.
- Leisure travel returns but the return of business travel will be lower than before.
- Innovations create disruption and launch a new generation of entrepreneurs.
- Accelerated productivity by digitalization speed up the Fourth Industrial Revolution.
- Biopharma is revolutionized.
- Remote working continues with a large share.
- Healthcare systems get reformed.
- Supply chains are rebalanced and shifted.
- The sustainability goals of organizations get lifted.

Later in this thesis, some of these major trends will be discussed further.

#### 4.4.4 Steps to the next normal

Already in April 2020 Bain (17.4.20) provoked organizations to create a "Marshall plan" for business. They meant that businesses while fighting against the immediate impacts of the crisis, should begin thinking about their strategy to recovery. In August 2020, Accenture (4.8.20) stated that many companies had started their change process for the post-pandemic world by rethinking how value would be created in the new normal. In the next section, I will go through the main ideas that management consulting companies have as roadmaps for the next new normal.

#### *Journey to new normal via ambidexterity*

I found that consulting firms have similar but differently named roadmaps on how organizations can navigate through the crisis. These roadmaps have especially one thing in common: ambidexterity. According to management consulting firms, fighting against the crisis, planning of next steps, and



strategizing for the new normal, requires organizations to think and act ambidextrously – in a multi-timeframe:

*“As executives consider how to re-evaluate, realign, and redesign, it is important to adopt a kind of mental ambidexterity—namely, the ability to think and manage simultaneously across multiple time periods. In addition to running the business now, it is time for companies to retool for a recovery that will surely come.”* (Bain, 17.4.20).

Accenture has a three-phase framework for managing through the pandemic including phases such as "Now", "Next" and "Never normal". Bain also has three phases called "re-evaluate", "realign", and "redesign". According to Bain (17.4.20), the journey to new normal begins with re-evaluating what will create value in the future. The second step is aligning the leadership team behind the new strategy. The last step, "redesigning of the future" means starting new initiatives and investing in new capabilities which will put the organization in the best position in the future post-crisis. In McKinsey's roadmap to new normal, there are even five stages which are named as "Resolve, Resilience, Return, Reimagination, and Reform". Because the pandemic has progressed in a wave-like pattern, sometimes accelerating, sometimes decaying depending on the country and region, organizations have needed to manage the business in every time spectrums and overlappingly:

*“Each stage will vary based on geographic and industry context, and institutions may find themselves operating in more than one stage simultaneously.”* (McKinsey, 23.3.20).

*“Organizations looking to balance their immediate needs with longer longer-term opportunities will see the trade-offs play out across three waves of impact: the Now, the Next and the Never Normal.”* (Accenture 12.8.20).

### *Managing immediate crisis*

The ambidextrous strategy during COVID-pandemic means considering different layers of time. The “Now” phase in Accenture’s model means supporting people, customers, and suppliers. Similarly, McKinsey’s “Resolve” phase emphasizes the importance of safety in a successful recovery as a first action:

*“This is the stage on which leaders are currently focused. --- Business-continuity and employee safety plans have been escalated, with remote work established as the default operating model” (McKinsey 23.3.20).*

*“The virus will be present for months to come. Coexisting with it while operating businesses safely for employees and customers will be the most important step for getting the economy back on a path to recovery.” (McKinsey, 14.4.20).*

In addition to supporting employees, management consulting firms see retaining customers as a highly important first step. Customers are retained when companies proactively seek to understand their needs and worries. *“Retention is the first step: Listening to and meeting your core customers’ needs is foundational” (Accenture, 24.4.20).* To retain customers, BCG (1.6.2020) recommends building a "customer swat team" whose job is to make discovery calls with customers and find out what their needs are and how customers are experiencing the crisis from an industry-specific perspective.

### *Investing & reinventing*

The "Next" step (Accenture 24.4.20), similarly to the "Reimagination" step (McKinsey 23.3.20) includes realigning the business to seize new opportunities by reinventing organization, investing and using insights and foresight better: *“Institutions that reinvent themselves to make the most of better insight and foresight, as preferences evolve, will disproportionately succeed.” (McKinsey 23.3.20).* Accenture stresses that efforts should be put to understand changing customer needs, restructuring the business and operating models for flexible experimentation and scaling, and using demand-sensing to guide investment decisions (Accenture 24.4.20). Management consulting firms thus see that after the most important stakeholders are secured, the second step is investing wisely both assets and talent and seeking growth from sectors where customer needs are headed:

*“Once a vision for the future is in place and the leadership team is on board, the next step forward is to invest in new capabilities that the business will need following the crisis.” (Bain, 17.4.20).*

*“The COVID-19 crisis is a time where, more than ever, there’s a real need to try to look around the corner and anticipate how trends are going to affect your business and then to prepare for those trends and build capabilities that will lean into them.” (McKinsey 07/2020).*

BCG appeals again to the learnings from the 2008 Financial crisis and states that successful companies after the crisis were those had made strategic investments during the crisis:

*“the top 25 performers not only increased their liquidity but also proactively invested in strategic acquisitions. In essence, they applied the pre-emptive philosophy of “fix it before it breaks”. (BCG 7.7.20).*

In addition, these top-performer companies were said to actively seek out promising markets and concepts and redesign their development processes to get their ideas launched quickly to market. (BCG 7.7.20). The acquirement of assets, IP and talent are described to open the door for new growth paths (Accenture, 24.4.20) McKinsey (07/2020) proposes, though, that acquisitions are not enough. Instead, organizations should reset their portfolio and look for growth also from divestitures. This means also, that companies should resist sticking with legacy systems and pre-decided investment earmarkings that are no longer wise for the future (Accenture, 24.4.20). Existing investments, pricing strategies and different assets should be assessed on how they meet local conditions and demand.

### *Becoming resilient*

The “Never normal” phase by Accenture (24.4.20) and “Resilience” by McKinsey means making business resilient for the future. By studying past crises, McKinsey found that the companies which proved resilient in the 2008 Financial crisis were those who were better prepared with strong financing and who could quickly lower down costs of operating: *“They typically had stronger balance sheets— and effective action during it—specifically, their ability to cut operating costs.”* (McKinsey 14.4.20 A). According to BCG (7.7.20), these companies were those who had maintained cash reserves that, on average, were double the average reserves maintained by the companies in the S&P Global 1200. In addition, the top performer companies had done scenario-planning which helped them to identify trends and potential disruptions (BCG 7.7.20).

According to Accenture (30.3.20), resilience is, however, more than cutting costs: Resiliency *“requires a radical break with traditional thinking.”* (Accenture, 30.3.20). During this pandemic, automation was especially found to be one of the most effective ways to gain resiliency as it allows, among other things, making operations remotely:

*“The pandemic has made automation a way of boosting resilience more than lowering costs.” (Bain 14.10.20).*

*“To strengthen resilience in the core...companies should focus on investments in automation, remote operations and analytics-based optimization, as well as the intelligent end-to-end integration of their business” (Accenture, 30.3.20).*

In addition to automation, the utilization of different platforms was said to make companies more resilient: *“Companies on the brink of failure will turn to platforms for their resiliency, scale, cost-effectiveness, enterprise services, and audience.” (Accenture 14.4.20).*

In August, Accenture (12.8.20) stated, retrospectively, that the better resiliency of certain organizations during this pandemic was due to having an intelligent operating model meaning an operating model with built-in agility, which is guided by purpose and combines new ways of working with data and the latest technology. Accenture also notes that the pandemic proved that some organizations had better speed and agility than the organizations would have thought beforehand. According to Accenture (12.8.20), *“the long term EBITDA growth for truly agile organizations is 16 per cent compared with six per cent on average for non-agile organizations.”* Accenture does not, however, explicitly explain how agile a “truly agile” organization is. BCG mentions that the streamlining of core operations and redesigning processes that exploit the benefits of digitalisation can make businesses leaner when faced with a crisis. Also, real-time sensing and analytics are recommended to be included in the resiliency plans as they can be valuable tools in sensing market shifts and crisis metrics as they occur. Based on research data, it seems imperative that organizations should change their operating model to an agile one to be able to withstand this crisis and future crises:

*“Like past crises, this one will favour those who boldly adapt and extend new ways of operating.” (Bain 14.10.20).*

*“Operating models must change: Because operating models are often too big and too slow to be effective in responding to cataclysmic market and competitive changes.” (Accenture 12.8.20).*

Companies should also “stress test” their business and conduct wargame scenarios including plausible business futures and various exogenous shocks:

*“Managers of the financial system and the economy, having learned from the economically induced failures of the last global financial crisis, must now contend with strengthening the system to withstand acute and global exogenous shocks, such as this pandemic’s impact” (McKinsey 23.3.20).*

Companies will need broader resiliency plans as competitive positions shift because of the market shock (McKinsey 23.3.20). In addition to obvious reasons for building resiliency to withstand turbulence, after the pandemic business are likely to encounter higher resiliency expectations from investors. Resiliency measures related to exogenous shocks could be incorporated into the valuations of companies:

*“Investors are likely to take note, and to devise ways to incorporate resiliency more systematically into their valuations. Indeed, in the wake of recent natural disasters, the impact of climate change was increasingly being recognized by business leaders and investors.” (McKinsey 14.4.20).*

In conclusion, the implicit notion is that companies who want to be prepared for future crises need to adopt resiliency. According to consulting reports, this can be best achieved by maintaining strong cash reserves, thinking radically about business, changing operating model into agile, building automation into operations, creating resilience plans, and applying analytics and real-time sensing, considering if platform business model could bring value. It is important to ensure both near-term issues such as cash management for liquidity and solvency but also quickly apply broader resilience plans to respond to changing industry structures that are about to disrupt competitive positions in the future (McKinsey, 23.3.20).

### *Going full transformation*

As management consulting firms believe in "global restructuring of the economic order", they strongly advise organizations to make a total transformation. McKinsey especially promotes rather drastic change for companies. They advise "taking all-in", "putting everything on the table" and "going big" (McKinsey 15.12.20);

*“This is actually a time for being massively transformational and not tweaking on the margins. Challenge every assumption, challenge your value chain, challenge your*

*asset structure, and see if you can reinvent the organization or the company.”*  
(McKinsey 07/2020).

According to McKinsey, transformation initiatives should include both portfolio and performance improvement actions:

*“Whether your organization’s transformation should be primarily or equally about portfolio moves or performance improvements misses the point. To succeed, you need to consider both, and your transformations need to go big.”* (McKinsey 15.12.20).

McKinsey’s consultants argue that incremental change would be even riskier in this point time than full transformation: *“Incrementalism is especially risky, particularly for organizations trying to break out of what feels like a COVID-19 perpetual crisis.”* (McKinsey 15.12.20). The need for full transformation is based on the assumption that the business environment will be radically different in the future compared to the state prior pandemic. They also justify their point of view by data from their own research:

*“Our recent research has shown that companies that set gross transformation targets at 75 per cent of trailing earnings (or higher) were more likely to create value in a sustainable way. --- Companies that take an all-in approach emerge stronger and sustain that competitive advantage for almost a decade afterwards.”* (McKinsey 15.12.20).

The overall opinion of management consulting is that organizations should not limit themselves to crisis management but also make proactive actions that take business closer to new normal: *“Those that limit their focus to crisis management will lose out to those that actively seek out ways to come out stronger.”* (BCG 7.7.20). Management consulting firms believe that total disruption is the key to success. Companies should avoid being stuck to legacy systems and old business models as they may not work in the new normal. To even reinforce their point of full transformation, McKinsey uses an ancient philosopher’s saying. With it, they try to argue that transformation is unavoidable because things have changed:

*“Ages ago, Heraclitus observed that “No one ever steps in the same river twice, for it is not the same river and they are not the same person.” Left unspoken was the notion that no one wants to stand in the river for very long; you’ve got to get going. The challenge for our own time is clear. Launching an all-in transformation is one way*

*you can break for the COVID-Exit while accepting that COVID-19 has changed many things—all of us, and the full potential of our organization too” (McKinsey 15.12.20).*

#### 4.4.5 Summary of findings: new normal

Here I will present the main findings regarding discussion of the new normal and strategies towards the new normal (next page).

Figure 2: Forming of the new normal

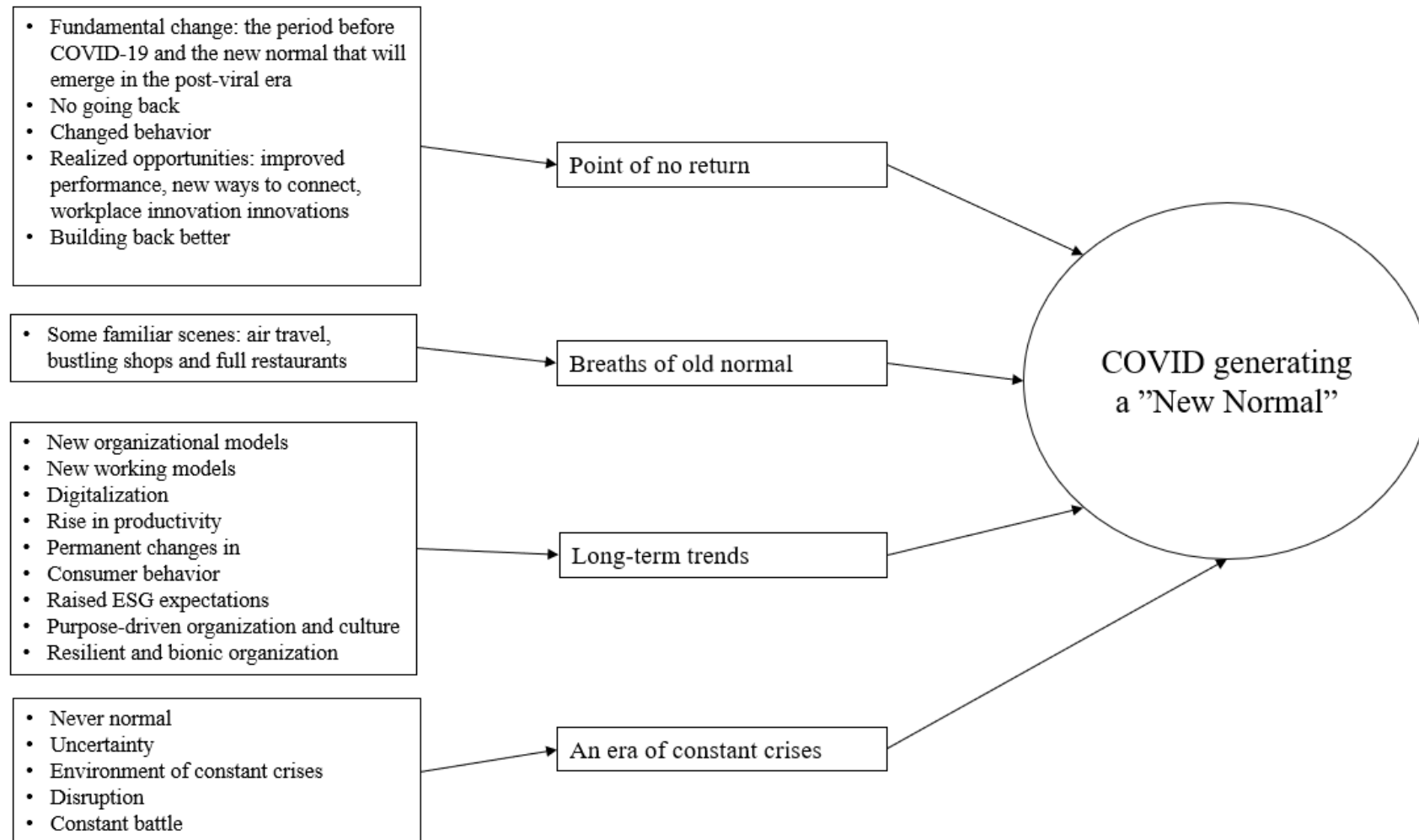
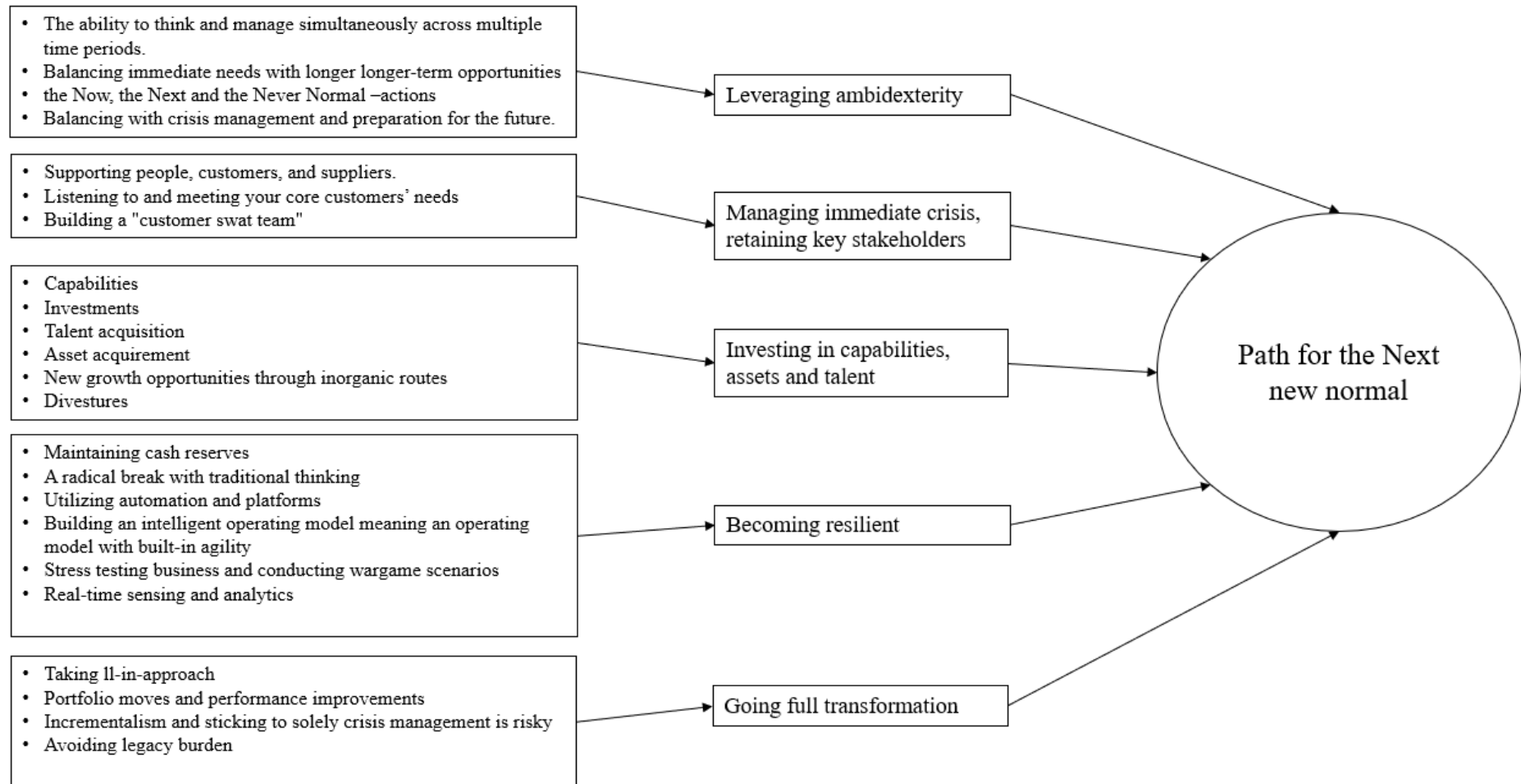




Figure 3: Strategies to the new normal



## 4.5 Changing roles of government and business

Another narrative that emerged from the consultant's reports was the changing role of business and increase in state influence. Like after the 2008 Financial Crisis, also the corona pandemic seems to raise questions on whether some areas of the economic and social system should be more regulated if it would prevent crises like the corona pandemic to happen. Also, the pandemic has seemed to accelerate the discussion of the future role of business and should the reasons for the companies' existence be re-evaluated.

### 4.5.1 Increasing regulation

In March 2020 McKinsey (23.3.) pondered that the pandemic would *“give way to a desire to restrict some factors that helped make the coronavirus a global challenge.”* What factors exactly were not here described. As the pandemic became a global challenge via people's movement through travel, this could mean restrictions for travel if alerting signs of new pandemics arise. It was written that the world with the same freedom of movement before the crisis would not return:

*“To deal with the pandemic, governments around the world have imposed restrictions on people and goods of a severity not seen for decades. --- Eventually, the tourists will come back and the borders will reopen, but it is certainly possible that the previous status quo will not return”* (McKinsey, 14.4.20).

McKinsey (14.4.20) sees that the movement of people in the future will not be easy due to increasing protectionism, more restrictive immigration, and visa policies. The follow-ups of the pandemic will certainly not make the situation less uncomplicated.

After the 2008 financial crisis regulations towards banking industries expanded. Similar consequences could happen also to the health care industry after the corona pandemic, according to management consulting firms:

*“A push to redefine the global public-health ecosystem to navigate possible future pandemics and related threats better could provide additional impetus for cross-country public-sector intervention. Reform of financial institutions gained momentum in 2009, and the same could be true for public health in the near future”* (McKinsey 14.4.20).

The regulations for healthcare could mean a higher preparedness for pandemics and other similar crises. The preparedness would mean for example increased reserves of medical supplies, as McKinsey describes it:

*“Policies on critical healthcare infrastructure, strategic reserves of key supplies, and contingency production facilities for critical medical equipment will all need to be addressed.” (McKinsey, 23.3.20).*

For businesses, the future looks more regulated. Governments are expected to take a stronger role in shaping economic activity: *“Governments are likely to feel emboldened and supported by their citizens to take a more active role in shaping economic activity”* (McKinsey, 23.3.20). Increasing regulation can be seen in domestic sourcing and workforce safety:

*“With many businesses likely to be operating to some extent with public money, the scrutiny will be intense. There will be real effects on the relations between government and business, and between business and society. That could show itself in the form of more regulation, particularly in regard to domestic sourcing and workforce safety.”* (McKinsey 14.4.20).

What businesses should do now is to anticipate the policy changes and plan their business in a way that they can navigate their business accordingly in a changing regulatory environment. Also, businesses should expect that governments may have a stronger hold on what businesses and people can do in the future:

*“Business leaders need to anticipate popularly supported changes to policies and regulations”* (McKinsey, 23.3.20).

*“Business leaders in many more sectors will have to adjust to the next normal of greater government intervention.”* (McKinsey 14.4.20).

#### 4.5.2 Triple bottom line

In addition to mandatory restrictions for business, the pandemic seemed to create pressure or willingness for voluntary efforts from companies. During the pandemic, some companies made proactive initiatives to help in the battle against the virus. Proactiveness was also considered as a rational move reputation-wise:

*“A corporate board is very concerned with protecting its reputation. It wants a sensible business solution, operating in a constructive economic reality. But at the same time, it wants to be seen as altruistic to the general public.”* (McKinsey 25.3.20).

According to McKinsey, the mindset behind different corona-initiatives was seizing new business opportunities in the crisis but also some sincere motivation to help in the battle against the crisis: *“You have to be able to present that you’re not just concerned about your profits and balance sheet but also that you’re concerned because it serves the greater good* (McKinsey 25.3.20). However, the efforts for fighting against the crisis were said to make also business sense: The faster the virus is defeated, the faster economy rebounds. Thus, in their reports, management consulting firms encouraged businesses to become part of the solution for corona. The main advantages for this could mean not only improved brand image and increased stock price but also a creation of valuable solutions that could be utilized also after the pandemic: *“The coronavirus reveals or heightens awareness of social fractures, business will be expected to be part of finding long-term solutions.”* (McKinsey 14.4.20). BCG wrote in June 2020, that this kind of solution-maker-strategy was already generating monetary results: *“The stock market has crowned a number of digital winners that have innovated to become part of the solution.”* (BCG, 1.6.20). Management consulting firms see that the pandemic strengthened the trends of corporate responsibility and the idea of "triple bottom line" meaning the purpose of a business that pursues value creation not only for the business but also for the society and planet:

*“The idea of the "triple bottom line"—profit, people, and the planet—has become mainstream”* (McKinsey 14.4.20).

*“Beyond the current pandemic, we see technological, demographic and macroeconomic disruptions that are changing our world and spurring a call for greater corporate and civic responsibility.”* (Bain 1.9.20).

In the future, the expectations of social responsibility for companies are higher. It will not be enough to maximize shareholder value – businesses need to demonstrate higher corporate responsibility for their communities:

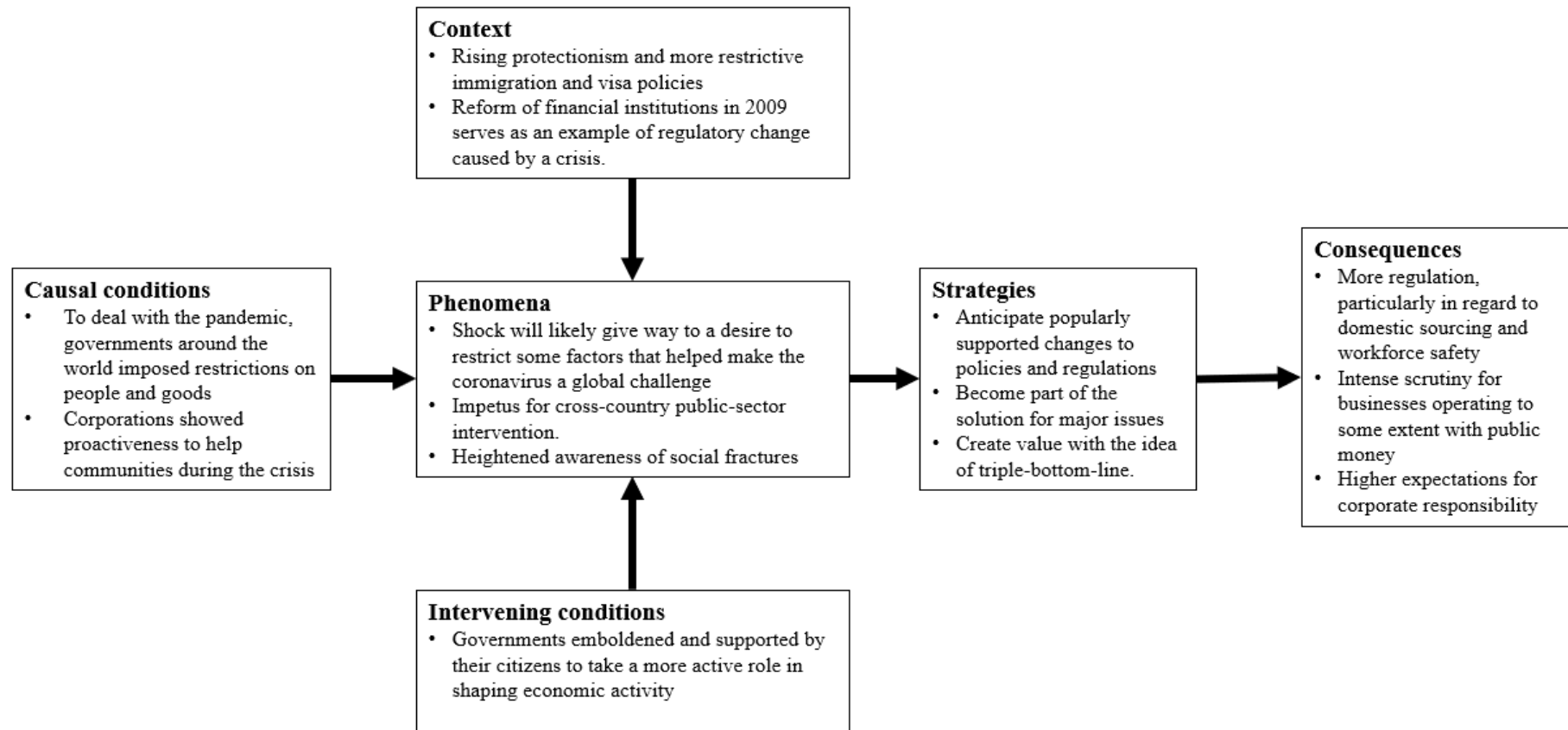
*“The days of sole focus on shareholder returns are over.”* (Bain 1.9.20).

*“Concern for employees and the communities within which companies do business doesn’t need to be in conflict with concern for ensuring a going commercial enterprise.” (McKinsey 25.3.20).*

### 4.5.3 Summary of findings: changing roles of government and business

Here I will present the main findings of COVID-19's impact on regulation and the role of business in the future.

Figure 4: COVID-19's impact on regulation and the role of business in the future



## 4.6 Future of global supply chains

### 4.6.1 The system error

As soon as the global pandemic hit, management consulting firms identified that there was a great flaw in the global business system: globally linked supply chains with minimized inventories. The corona pandemic revealed these weaknesses and fragility of the whole system. According to BCG (2.4.20), the current system was built based on optimizing cost and time and locating manufacturing in high-volume factories in a few low-cost countries. In recent years, however, due to the rising economic nationalism and trade barriers, businesses had started to rethink their supply chain strategies (BCG 2.4.20) but they were too late and unprepared for black swan events like COVID-19. Because of factory lockdowns and restrictions in logistics, the global just-in-time supply system functioned poorly during the pandemic:

*“Global supply chains face disruption in multiple geographies.”* (McKinsey, 23.3.20).

*“Since OEMs rely heavily on just-in-time production, their supply chains were immediately disrupted.”* (Accenture, 7.4.20).

In manufacturing, the problems included labour shortages due to quarantine orders and raw material shortages (Accenture 17.3.20) In logistics, the mentioned challenges were travel restrictions including airports, roads, trains and ports, additional time spent in screening and cleaning of shipments, market closures and shortages of drivers (Accenture, 17.3.20). As a result, challenges in logistics downgraded the production in other parts of the supply chain: *“Lockdowns and the disease’s spread have squeezed factory production and created headaches for shipping and other logistics”* (Bain 14.10.20). The supply chains built on efficiency based on small inventories proved heavily failing when the world would have needed responsiveness: *“Companies are finding themselves vulnerable because they cannot get the parts they need.”* (McKinsey 14.4.20). At the beginning of the pandemic, there was also high pressure from the consumer side towards supply chains as sudden panic shopping emptied shelves: *“Stores are closed or have shortened hours, with mass inventory depletion due to panic purchases.”* (Accenture, 17.3.) Bain sums up the problems of current supply chains and reveals the system error of the current global supply chains: *“Covid-19 disruptions have underscored how fragile extremely lean global technology supply chains have become after decades of shortening cycle times, stripping out costs and inventory, and concentrating production in China and a few other countries.”* (Bain 14.10.20). Based on the

consulting reports, the pandemic revealed that companies did not have contingency plans in place when the crisis hit. COVID-19 is described as “a black swan” event which was not taken into account in the risk management of firms:

*“For low-probability, high-impact “black swan” events like a global pandemic, standard risk models fall short. As a result, most companies do not have contingency plans in place, leaving supply chain executives scrambling to respond” (Accenture, 17.3.20).*

According to BCG, the challenges of the current supply chain were known but not managed. The pandemic forced leaders to tackle with problems:

*“The COVID-19 crisis has brought to the fore supply chain challenges that many companies have long grappled with. -- Crises like COVID-19 only exacerbate such challenges. The good news is that in these kinds of circumstances, leaders align cross-functionally to manage overall business performance. But it shouldn’t be only in times of crisis that the supply chain is wired that way.” (BCG, 14.4.20).*

#### 4.6.2 Crisis-resistant supply chains

An overarching sensegiving element of management consulting reports is that they provide recommendations for highlighted problems. Regarding the corona pandemic, the action recommendations were usually constructed in three layers as "the Now, the Next and the Never Normal" (Accenture, 12.8.20) or "Flatten, Fight, Future" (BCG 1.5.20). The BCG terms refer to epidemiologic phases of the pandemic indicating that businesses should follow how the pandemic develops and adjust their actions accordingly. The “now” and “flatten” mean actions that should be performed immediately and short-term, “Next” and “fight” mean actions to be performed shortly after critical tasks. “Never normal” and “future” are actions that are important to take towards in preparing for the future after the pandemic is over.

For adjusting supply chain strategy, Accenture (17.3.20) for example advised companies in crisis to immediately assess current operations, then next establish a command centre and begin rapid response deployment (within two weeks) and lastly, for the future, to build a sturdy sense and respond organization with the capability to react to unpredicted supply chain disruptions. To support decision-making and risk-mitigation in crises, end-to-end value chain visibility and data-



driven scenario planning are recommended (Accenture 30.3.20). Shifting to the cloud and applying omnichannel strategies are also mentioned in managing value chains especially in the future (Accenture 14.4.20). According to BCG (14.4.20), an end-to-end value chain is best achieved by adopting a "bionic operating model" which requires a digital transformation to supply chains:

*“The hallmark of the bionic supply chain is the ability of humans and technologies to work together in a seamlessly orchestrated workflow. People and machines make the decisions that they are each best suited to make, which maximizes the supply chain’s responsiveness and agility.”* (BCG 14.4.20).

The Bionic supply chain essentially means a supply chain where technologies are used smartly to complement human resources. However, implementing technologies is not enough as BCG points out that the interaction between humans and machines need to be seamless which indicates that companies should also invest in employees’ digital skills.

What should businesses then learn from the crisis? The overall opinion is that the supply chains need to be rewired for withstanding also bigger risks rather than focusing on a narrow perspective of efficiency. Redundancy and resiliency are described as key terms for future supply chains:

*“The pursuit of efficiency gives way to the requirement of resilience”* (McKinsey 23.3.20).

*“The COVID-19 crisis, which has disrupted global supply chains, has moved redundancy higher up on companies’ agendas as a means of reducing risk and weathering the next global shock”* (BCG 2.4.20).

The remedy for system error is said to be safety plans and backup inventories to prepare for future shocks like pandemics: *“Companies will want to build back up and safety plans.”* (McKinsey 14.4.20). Building redundancy via inventories does not, however, come without costs. BCG (2.4.20) proposes that AI be used in manufacturing operations and supply chains to bring resiliency to the system in a cost-effective way.

In addition to building more redundancy in the supply chains, management consultants see that the trend of shifting sourcing and manufacturing closet to end-markets and out of low-cost countries such as China will accelerate due to the experiences of COVID:

*“(Corona) will greatly accelerate several major trends that were already well underway before the outbreak: rather than heavily concentrating sourcing and production in a few low-cost locations, companies will build more redundancy into their value chains.” (BCG 2.4.20).*

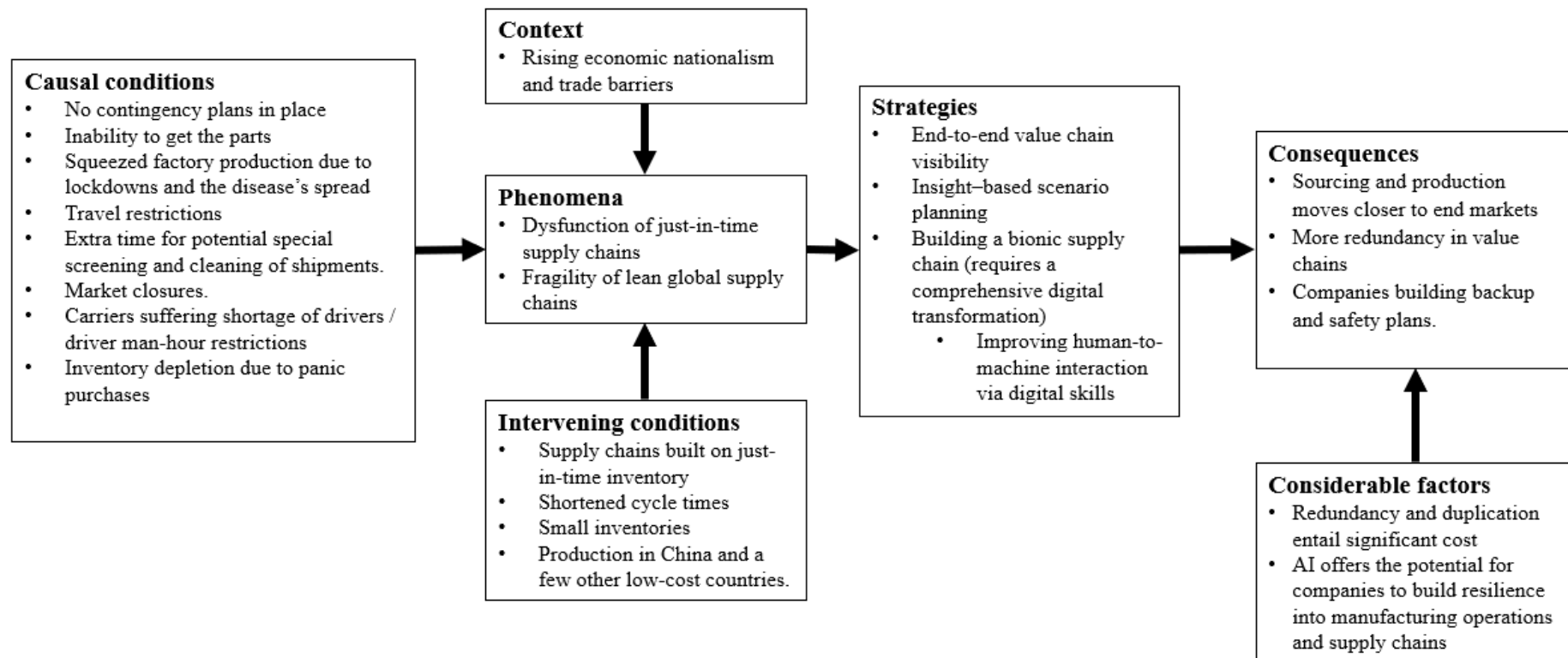
McKinsey (23.3.20) describes that the crisis could mean an end for long-lasting supply-chain globalization as it is possible that production and sourcing are transferred closer to the end market. This transformation of supply chain systems can happen due to a change of politics, increased resiliency goals and changed customer preferences:

*“For businesses, the prospect of more border restrictions, a greater preference for local over global products and services, the need for resilience across supply chains driving a move to bring sourcing closer to end markets.” (McKinsey, 14.4.20).*

### 4.6.3 Summary of findings: global supply chains

Here I will present the main findings of COVID-19's impact on global supply chains.

Figure 5: COVID-19's impact on global supply chains



## 4.7 Future of healthcare

As a health crisis, the corona pandemic has put high pressure on the performance of health providers. Based on management consulting reports, I identified two ways how the pandemic impacts the healthcare industry:

- The increased need for preparedness and resilience for large-scale crises.
- Discovered opportunities for digital health services and personal health devices.

### 4.7.1 Wake-up call

Even though there have been pandemics and crises before, health organizations were not prepared for the corona pandemic, according to management consulting reports. McKinsey writes about the lack of resilience plans being the reason for poor preparedness for land-scale crisis:

*“This has been a wake-up call that, in the healthcare system, we don’t have the resilient plan that we need to have in place—whether it was workforce, whether it was supplies, whether it was having enough beds, having enough ventilators, et cetera.”*  
(McKinsey 07/2020).

However, because of the pandemic, healthcare providers needed to rapidly scale patient care which served as important learning for future crises: *“The ability to ramp up capacity in order to meet a surge in demand has been demonstrated as perfectly feasible and is really important for the future.”* (McKinsey 07/2020). These learnings should translate into different protocols that relate to for example how nurses can be trained for intensive care, how hospital spaces can be converted for intensive care and how other, e.g., third party-places such as hotels can be used for lower-acuity care (McKinsey 07/2020).

Related to scaling patient care, the utilization of robots in routine tasks and DARQ technologies (distributed ledgers, artificial intelligence, extended reality, and quantum computing, accelerated during the pandemic (Accenture 07/2020). In addition, Bain (23.9.20) writes that the pandemic increased public trust in the clinical expertise of doctors and scientists which may increase the power of this professional group in important issues also in the future.

## 4.7.2 Digital health

As the pandemic forced people to keep distance and health care providers needed to allocate resources to corona patients, non-critical face-to-face-visits to doctors decreased, causing high demand for remote health services:

*“COVID-19 forced people to interact at a distance, leading to a rise in telehealth visits and other options for receiving care.”* (Accenture 07/2020).

*“Over the last few months hospitals have cancelled or eliminated elective procedures, and physicians have restricted physical access to their practices. Those trends are accelerating the adoption of telehealth services.”* (Bain 3.9.20).

According to McKinsey (07/2020), 70-80 % of primary-care consultations were provided virtually or via phone during spring 2020. Management consultants see that online and telemedicine services will continue with a large share also in the future:

*“More than 80% of doctors expect to use telehealth at the same or greater level than they do now, Bain research shows”* (Bain 3.9.20).

*“We’ve seen a 15-20x increase in virtual visit volume for telehealth providers during the pandemic and our estimates show that in the future, 1 in 3 healthcare visits will be conducted virtually.”* (Accenture 07/2020).

However, telemedicine will not replace in-person care – rather virtual medicine would be used for routine visits, follow-ups, chronic care and doctor-to-doctor consultations: *“In-person visits will still be the norm for new patient consultations and urgent care.”* (Bain 3.9.20).

Another interesting side-effect of the pandemic for health care is cautious acceptance of health data sharing for the public good: *“To help fight the virus, people are inviting more smart devices into their lives, and many are more willing to share health-related data”* (Accenture 07/2020). Also, McKinsey writes about changing attitude climate for personal data sharing:

*“Some consumers and governments—but by no means all—may change their attitudes toward the sharing and use of personal data if it can be demonstrated that the use of such data during the crisis helped safeguard lives.”* (McKinsey 14.4.20).

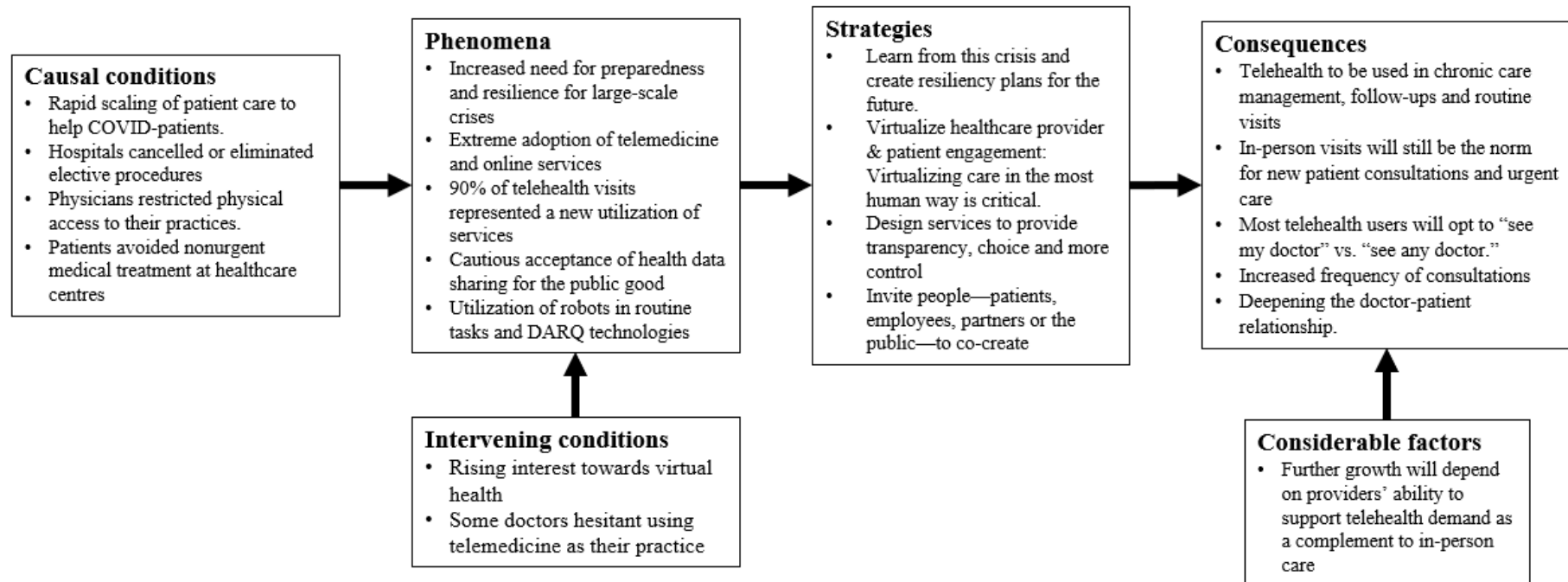
In July 2020, Accenture talked about smart devices as tools to battle against the spread of COVID-19. These smart health devices would recognize symptoms, monitor patients and maintain a health data system that researchers could utilize in defeating the pandemic. Health care providers would need to understand how these smart devices could be used in healthcare and figure out a model for a new “co-ownership” paradigm for these devices.

For the future, Accenture advises healthcare organizations to virtualize healthcare provider & patient engagement, to plan services that enable “*transparency, choice and more control*”, and to invite stakeholders such as patients, employees, partners to design these services together. (Accenture 07/2020).

### 4.7.3 Summary of findings: healthcare

Here I will present the main findings of COVID-19's impact on healthcare.

Figure 6: COVID-19's impact on healthcare



## 4.8 Future of consumer business

Already in the first wave of the pandemic, management consultants stated that pandemic-shaped consumption habits would at least endure a long time after the immediate crisis, some consumer behaviour would be changed permanently:

*“The COVID-19 pandemic is likely to alter consumer behaviours permanently and cause lasting structural changes to the consumer goods and retail industries”*  
(Accenture 4.5.20).

*“A shock of this scale will create a discontinuous shift in the preferences and expectations of individuals as citizens, as employees, and as consumers.”* (McKinsey 23.3.20).

*“The pandemic is already drastically altering consumption habits worldwide—and affecting companies’ revenues—as people make more purchases online and consume food and beverages exclusively at home”* (BCG 2.4.20).

Accenture (23.11.20) describes this change as “consumer scarring” meaning greater permanency in consumer behavioural shifts. However, some management consulting reports indicate that there are still some uncertainties of how the consumer behaviour will settle after the pandemic leaving room for businesses to influence those behaviours:

*“Undeniably, consumer habits have been tossed up in the air, but while new laws of gravity have already begun to define where some of those consumer behaviours will land, for others, the end result has yet to play out”* (Bain 23.9.20).

The changed consumer behaviour could result from changed preferences related to physical distance, health, and privacy (McKinsey 14.4.20). In January 2021, McKinsey talked about a phenomenon of “revenge shopping” meaning a high increase in demand in all sectors as consumers let loose after a long period of abstained consumption. The revenge shopping would begin when consumers gain back their confidence both economically and security-wise:

*“Spending will only recover as fast as the rate at which people feel confident about becoming mobile again—and those attitudes differ markedly by country. --- As consumer confidence returns, so will spending, with “revenge shopping” sweeping*



*through sectors as pent-up demand is unleashed. That has been the experience of all previous economic downturns.” (McKinsey 4.1.21).*

#### 4.8.1 Consumer behaviour trends

According to management consultancies, the future for consumer business will be shaped by trends that were accelerated because of the pandemic: *“2021 will be shaped and impacted by multiple trends that have emerged or have been accelerated by COVID-19.”* (BCG 12/2020). Based on research data, I identified five main corona trends that are expected to cause changes to consumer business in the long term. These trends are increasing at-home consumption, increasing eCommerce and direct-to-customer sales, increasing demand for value and decreasing demand for business travel.

There are also several uncertain trends in which is not clear whether the trend will continue after the pandemic. According to Bain (23.9.20), it is uncertain for example if consumers will prefer local products or global products and if consumers are opting to live further from the city to get more spacious locations because of remote working option or would they still prefer short commuting times to work and services. In addition, the trends of increasing sustainability demand and local business support were found to be short-lived trends or at least unlikely to be accelerated because of the pandemic. I will also cover the discussion of these uncertain trends in this chapter.

##### *Increasing at-home consumption*

The extended corona lockdowns of 2020 gave a strong push for the demand for goods and services that could be consumed at home. This caused a rapid shift to in-home media consumption. (BCG 7.7.20). In November 2020, Accenture (23.11.20) declared a “decade of home” to begin which would include value shifting from sectors such as restaurants, retail, and commercial real estate and declining demand for office space, high increase in eCommerce and digital entertainment alternatives. For example, BCG provided an example of how lockdowns made businesses change their normal business models and launch their goods digitally to be consumed at home:

*” Movies are being released for digital streaming without even being released in theatres, and fitness companies such as Peloton and Hydrow are launching digital home-fitness services”* (BCG 2.4.20).

There was no clear understanding of what kind of at-home consumption would maintain after the pandemic among management consulting firms. According to Bain, this would depend on three factors cost, health and convenience:

*“How out-of-home spending will bounce back over the next few months will vary not just according to product category but also by consumer segment based on considerations around cost, health and convenience.” (Bain 23.9.20).*

Bain discusses that the activities which are frequently and easily performed at home will not return to the same degree to be performed out-of-home as they used to before the pandemic. This is because people may have formed a strong habit of doing the activity at home. Also, the investment made for at-home consumption creates stickiness to the at-home consumption, making it difficult for people to switch to out-of-home consumption. Thirdly, the return to out-home activities depends on how out-of-home experiences can be substituted with at-home experiences. If there is no strong substitute for out-of-home consumption, those activities will return sooner. This kind of activity could be for example travelling abroad. Lastly, Bain talks about the “degree of reluctance” meaning a difficulty for the consumers changing back to previous activities. This reluctance may be due to changed preferences and values. Since there is no guarantee of quickly returning – if ever returning – out-of-home- consumption as before, businesses are advised to develop and pursue offering great at-home services:

*“Winning brands will invest to create great at-home occasions to keep consumption at home for the longer term. --- Brands will also invest in digital to create great at-home experiences, collaborating with an ecosystem of players such as Uber Eats” (Bain 23.9.20).*

### *Increasing eCommerce and direct-to-customer sales channels*

Similarly, to the previous trend, lockdowns also accelerated a high increase in eCommerce as that became the safest and convenient way to spend. This trend is expected to continue also in the future: *“Consumers will purchase more and more goods and services online.” (BCG 2.4.20).* Because consumers could not or did not want to go to physical shops during the pandemic, they channelled their buying power online sales making sales records in eCommerce:

*“When lockdowns forced retailers to close physical shops, for example, online purchases soared as people bought many items online for the first time.”* (Bain 3.12.20).

*“US saw record online shopping this year on Thanksgiving, Black Friday & Cyber Monday, up 20-3% YoY.”* (BCG 12/2020).

According to management consulting firms, eCommerce was already increasing before the pandemic, but the crisis has accelerated the adoption also among first-time users:

*“E-commerce was already meaningfully and visibly eating into the sales of brick-and-mortar stores. What the coronavirus has done is to accelerate a change in shopping habits that were already well established.”* (McKinsey 14.4.20).

Management consulting reports bring up especially online grocery shopping as a product group that has lifted its presence in eCommerce activity. *“Pandemic is causing more people to shop for groceries online.”* (Accenture 4.5.20). The adoption of online grocery shopping was slow before the pandemic hit. Due to the pandemic, online grocery shopping is said to have accelerated by many years of development: *“Covid-19 has radically accelerated the shift to online commerce, with online grocery shopping in Europe making the equivalent of three to four years of progress”* (Bain 23.9.20). The trend is likely to continue. Bain (3.12.20) predicts that over 60% of consumers will maintain or increase the use of food delivery platforms even after the pandemic.

To succeed in online sales, businesses should, according to BCG (1.6.20) utilize digital marketing to create a new flow of sales. Companies should also design the product as *“accessible, user-friendly, and reliable as possible”* (BCG 1.6.20). Free trials can be an effective way to ensure wide adoption. To stay relevant in the market, consumer goods companies can also create their direct-to-customer digital sales and marketing channels or utilize third-party platforms to access the audience: *“Platforms are helping stand up eCommerce, shift advertising online, and access new audiences.”* (Accenture 14.4.20). This shift to the direct-to-customer channel has already been occurring: *“Brands are moving product launches online, bypassing physical stores.”* (Bain 23.9.20). Bain offered a few examples of brands using direct-to-customers models during a pandemic:

*“PepsiCo launched two new direct-to-consumer platforms: Snacks.com and PantryShop.com. Kraft Heinz launched its “Heinz to Home” service in the UK. ---*

*Others are replicating in-store experiences digitally. For example, beauty brands such as bare Minerals and Clarins launched virtual consultations.” (Bain 23.9.20).*

For businesses, eCommerce offers an opportunity to reduce costs, improve productivity and increase the pace of sales (Bain 14.10.20). The challenges for businesses shifting to eCommerce are not new: Companies need to solve the last-mile issue in delivery costs and the environmental impacts of the delivery (Accenture 23.11.20).

### *Increased demand for value*

Another trend, management consultants see as caused by the pandemic is increasing demand for value-for-money products instead of high-priced brand products: “*Consumer spending is “overpronating” massively toward value*” (McKinsey 07/2020). The reason is said to be the uncertainty and fear of economic recession which the pandemic created:

*“The financial impact and resulting anxiety led many to focus their spending on value-for-money products.” (Bain 23.9.20).*

*“Consumers (are)--- prioritizing ‘need’ vs. ‘want’ purchases.” (Accenture 17.3.20).*

*“Consumers may increasingly distinguish essential from luxury items” (BCG 2.4.20).*

The preference for buying only essentials was seen in the decline of for example luxury products: “*Consumer companies have already seen a 4% decrease in value creation, driven by a predictably declining demand for travel and luxury products.*” (BCG 7.7.20). However, there is also seen a conflicting trend of people seeking quality products that can be more expensive than budget offerings. This countertrend is said to be due to the increased need for safety and health:

*“The Covid-19 crisis has accelerated a distinct shift that began emerging pre-pandemic—namely, the simultaneous flight to low-cost products and more premium offerings --- Consumers with sufficient spending power are turning to premium products to meet their heightened needs around health, convenience and safety “(Bain 23.9.20).*

Different product groups matter: quality is more valued in food items and the low-price point is valued in non-food items:

*“As consumers redefine value in a Covid-19 world, they are revealing distinct patterns. In food, consumers seek quality in Europe, whereas price is the leading purchase criteria in non-food items such as household paper products and over-the-counter drugs.” (Bain 23.9.20).*

In July 2020, McKinsey stated that there is “a real shock to loyalty” meaning that because of the pandemic and rise of eCommerce, consumers are more floating in terms of choosing products and brands. Management consultants predict the consumer brand winners will be those who can offer value for the money or low-cost items:

*“Our COVID-19 Consumer Research found that 29% of respondents expect to spend more on budget brands, and 42% of respondents expect to spend less on premium brands. --- Companies with budget or value brands are likely to benefit.” (Accenture 23.11.20).*

### *Decreasing business travel*

Travel, especially air travel, was also faced by a shock of the pandemic. Management consulting firms see that travel for leisure will recover once herd immunities are gained via vaccines and travel restrictions flexed. Also, consultants see that real-life travelling will rebound because travel cannot be easily substituted for example digitally and exploring is seen as some sort of basic human need:

*“People who travel for pleasure will want to get back to doing so. That has been the pattern in China. --- Leisure travel is driven by the very human desire to explore and to enjoy, and that has not changed. --- There is no reason to believe that the rise in global prosperity will reverse itself or that human curiosity will diminish.” (McKinsey 4.1.21).*

The travel industry should, however, respond to a long-term structural change in business travel as the pandemic has proved online meetings somewhat workable:

*“We could see travel volumes picking up once an approved vaccine is widely available and travel restrictions are eased. However, it is now also likely that we will see moderate drops in longer-term demand, such as for business travel due to a shift towards online meetings. ---Even a moderate drop in airline demand could trigger*

*second-order effects across the entire airline ecosystem—impacting company earnings outlooks, bankruptcies, and industry consolidation.” (Accenture 23.11.20).*

In the future, there will be a stronger requirement of necessity in business travel: *“During and after the pandemic, though, there is a question about business travel: Exactly when is it necessary?”* (McKinsey 4.1.21).

### *Sustainability and local business support*

In December 2020, BCG stated that due to the pandemic, there would be stronger demand for sustainability. *“2020 marks a watershed year for the global economy. Investor demand driving the acceleration of ESG awareness in China”* (BCG 12/2020). Already before the pandemic, there was a trend of sustainability. While there is no clear cause-effect relationship between sustainable business and the pandemic, the trend is said to have accelerated because of the pandemic. Accenture believes the trend was inflated by a general preference for more conscious consumption related to health and the environment:

*“Crisis is also causing consumers to more seriously consider the health and environmental impacts of their shopping choices”* (Accenture, 4.5.20).

*“Before the pandemic, we saw growing demand for sustainable and ethical choices. As the economy moves through this crisis, we expect responsible consumption to persist as a long-term trend.”* (Accenture 23.11.20).

According to Bain, there was a stronger interest towards sustainability when the pandemic began but during the pandemic, the preference for safety such as in hygiene has outwon the preference of sustainability:

*“Across countries, consumers are expressing a heightened preference of safety over sustainability. They are prioritizing such safety-related factors as “keeps my family protected against bacteria” over factors such as “sustainable ingredients.” --- Many business leaders had hoped that Covid-19 would serve as an inflexion point for sustainability. But the course is muddled.”* (Bain 23.9.20).

For this reason, it is not clear whether the pandemic serves as an accelerator for sustainability demands. It may be due to the uncertainty that people will choose to opt for safety and budget options leaving possibly higher-prices sustainable options on the shelf.

Similarly to the sustainability trend, it was noticed in the management consulting reports that consumers were willing to support local brands and businesses during the early weeks of the pandemic. This small trend, however, seemingly melted as the pandemic progressed, according to Bain:

*“In five European markets surveyed, the number of respondents saying that they would continue to buy local products over the next 12 to 18 months has declined since the height of the pandemic” (Bain 23.9.20).*

The reasons were supply constraints and consumers preference for safety via trusted and larger brands. Based on data, it is not seen, that preference for local brand support would grow significantly in the future.

### *De-urbanization unlikely to trend*

It was assumed that the corona pandemic would cause people to move from cramped city apartments to more spacious locations off the city. Consulting reports see that the pandemic is unlikely to cause any major change to urbanization – instead of wealthier people may opt for occasional relocation due to opportunities of remote working:

*“Covid-19 arrived, convincing some who could afford it to move, if only temporarily, to quieter and more spacious places—a relocation made possible by remote working. --The phenomenon varies greatly by income, with 29% of high-income survey respondents in the EU temporarily relocating vs. 10% of low-income respondents.” (Bain 23.9.20).*

## 4.8.2 How business should react

When management consulting firms advise organizations in the consumer sector, they focus on three issues: adaptability, predictability, and resilience. Businesses should be able to recognize where the market is heading and adapt to changing customer behaviour in real-time (Accenture, 24.4.20). It is also advised to be proactive in shaping the market shifts that have not yet formed:

*“Don’t defy gravity—recognize where there is undeniable evidence of changing consumer behaviour, and double down. Second, take into account the uncertainties, and shape possible outcomes rather than waiting and seeing where things will land.”*  
(Bain 23.9.20).

Bain (23.9.20) also recommends consumer companies to shape at-home consumption, break reluctance barriers and de-average consumers. To be able to predict consumer trends, businesses should utilize ongoing and localized insights, such as public health data, rather than historical models and data because they do not apply in the new normal (Accenture, 24.4.20). *“COVID-19 has shattered demand forecasts that guide retailers and suppliers of consumer goods and services”* (BCG 12/2020). In an environment of rapid change, organizations should be able to modify existing service offering to fit with the changing customer needs (Accenture, 24.4.20).

To anticipate market behaviour, Bain recommends using a tool called Turning Point Analysis which is an analysis that measures the *"moment when a rational consumer will switch from one technology or product to a new innovation, based on lower-cost or perceived increase in value."* (Bain 3.12.20). According to Bain, the Turning Point Analysis includes four components:

1. Experience curves
2. Elements of Value analysis
3. Adoption curves
4. Barriers and accelerators

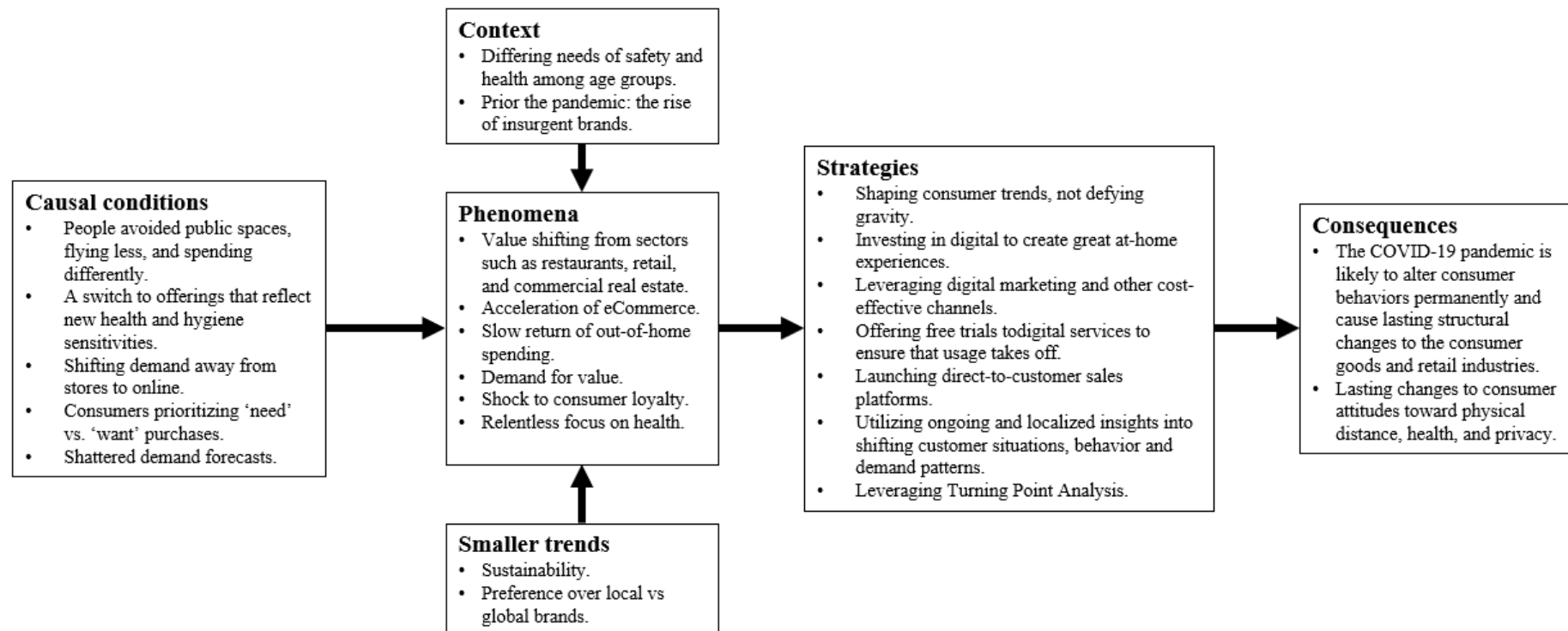
Bain describes that experience curves (e curves) explain how unit costs decrease when production or usage increases. In the Elements of Value analysis, the idea is to recognize the qualities which customers desire most in a product. These attributes can be for example reduced cost, reduced time spent or the convenience of shopping. Adoption curves (s curves) forecast the paces of adoption. The last component, barriers, and accelerators aim to describe the element which may slow or speed the launch of innovation. Development of technology, government policy changes or a global pandemic can all be barriers or accelerators for innovation. According to Bain, the pandemic forced and encouraged organizations and individuals to try new technological tools and platforms which helped the adoption of these systems. Pandemic served as an accelerator for many changed behaviours and made people realise new elements of value in service that people had not tried before (Bain 3.12.20): *“Rapid trials of these platforms increased consumers’ appreciation of their various Elements of Value”*. (Bain 3.12.20).



### 4.8.3 Summary of findings: consumer business

Here I will present the main findings of COVID-19's impact on consumer business.

Figure 7: COVID-19's impact on consumer business



## 4.9 Future of digitalization and technology

Related to many other changes, management consultancies described a new era for digital transformation: *“COVID-19 crisis is a step-change moment for digital and technology transformation.”* (BCG, 1.5.20). In the adoption of technology and digitalization, management consulting firms reported massive acceleration during COVID-19: *“COVID-19 has not slowed digital technology innovation; it’s amplifying it to historic levels.”* (Accenture 07/2020). According to McKinsey (14.4.20) especially digital commerce, telemedicine, and automation were said to be having a significant turning point. The crisis was said to have accelerated digital transformation by many years and in many fields as consumers and employees were forced to go virtual surroundings and activities in a short time:

*“Several years’ worth of shifts in digital behaviour have been compressed into months”* (Bain 8.9.20).

*“COVID-19 is driving rapid digital behaviour change as offline activities have been forced to become online in a short span of time. Behavioural changes that have historically taken years to manifest broadly have occurred in a matter of days.”* (Accenture 14.4.20).

In this chapter, I will cover how digital transformation during the pandemic was discussed and what were consequences of quick adoption of technologies in organizations.

### 4.9.1 Fall of barriers

The research data shows that pandemic was seen to have revealed the weaknesses of existing systems: *“In the technology sector, the crisis laid bare overlooked and underestimated weaknesses”* (Bain 14.10.20). Before the pandemic, there were said to be different kinds of barriers that were retarding digital adoption. According to McKinsey (5.10.20), these barriers were for digitalization not being a top priority, fear of customer resistance, reluctance to change established ways of working, insufficient IT infrastructure and organizational silos that impeded commitment:

*“When respondents were asked why their organizations didn’t implement these changes before the crisis, just over half say that they weren’t a top business priority. The crisis removed this barrier. ---The good news for companies investing more in*

*automation is historical barriers are coming down in the wake of the pandemic”*  
(Bain 14.10.20).

#### 4.9.2 Momentum for platforms

Due to increased migration to digital services, platform companies were said to benefit from the pandemic as different institutions had to quickly adopt services that offered virtual interaction:

*“Over the course of just a few days, business, education, and social activities have been forced into virtual spaces. The reach and importance of platforms at this time cannot be understated. --- These magnified digital behaviours will almost certainly benefit platforms over the longer term”* (Accenture 14.4.20).

Platforms were said to benefit especially because they were able to provide a connecting tissue between individuals and service providers when physical meetings were banned. Via offering tools for *“video conferencing, food, grocery and essential supplies delivery, AI-driven virus tracking, social connectivity, and entertainment content”*, platform companies were described to dominate the internet traffic (Accenture 14.4.20). Because the platform business model proved successful during the pandemic, management consultants advised on how to utilize platforms successfully. According to Accenture (14.4.20), companies with a platform should firstly ensure uninterrupted platform access to their customers. Secondly, they should enable changing user behaviours, and make a seamless onboarding process for new users. Because pandemic has increased extensive use platforms, companies utilizing platform model have a unique opportunity to build lasting long-term relationships. Companies who are successful in this is said to have a better position in the future. Accenture also brings out that especially during the global pandemic, platform companies have a major role in spreading information. Thus, it is important that only trusted COVID-19 information would be provided on the platform. Lastly, it is important that platform companies enable rapid return to growth. This can be done for example by suspending some fees from customers or suppliers so that they withstand the crisis to the new normal.

#### 4.9.3 New sources of growth

One of the consequences of the pandemic was also the discovery of new sources of growth which were based on new digital services: *“(The crisis) also created new, unexpected growth as people around the world scrambled to replicate their lives in a virtual format with the help of technology.*

(Bain 14.10.20). The benefiting companies were those who were able to offer virtual experiences to customers:

*“At the organizations that experimented with new digital technologies during the crisis, executives are twice as likely to report outsize revenue growth than those at other companies”* (McKinsey 5.10.20).

#### 4.9.4 Digitalization in operations and investment decisions

In addition to customer-facing elements of operating models, digital transformation was also shown in the digitalization of internal operations. According to McKinsey (5.10.20), organizations digitalized their back-office, production, and R&D processes, and also interactions of their supply chains. In the research data, automation of operations was described as a highly beneficial action to do during the pandemic. Management consulting firms see that the future business operations will be more and more automated as this has been the impact we have seen happening after previous crises: *“According to the Brookings Institution, over the three recessions that have occurred over the past 30 years, the pace of automation increased during each.”* (McKinsey 14.4.20). The pandemic proved the power of automation in automated systems that keep operations running even when labour is in shortage due to restrictions. Thus, investing in automation was described to accelerate during the pandemic:

*“Around half of respondents said their organization had increased its automation activities as a result of the pandemic. --- Coming out of the pandemic, around 60% of technology companies plan to automate more offshore activities, the highest rate of any sector surveyed”* (Bain 14.10.20).

Automation was also seen as a resilience factor that helps organizations in withstanding major shocks:

*“Companies that invested more in automation before the pandemic has weathered the crisis better than others. They've generated higher revenues and experienced fewer disruptions to the supply chain, workforce productivity and demand”* (Bain 14.10.20).

Based on research data, organizations were said both to have decreased technology investments but -contradictory - also have increased investment in digital initiatives. In October 2020, Bain wrote that companies stopped multiple IT investments as the pandemic began in Spring:

*“Early in the pandemic, IT decision-makers said they expected decreased spending on software maintenance contracts and on-premise IT to continue at least through 2021. The expected spending reductions have only grown more pronounced as the pandemic has unfolded.”* (Bain 14.10.20).

This is somewhat inconsistent with McKinsey’s reporting that the funding for digital initiatives would have increased tremendously during the pandemic. These investments were described as strategic, as preparation not only for present needs but also for new normal. Especially movement to cloud-based services due to remote work was described as a priority for the future. Technology's role in business has increased in the minds of top management. It is no longer considered as a simply cost-saving mechanism but as a source of growth:

*“Companies are making these crisis-related changes with the long term in mind. For most, the need to work and interact with customers remotely required investments in data security and an accelerated migration to the cloud.”* (McKinsey 5.10.20).

#### 4.9.5 Momentum for cloud computing and AI

Accenture described the investments for digitalization were made as part of companies’ “no regret strategies” (Accenture 4.8.20). By “no regret” strategy, Accenture means that as companies are preparing for the new normal, they invest in technologies that make them more digital, more data-driven and to take advantage of more cloud (Accenture 4.8.20). Cloud-based security and SaaS were described as highly essential when remote working had to be quickly mobilized:

*“IT decision-makers said they immediately boosted spending on cloud-based security and software-as-a-service for remote work in the wake of the pandemic. --- The long-term shift from on-premise to cloud computing continues to be a critical priority”* (Bain 14.10.20).

In addition to the accelerated shift to cloud computing, management consulting firms reported that Artificial Intelligence is gaining importance because of new normal requirements caused by COVID-19. AI would be increasingly needed in improving remote working, building redundancy in supply chains, decreasing costs, developing eCommerce but also in research of viruses and pandemics:

*“Uncertainty requires redundancy, which inevitably means increased costs. --- AI enables the greater scale and scope needed to build redundancy while minimizing cost” (BCG 2.4.20).*

*“Human-AI collaboration is becoming a critical tool for scientists studying the virus. But in this rush to accelerate innovation, it is also critical that organizations think long-term.” (Accenture 07/2020).*

BCG (2.4.) stated that AI can become valuable in remote working as it can simulate live-work environments and help in creating on-demand labour forces. For building redundancy, AI could be used in real-time forecasting and capacity management. It can also save costs in operations by carrying out mission-critical tasks (Accenture 14.4.20). AI is also said to allow hyper-personalization by making sense of trends and changing customer preferences. This way AI can improve R&D, innovation, and new product development (BCG 2.4.20). As AI can help in making more precise sales predictions, the needed labour can be better matched. BCG (2.4.20) concludes that AI-based companies are also better equipped for the normal of remote working because these companies are usually also more agile, and they have modularity built in their systems.

#### 4.9.6 Digital transformation in core agenda

Based on these findings, it is evident that management consulting firms greatly push organizations to put technology adoption and digital transformation at the centre of their strategic agenda.

McKinsey described that the pandemic created a significant change in the minds of executives about technology as a priority:

*“In our 2017 survey, nearly half of executives ranked cost savings as one of the most important priorities for their digital strategies. Now, only 10 per cent view technology in the same way” (McKinsey 5.10.20).*

Management consultants believe the winning companies will be those who put the “*software, data, and AI at the core of their organizations*” (BCG 2.4.20). Thus, companies are advised to invest in and develop different digital assets:

*"Double, triple, quadruple their ambition around the scale and pace of their digital transformation—whether that's the adoption of analytics or whether that's improving the productivity and the experience of digital channels." (McKinsey 07/2020).*

*"As value is redistributed, certain capabilities—such as digital—will become more essential and others less so. To create long-term strategic success, companies must be able to identify and access necessary capabilities" (Accenture 23.11.20).*

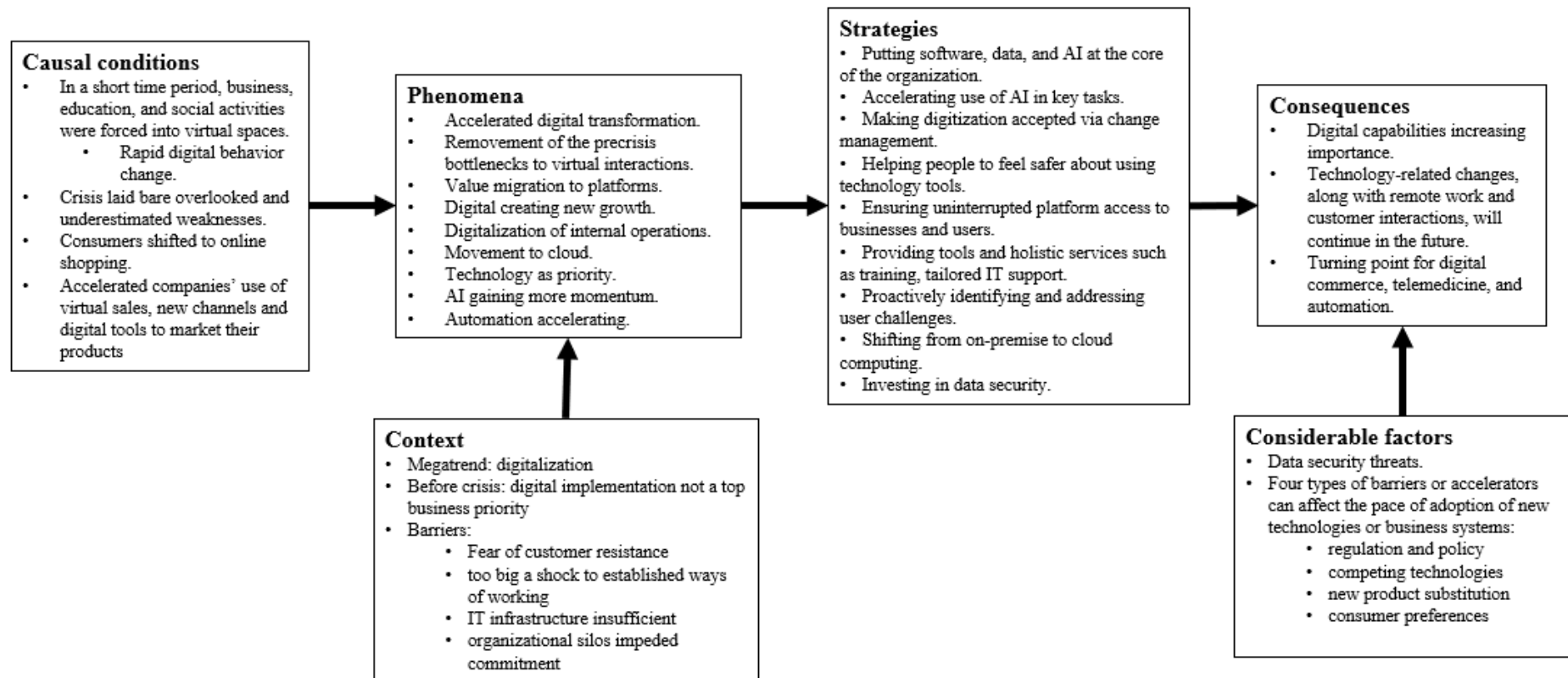
However, consulting firms stress that simply investing in technology tools is not adequate. Also, the people in the organization need to learn to use technology to bring results: *"BCG research clearly demonstrates that a strong focus on people and processes is key for a major change initiative like digitization."* (BCG, 14.4.20). Thus technology, digital and analytics capabilities need to be developed in the organization. This requires training, support-functions for employees and change management efforts by top management:

*"Organizations—especially those in technology leadership roles—must elevate the technology agenda within their organizations to help people to feel safer about using technology tools." (Accenture 07/2020).*

### 4.9.7 Summary of findings: digitalization and technology

Here I will present the main findings of COVID-19's impact on digitalization.

Figure 8: COVID-19's impact on digitalization and technology





## 4.10 Future of working

The last big theme that emerged from the data related to the future of work, especially remote working. It is apparent that working modes discussed in this chapter, do not apply to all workers. Thus, this future of working will deal with mainly the future of working of knowledge workers as it was discussed in the consulting reports.

### 4.10.1 Drastic shift to remote working

As soon as the COVID-19-pandemic began, it started a massive disruption process to existing structures: *“The global COVID-19 pandemic has fueled and turbo-charged profound changes in the way we work; many of these changes are here to stay”* (BCG 19.11.20). Because of governmental restrictions and recommendations, many knowledge workers had to shift quickly to new ways of working, namely remote working: *“While no one knows how long the COVID-19 crisis will last, it seems inevitable that many of us will be working remotely for at least weeks if not several months.”* (BCG 24.3.20). Management consultants believe this shift will partly be permanent. Like many of the phenomena caused by COVID-19, management consulting firms firmly believe this shift will be partly permanent also on a large scale. The predictions for this sustained remote working have become stronger the longer the pandemic has last:

*“Some of the massive shift to remote work due to the pandemic may be temporary. But much of it will persist as more people experience the benefits of avoiding hourlong commutes and more managers find they can work effectively from home.”* (BCG 2.4.20).

It can be seen from the previous sentence that some elements of value of remote working were recognized already in April 2020. Also, Accenture described the benefits of remote working: *“Average working American spends 12% of their waking hours commuting and is now devoting that time to work, spending time with family, and leisure activities.”* (Accenture 14.4.20). For employees, remote working has meant less time used for commuting. For managers, remote working has meant leading people effectively via digital ways.

Previously it was thought that fully flexible working is not possible. However, the pandemic has proved that remote working has worked better than expected: *“Covid-19 has proven that roles and industries previously considered unsuited to flexible work can, in fact, be adapted.”* (Bain 1.9.20).

Because of great experience with remote working both employer and employee side, remote working is said to be here to stay:

*“These new behaviours have been forced due to mandatory work from home and shelter-in-place policies, but it is likely that some new digital behaviours will stick when life returns to normal. Nearly 1/4 of Americans will continue their increased video conferencing behaviour after COVID-19” (Accenture 14.4.20).*

*“Technology-related changes, along with remote work and customer interactions, will continue in the future. --- remote working is the likeliest to remain the longer the crisis lasts” (McKinsey 5.10.20).*

However, management consulting firms believe the future working life will not be fully remote working but a hybrid model that combines in-person working and remote working whenever each mode is most effective:

*“Customer and employee preferences are changing; work and interaction models of the future will vary between "fully in-person" and "remote & asynchronous" --- 45 % of employees want flexibility in where and/or when they work going forward; 'when' matters more than 'where'” (BCG 19.11.20).*

Tech companies are said to lead the way: According to BCG (12/2020), especially tech companies have increased the amount of remote working and have adopted various hybrid work models. A flexible working model is also said to become a preference that individuals search for when they are choosing their employer. Those companies who can offer the best tools for remote working are likeliest to access the best talent:

*“Employer subsidies for remote-work tools—such as additional phone lines, faster Internet, in-home daycare and meal delivery—have quickly become a new front in the war for talent. “ (Bain 14.10.20).*

#### 4.10.2 The need for office space

In the context of the remote working discussion, management consultants discussed the future of office spaces. According to Bain (3.12.20), the need for office spaces will depend on both how

many people will opt for working at home in the future and how video conferencing tools will develop:

*“Our model shows that the accelerated adoption of videoconferencing has reached a turning point and that the surge in adoption during the pandemic is likely to result in a permanent change in the level of use, ultimately lowering the demand for commercial office space.” (Bain 3.12.20).*

Especially technology firms have claimed to allow remote working permanently:

*“The implications for office space and real estate alone are staggering. Many technology companies are considering allowing significant portions of their staffs to work from home permanently; reducing their office footprint.” (Bain 14.10.20).*

It is believed that many of the barriers for location-independent working have fallen with the help of COVID and the same amount of office space is not needed in the future:

*“It can be stated that the need for office space may dramatically decrease from the levels pre-crisis as before the pandemic only 5% of working days were spent at home. (Bain 3.12.20).*

#### 4.10.3 Videoconferencing hype

Remote working would not function without video conferencing tools. There were videoconferencing tools already before the pandemic. The effect of COVID has been a massive acceleration of videoconferencing market: *“The pandemic was an unforeseen accelerator that increased market experience, with services like Zoom, Webex and Microsoft Teams pushing costs per usage down”* (Bain 3.12.20). According to Bain (3.12.20), videoconferencing has both given new ways to interact with stakeholders but also weakened the level of interactions which may affect revenues as one Bain’s client describes: *“My customers no longer want to see me in person. I am worried about how I can maintain my relationships virtually and hit my sales targets.”* As remote working and videoconferencing are two well-connected areas, management consultants see that videoconferencing will strongly sustain after the pandemic. The technologies have been approved by wider audiences and they are recognized as valuable tools for businesses that lower the costs of interaction especially overseas:

*“Bain research shows nearly 60% of people using videoconferencing today plan to use it just as much or more after the pandemic is over. --- The key catalyst for that surge is users’ recognition of some new Elements of Value provided by videoconferencing” (Bain 3.12.20).*

#### 4.10.4 Productivity in remote working

In terms of productivity, the pandemic seems to have both positive and negative effects. On one hand, the use of new technologies such as videoconferencing has generated new kinds of productivity gains in organizations with good collaboration practices. On the other hand, those organizations who had already inefficient work practices and low employee engagement suffered more during the pandemic:

*“Those that were already effective in managing the time, talent, and energy of their teams — have grown 5% to 8% more productive over the last 12 months. --- Most organizations, however, have experienced a net reduction in productivity of 3% to 6% (or more) due to inefficient collaboration, wasteful ways of working, and an overall decline in employee engagement” (Bain 1.12.20).*

The retention of employees with the best capabilities was also said to have become more challenging, leading to reduction of overall productivity in some organizations:

*“We estimate that Covid-19 has had a slight negative impact on most companies’ ability to attract, retain, and manage top performers, leading to a slight decline in overall productivity.” (Bain 1.12.20).*

In addition to new technologies, the positive productivity effect of the pandemic was said to be due to prioritization, increased focus on efforts to most important tasks, greater team agility and reduced time spent on commuting. When commuting time to work shrank, employees devoted the saved time for work, increasing the total working time:

*“ Work was radically prioritized, and laser-focused on what really mattered. Companies galvanized multidisciplinary teams and empowered them to act, and they leveraged collaboration technologies” (Accenture 12.8.20).*

*“Stay-at-home orders liberated time previously spent commuting and created flexibility in work schedules, enabling many employees to devote additional time to their jobs. --- The length of the average workday increased by 48.5 minutes during the lockdown in the early weeks of the pandemic” (Bain 1.12.20).*

BCG (19.11.20) sees that in the end, the new discovered ways of working and its opportunities for work flexibility will increase employee satisfaction and productivity. The challenges, however, will lie in the productivity of creative, innovative, and highly creative team working which is still difficult to perform effectively without face-to-face interaction. This kind of lack of interaction is said to also endanger employee commitment. However, Accenture points out that with good practices such as regular check-ins, clear roles and objectives, collaborative remote working can be productive:

*“COVID-19 forced a massive migration from office-based to remote working. This highlighted that with the right approach (regular, short check-ins, clearly defined roles and objectives) co-location is not a pre-requisite for effective collaboration.” (Accenture 12.8.20).*

Cultural-wise, remote working is said to have also other positive and negative effects. While remote working may allow building a culture of higher inclusivity, it may also weaken the corporate culture by the sense of losing of community, belonging and purpose:

*“Today, as COVID-19 threatens the collaborative, creative culture that draws talent to growth techs, it is critical to reinforce employees’ sense of the company as a place where committed people make positive things happen.” (BCG, 1.6.20).*

For talent acquisition and onboarding, remote working has also both sides. As work can be done remote, it can give organizations access to a global talent pool (BCG 19.11.20). However, onboarding is said to be more difficult to be done remotely: *“Co-location is critical for onboarding, learning and mentorship” (BCG 19.11.20).*

Bain sees that the pandemic brought a significant positive cultural impact to organizations: agility:

*“During Covid-19, employees have displayed a growth mindset, taking risks, learning from failure and ultimately succeeding because they had to.” (Bain 8.9.20 B).*

This agile mindset was born out of necessity which may fade away when an urgent crisis clears off. Thus, management consultants recommend reinforcing the agile way of working and sense of urgency by supporting employees in the transformation to being fully agile:

*“Many worry the new ways of working will be difficult to maintain, threatened by a declining sense of urgency, among other reasons. --- Support your people’s transformation and you will get through the crisis, but fail to change your organization, and the old ways of working will snap right back.” (Bain 8.9.20 B).*

#### 4.10.5 How companies should react

As with many other social impacts of COVID-19, management consulting firms recommend that organizations do not expect a return to the working models pre-corona but instead go full-on planning the working models for the future that promote productivity:

*“COVID-19 has created a leadership imperative to shape the future of work, breaking the constraints of time and place to unleash a new wave of human ingenuity and productivity ---When designing new work models, companies should think like their customers and anticipate how the work will change” (BCG 19.11.20).*

Especially the value-adding changes such as agility, the flexibility of multi-locational working and exploiting videoconferencing technologies, are things that should be fostered during and after the crisis:

*“It’s amazing to me how agile organizations have been in the past three months. And wouldn’t it be terrific to actually make this the new way of working as we go forward? Renew how you organize yourself and how you think about decision making, especially for speed. Where should you be global versus where should you be local?” (McKinsey 07/2020).*

*“Seek not just to solve for the current crisis but consider how they can enhance their global workforce through greater flexibility and use of new technologies.” (Accenture, 30.3.20).*

Because remote working on a large scale may be here to stay, companies need to also consider how office space is best used vs. private working (Accenture 12.8.20).

To prepare for future working models, organizations need to build their employees competencies for the future hybrid working model which is a combination of both in-person and remote working:

*“Leaders must prepare for the short-term while also developing new capabilities and ways of working that will empower employees in the long term”* (Accenture, 30.3.20).

*“Take reskilling seriously as a competency in your organization”* (McKinsey 07/2020).

*“Build all employees’ capabilities to thrive today and in future work models”* (BCG 19.11.20).

As one of the disadvantages of remote working was said to be weakened corporate culture, management consultants recommend developing a form of culture that fosters connection, alignment, and productivity. BCG (24.3.20) for example emphasizes a regular rhythm of meetings that can help in making sure that everyone is aligned with goals and conduct. Also, regular meetings can enable collaboration, bring structure and feel of normalcy to workdays when people are working from home (BCG 24.3.20). Virtual collaboration and social engagement can also be enhanced by developing the features of virtual collaboration platforms. These features are for example virtual breakout rooms and group chats (Accenture 14.4.20). Accenture (12.8.20) also highlights regular meetings but also provides a list of principles for distributed working that points out the importance of alignment, work-life balance and leadership in new working models:

1. *Ensure there is one living source of truth for all*
2. *Find a new work/life balance to avoid burnout*
3. *Promote empathetic leadership*
4. *Establish shorter, more frequent check-ins* (Accenture 12.8.20)

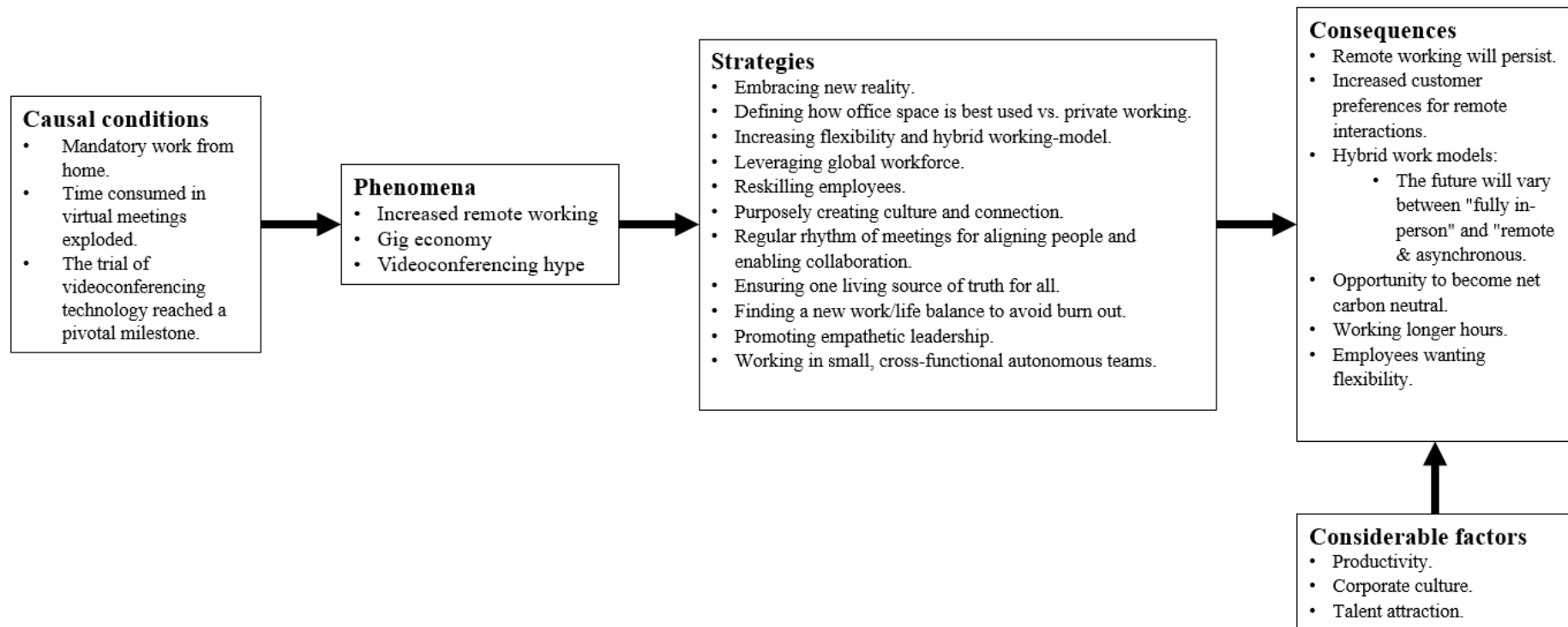
As for building agile culture, BCG (24.3.20) believes in the efficiency of small autonomous highly aligned teams. These types of teams can better react to changes. When working remotely, high alignment in and among teams is crucial:

*“Small teams build resiliency and make it easier to change direction when needed. --- In normal times, this alignment is the precursor to autonomy; in times of distraction, when teams are physically separated, alignment becomes more important than ever”* (BCG 24.3.20).

## 4.10.6 Summary of findings: working

Here I will present the main findings of COVID-19's impact on working.

Figure 9: COVID-19's impact on working





## 5. Discussion

In this chapter, I will discuss my findings related to the literature on sensemaking and sensegiving. When comparing my results to the previous literature, I wish to emphasize that the context of this study was a few multinational management consulting firms so it cannot be stated that these management consulting firms represent their whole professional field. Also, the perspective of consulting reports is highly Western- and North America focused. Thus, the results might differ from research conducted with other consulting firms.

### 5.1 Contributions to the theory

#### 5.1.1 Crisis management literature

As presented in my literature review, a crisis is often described as a very negative event with the ability to start an unwanted process (Osmanagić-Bedenik, 2003) that may ultimately lead to the destruction of corporate business (Mitroff, Pearson & Harrington 1996). However, in the light of my data, a crisis is often seen as an opportunity. This finding is aligned with Faulkner (2001) view on crises with transformational effect. According to management consulting reviews, the current crisis has started numerous social and organizational changes including for example acceleration of digital transformation, acceleration of eCommerce and at-home-services but also new schemes in healthcare, global supply chains and regulatory environment.

My research contributes to previous crisis theory by adding perspectives on how organizational leaders can manage this unique crisis. In chapter 4.3.1, I have compressed the actions which management consultancies express as best practices to manage this crisis. These practices include avoidance of top-down orders, a network of teams, leading with current data, rapid innovating, communicating with optimistic stability and supporting stakeholders.

My research also includes an investigation of recommendations for an organizational response during a crisis. The findings of my research thus can broaden our basic understanding of crises strategies managing especially black swan events like the corona pandemic. As for radical change, my research contributes to theory by presenting ways how organizations can mobilize radical change in response to an external crisis. In chapter 4.4.4, I show that management consultancies recommend managing this crisis ambidextrously with three-time phases in mind, investing in assets

and talent aligned with the changing business environment, and building resiliency in an organization.

### 5.1.2 Management consulting research

My research contributes to the existing literature on management consulting firms by confirming the role of management consultancies as market mediators and knowledge brokers. Via my research, the reports and articles produced by management consulting firms could be characterized as artefacts of knowledge transfer but also as branding tools for the management of meaning.

As discussed in my literature review, previous studies had found that professional services firms such as management consultancies have become isomorphic by their use of language (Maister 2003; Christensen and Cheney 2000; Kärreman & Rylander 2008). While doing this research, I found isomorphism among my research objects which included four of some of the leading global management consulting firms. The isomorphism realized in the form of knowledge substance – There were little differences in reports and articles between different consulting firms. Management consulting firms discussed the very same topics and themes. Management consulting firms also used similar narrative structures which I will further discuss in the next subchapter. In addition, I found the rhetorical language congruent among research objects. In chapter 4.2 of retrospective sensemaking, all management consulting firms strongly appeal to emotions by comparing COVID-19 to wartimes. The isomorphic behaviour becomes also evident in chapter 4.4 where I present how management consultancies think and talk similarly when speaking of a future time period, a life after the pandemic. The terms "new normal", "next normal", "new reality" and "never normal" resemble each other in terms of language and meaning.

The reason behind isomorphism might be due to both normative and mimetic isomorphism that affect the content and style of management consulting sensegiving. As DiMaggio & Powell (1983) described, mimetic isomorphism of organizations may intensify in an environment of uncertainty which the corona pandemic certainly is. By judging from this, I think management consulting firms might mimic each other because of a lack of perfect information about the situation. However, they might also get their ideas from the very same sources from the field. Lastly, the isomorphism of management consultancies may be due to professionalization. Management consultants typically have employees with similar education and similar professional networks (Meriläinen et al. 2004).

### 5.1.3 Sensemaking and sensegiving of management consulting firms

Based on my research data, conclusions of the sensemaking process of management consultancies cannot be directly indicated. However, it could be argued from management consulting reports that the sensemaking of management consulting firms could result from restricted sensemaking.

According to literature, restricted sensemaking is found as the most common sensemaking process in organizations (Maitlis & Christianson 2014). This can be partly because leaders are described to be in charge of the conception of “management of meaning” (Smircich & Morgan 1982) which requires sensemaking as a central activity. Consultants could be considered as thought leaders of sensemaking who periodically collect information on the field by surveys and interviews with the industry leaders and then shape the understandings on their own terms. This kind of behaviour can be detected from the report data when management consultants refer to their own research from the field and discussions with the industry leaders. After gaining input from the field, management consultants have created interpretations of them and labels for the issues. For example, the "bionic supply chain" -term was apparently self-created by management consultants. The sensemaking and sensegiving process of management consultants could, broadly speaking, be described as three-phased. Starting from (1) collecting environmental input, management consultants (2) formulate understandings which they create images of the issue (sensemaking) which they then (3) provide in compact packages in the forms of reports and articles to stakeholders (sensegiving).

As I started my research by collecting and analysing COVID-19 related reports, I quickly realised that the reports had two kinds of sensemaking and sensegiving orientations: retrospective and future-oriented. Management consultancies actively utilized "learnings of the past" and justified their recommendations for actions by historical data. This sensegiving, however, was highly focused on reports regarding crisis management. I found that future-oriented sensegiving was obvious in the reports that spoke about the future world or future business. Aligned with the previous literature, management consultancies utilized future-oriented sensegiving by projecting future images of the world after COVID-19. The label "new normal", possibly created and branded by management consultancies, was highly used to give a name to the future existence. The word "new" reflects the way management consultancies systematically aim to create a demarcation between the "old world" and "new world" and between these two periods is the triggering event, the corona pandemic. Aligned with Zhang et al. (2010) research, management consultancies utilize both past and present trends to create future context. During my research period, management consulting firms seemed to conduct multiple field surveys to study the development of trends. Based on

research data, many of the trends triggered by COVID-19 became stronger and more prevalent to continue also in the future. Few trends seemed to fade away as the pandemic prolonged. In Bruskin and Mikkelsen (2020), they found that organizational members tend to use emotionally charged negative metaphors of uncertainty when they talk about the future. This is also the case with management consultancies as they narrate the pandemic as "survival of the fittest" and "never normal" in which the future image is full of turbulence and uncertainty. This analysis is also aligned with Hilkamo et al. (2021) research. However, not all the narratives are negatively charged. Management consultancies also describe the pandemic as an opportunity to build a better world and business. The motivation behind the uncertainty and opportunity talk might be the same, though: To motivate market participants to take action and hire consultants to help in that.

When considering future-oriented sensemaking and sensegiving, I see that consulting articles and reports could be viewed as thinking infrastructures for business leaders' sensemaking. The limitation, though, is that even though management consultants seem to base their data on surveys and other field research, their point of view is unlikely neutral. This might be because, as already implied, they are companies who want to make profit and consultants make their sales by offering services that aim to change or improve systems. A recommendation of "no need to do anything, keep doing what you are already doing", would not come from a consultant's mouth based on the findings of this research. However, consultant material as thinking infrastructures can stimulate business leaders to think about what their businesses could be doing better and help them internalize possible trends that might affect their business in the future. This is good because management consulting reports as thinking infrastructures are wired in a way that they don't comply with existing standards (Gazweiler & Ronzani 2019). but aim to disrupt them.

By labelling concepts and describing future implications in reports, I found that management consultancies engage in a theorization of ideas (Strang & Meyer 1993) and legitimating novel categories (Navis & Glynn 2011) which may create change in current institutions. For example, management consultancies questioned the current institutions of global supply chains and healthcare and described how the system of both of these institutions managed to withstand either poorly or nearly tolerably black swan events like COVID-19. In addition, management consultancies rejected the institution of office-based working and strongly promote the hybrid-working model. It is not only some specific institutions that management consultancies expect to change – They narrate that there would be a whole "global restructuring of the economic order"

which may for example be seen as the growing control by the government and different expectations regarding the role of business in value creation.

In none of the narratives, management consultancies expect business going back to previous normal. This is logical because as Hilkamo et al. (2021) found, "knowledge uncertainty" is the product that management consultancies sell, and change create uncertainty. The more change, the more uncertainty, the better. Management consultancies thus utilize the tools of environmental sensemaking and attempt to market the corona pandemic as the redefining critical event (Pride 1995) in order to shift the minds of the elite and mass public. The way management consultancies created their narratives happened via three steps:

1. Explaining what has happened because of COVID-19.
2. Speculating what will happen in the future based on industry examples.
3. Giving recommendations on how organizations can stay on top of things usually by transforming existing systems, investing in technology and people development.

## 6. Conclusions

The objective of this thesis was to study how the corona pandemic was made sense of and sense given in management consulting reports. The second objective was to find out how the corona pandemic is affecting business life both from a crisis management perspective and long-term impact. The thesis was conducted as data-driven, qualitative research. I analysed the texts published by four leading multinational management consulting firms. The empirical material was mainly collected from March 2020 to December 2020. The thoroughly read and analysed reports numbered 48 and comprised 699 pages of material for analysis. The data were analysed inductively, using the Gioia method as a basis to bring rigour to the data analysis and find meaningful themes from the texts in a structured way. In this chapter, I will first conclude my findings and contributions to the existing theory. Secondly, I shall present what my study can offer for managerial purposes. Lastly, I will conclude this thesis with suggestions for future research.

### 6.1 Main findings and theoretical contribution

My study contributes to previous research in three areas: crisis literature, management consulting literature and sensemaking and sensegiving literature.

For crisis management literature my study contributes to previous research by enriching perspectives on how organizational leaders can manage a prolonged health and economic crisis. My study illustrates holistically the crisis management thinking of management consultancies which can be valuable especially for managerial purposes.

As management consultancies served as a research object for my research, this thesis also contributes to the scarce research on management consulting firms. This industry group is valuable for research because management consultant firms participate in market sensemaking as professional intermediators (Bessy & Chauvin 2013) and key brokers of knowledge as they help in forming nascent market categories (Granqvist, Grodal & Woolley 2013). Thus, management consulting firms can have a significant impact on the sensemaking of their target group consisting of organizational leaders. My study contributes to the existing literature by revealing the isomorphic nature of management consulting narratives. In addition, my study illustrates the narrative structures of management consulting sensegiving artefacts.

The biggest contributions of this research relate to the sensemaking and sensegiving of management consulting firms. Inferring from the data, I cautiously argue that the sensemaking of management consultancies could result from restricted sensemaking. The basis of this conclusion is consulting reports in which management consultants refer to their own research from the field and discussions with the industry leaders. However, I think more research is needed to study the actual processes of management consulting sensemaking while my study adds especially understanding on the sensegiving of management consultancies.

When discussing the corona pandemic, I found that management consulting firms utilized both retrospective and future-oriented sensegiving. In the previous literature, researchers have typically considered future-oriented sensemaking and retrospective sensemaking as two separate processes. My study finds that the relationship between these two processes is more interconnected and includes multiple time spectrums: Future-oriented sensemaking utilizes both past and present information as a baseline in order to imagine plausible future images. The previous studies of future-oriented sensemaking have also described that emotionally charged negative metaphors of uncertainty are present when the future is imagined. While my study also confirms this, I also find that management consultancies use optimistic narratives in addition when they talk about the future.

Most importantly why scholars should be interested in this study is that management consultancies may have a role in causing institutional and market change. They do this by engaging in a theorization of ideas (Strang & Meyer 1993) and legitimating novel categories (Navis & Glynn 2011). Via the use of language, management consultancies design labels, issues and phenomena. A clear example of this the concept of “new normal” which implies that a new kind of world is coming, and business leaders should better be prepared for it.

## 6.2 Managerial implications

In addition to theoretical findings, my study also raises relevant practical implications for managerial purposes. My study confirms that management consultancies create narratives that support their role as message brokers. Their view on the future is highly transformational either from marketing reasons and/or fact-based reasons. Thus, top management of organizations should critically assess the reality base of the management consultants’ visions of the future and avoid falling into hype traps and bad strategic decisions. By this, I do not mean, however, that the narratives of management consultancies would be untrue. Managers in the field need to acknowledge where consultancies base their narratives.

Managers also interested in future visions will find great insights from this research and can be inspired to consider possible changes in the future. In this study, I covered extensively different business areas such as supply chains, crisis management, healthcare, consumer business, working practises and technology. Managers will be able to find multiple strategy advice which they can apply immediately. By utilizing the summaries of findings, my research provides a framework for crisis management and future scenario planning as the study sums up a large amount of management consultant understanding. The summaries also work as a quick recap of the main implications of the particular topic.

## 6.3 Suggestions for future research

When considering the previous literature related to sensemaking and sensegiving processes of strategic change, I was only able to assess the signalling phase of this process strategic visions are announced to the public. Thus, future research could study the other phases of this process and analyse how narratives of management consultancies are contemplated among their target audiences. Also, further research is needed to understand how management consultancies come up with their narratives. Some indications of this were found in this research but a full sensemaking process view remains unknown.



## 7. References

- Abolafia, M.Y. 2010, "Narrative Construction as Sensemaking: How a Central Bank Thinks", *Organization Studies*, vol. 31, no. 3, pp. 349-367.
- Aldrich, H.E. & Fiol, C.M. 1994, "Fools Rush in? The Institutional Context of Industry Creation", *The Academy of Management Review*, vol. 19, no. 4, pp. 645-670.
- Alvesson, M. 2001, "Knowledge Work: Ambiguity, Image and Identity", *Human Relations* (New York), vol. 54, no. 7, pp. 863-886.
- Barley, S.R. & Tolbert, P.S. 1997, "Institutionalization and Structuration: Studying the Links between Action and Institution", *Organization Studies*, vol. 18, no. 1, pp. 93-117.
- Bean, C.J. & Hamilton, F.E. 2006, "Leader framing and follower sensemaking", *Human Relations* (New York), vol. 59, no. 3, pp. 321-349.
- Bechky, B.A. 2003, "Sharing Meaning Across Occupational Communities: The Transformation of Understanding on a Production Floor", *Organization science* (Providence, R.I.), vol. 14, no. 3, pp. 312-330.
- Berger, P.L. & Luckmann, T. 1967, *The Social Construction of Reality*, Open Road Integrated Media, Inc.
- Bessy, C. & Chauvin, P. 2013, "The power of market intermediaries: from information to valuation processes", *Valuation Studies*, vol. 1, no. 1, pp. 83-117.
- Bogner, W.C. & Barr, P.S. 2000, "Making Sense in Hypercompetitive Environments: A Cognitive Explanation for the Persistence of High Velocity Competition", *Organization science* (Providence, R.I.), vol. 11, no. 2, pp. 212-226.
- Boje, D.M. 1995, "Stories of the Storytelling Organization: A Postmodern Analysis of Disney as 'Tamara-Land'", *Academy of Management Journal*, vol. 38, no. 4, pp. 997-1035.
- Boje, D.M. 1991, "The Storytelling Organization: A Study of Story Performance in an Office-Supply Firm", *Administrative science quarterly*, vol. 36, no. 1, pp. 106-126.

- Boland, R.J. & Pondy, L.R. 1983, "Accounting in organizations: A union of natural and rational perspectives", *Accounting, Organizations and Society*, vol. 8, no. 2, pp. 223-234.
- Booth, S.A. 2015, *Crisis management strategy: competition and change in modern enterprises*, Routledge.
- Brès, L. & Gond, J. 2014, "The visible hand of consultants in the construction of the markets for virtue: Translating issues, negotiating boundaries and enacting responsive regulations", *Human Relations (New York)*, vol. 67, no. 11, pp. 1347-1382.
- Brown, A.D. 2004, "Authoritative Sensemaking in a Public Inquiry Report", *Organization Studies*, vol. 25, no. 1, pp. 95-112.
- Brown, A.D. & Humphreys, M. 2003, "Epic and Tragic Tales", *The Journal of applied behavioral science*, vol. 39, no. 2, pp. 121-144.
- Bruskin, S. & Mikkelsen, E.N. 2020, "Anticipating the end: exploring future-oriented sensemaking of change through metaphors", *Journal of organizational change management*, vol. 33, no. 7, pp. 1401-1415.
- Christensen, L.T. & Cheney, G. 2000, "Self-Absorption and Self-Seduction in the Corporate Identity Game" in Oxford University Press.
- Christianson, M.K. & Barton, M.A. 2021, "Sensemaking in the Time of COVID-19", *Journal of management studies*, vol. 58, no. 2, pp. 572-576.
- Christianson, M.K., Farkas, M.T., Sutcliffe, K.M. & Weick, K.E. 2009, "Learning Through Rare Events: Significant Interruptions at the Baltimore & Ohio Railroad Museum", *Organization science (Providence, R.I.)*, vol. 20, no. 5, pp. 846-860.
- Chun Tie, Y., Birks, M. & Francis, K. 2019, "Grounded theory research: A design framework for novice researchers", *SAGE open medicine*, vol. 7, pp. 2050312118822927.
- Cialdini, R.B. 2007, *Influence*, Rev. ed., 1. Collins business essentials ed., Collins, New York.
- Colville, I., Hennestad, B. & Thoner, K. 2014, "Organizing, changing and learning: A sensemaking perspective on an ongoing 'soap story'", *Management Learning*, vol. 45, no. 2, pp. 216-234.

- Comfort, L.K. 2007, "Crisis Management in Hindsight: Cognition, Communication, Coordination, and Control", *Public administration review*, vol. 67, no. s1, pp. 189-197.
- Corley, K.G. & Gioia, D.A. 2004, "Identity Ambiguity and Change in the Wake of a Corporate Spin-Off", *Administrative science quarterly*, vol. 49, no. 2, pp. 173-208.
- Cornelissen, J.P. 2012, "Sensemaking Under Pressure: The Influence of Professional Roles and Social Accountability on the Creation of Sense", *Organization science* (Providence, R.I.), vol. 23, no. 1, pp. 118-137.
- Corvellec, H. & Risberg, A. 2007, "Sensegiving as mise-en-sens—The case of wind power development", *Scandinavian Journal of Management*, vol. 23, no. 3, pp. 306-326.
- Danneels, E. 2003, "Tight-loose coupling with customers: the enactment of customer orientation", *Strategic management journal*, vol. 24, no. 6, pp. 559-576.
- DiMaggio, P.J. & Powell, W.W. 1983, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields", *American sociological review*, vol. 48, no. 2, pp. 147-160.
- Dunbar, R.L.M. & Garud, R. 2009, "Distributed Knowledge and Indeterminate Meaning: The Case of the Columbia Shuttle Flight", *Organization Studies*, vol. 30, no. 4, pp. 397-421.
- Durand, R. & Khaire, M. 2017, "Where Do Market Categories Come From and How? Distinguishing Category Creation From Category Emergence", *Journal of Management*, vol. 43, no. 1, pp. 87-110.
- Enander, A., Hede, S. & Lajksjö, Ö 2009, "One crisis after another", *Disaster prevention and management*, vol. 18, no. 2, pp. 137-149.
- Eriksson, P. & Kovalainen, A. 2008, *Qualitative methods in business research*, 1. publ. edn, Sage, Los Angeles [u.a.].
- Faulkner, B. 2001, "Towards a framework for tourism disaster management", *Tourism Management* (1982), vol. 22, no. 2, pp. 135-147.

- Faulkner, B. & Russell, R. 2018, "Chaos and Complexity in Tourism: In Search of a New Perspective" in *Progressing Tourism Research - Bill Faulkner Multilingual Matters*, Bristol, Blue Ridge Summit, pp. 205-219.
- Fiss, P.C. & Hirsch, P.M. 2005, "The Discourse of Globalization: Framing and Sensemaking of an Emerging Concept", *American sociological review*, vol. 70, no. 1, pp. 29-52.
- Gamson, W.A. 1992, *Talking politics*, Cambridge University Press, New York.
- Garud, R., Jain, S. & Tuertscher, P.R. 2008, "Incomplete by Design and Designing for Incompleteness", *Organization Studies*, vol. 29, no. 3, pp. 351-371.
- Gatzweiler, M.K. & Ronzani, M. 2019, "Prospective Sensemaking and Thinking Infrastructures in a Large-Scale Humanitarian Crisis", vol. 62, pp. 85-112.
- Gephart, R.P. 1993, "The Textual Approach: Risk and Blame in Disaster Sensemaking", *Academy of Management Journal*, vol. 36, no. 6, pp. 1465-1514.
- Gephart, R.P., Steier, L. & Lawrence, T. 1990, "Cultural rationalities in crisis sensemaking: a study of a public inquiry into a major industrial accident", *Industrial crisis quarterly*, vol. 4, no. 1, pp. 27-48.
- Ghauri, P. & Gronhaug, K. 2005, "Research Methods in business research".
- Gioia, D.A. & Chittipeddi, K. 1991, "Sensemaking and sensegiving in strategic change initiation", *Strategic management journal*, vol. 12, no. 6, pp. 433-448.
- Gioia, D.A., Corley, K.G. & Fabbri, T. 2002, "Revising the past (while thinking in the future perfect tense)", *Journal of organizational change management*, vol. 15, no. 6, pp. 622-634.
- Gioia, D.A., Corley, K.G. & Hamilton, A.L. 2013, "Seeking Qualitative Rigor in Inductive Research", *Organizational research methods*, vol. 16, no. 1, pp. 15-31.
- Gioia, D.A., Thomas, J.B., Clark, S.M. & Chittipeddi, K. 1994, "Symbolism and Strategic Change in Academia: The Dynamics of Sensemaking and Influence", *Organization science* (Providence, R.I.), vol. 5, no. 3, pp. 363-383.
- Glamuzina, M. & Lovrinevic, M. 2013, *Corporate Crisis And Crisis Strategy Implementation*.

- Granqvist, N., Grodal, S. & Woolley, J.L. 2013, "Hedging Your Bets: Explaining Executives' Market Labeling Strategies in Nanotechnology", *Organization science* (Providence, R.I.), vol. 24, no. 2, pp. 395-413.
- Granqvist, N. & Gustafsson, R. 2016, "Temporal institutional work", *Academy of Management journal*, vol. 59, no. 3, pp. 1009-1035.
- Greenwood, R., Hinings, C.R. & Suddaby, R. 2002, "Theorizing Change: The Role of Professional Associations in the Transformation of Institutionalized Fields", *Academy of Management Journal*, vol. 45, no. 1, pp. 58-80.
- Hargadon, A. & Sutton, R.I. 2001, "Building an Innovation Factory", *The Journal of product innovation management*, vol. 18, no. 1, pp. 52.
- Harris, S.G. 1994, "Organizational Culture and Individual Sensemaking: A Schema-Based Perspective", *Organization science* (Providence, R.I.), vol. 5, no. 3, pp. 309-321.
- Hellgren, B., Lowstedt, J., Puttonen, L., Tienari, J., Vaara, E. & Werr, A. 2002, "How Issues Become (Re)constructed in the Media: Discursive Practices in the AstraZeneca Merger", *British Journal of Management*, vol. 13, no. 2, pp. 123-140.
- Hilkamo, O., Barbe, A., Granqvist, N. & Geurts, A. 2021, "Temporal work by consultants in nascent market categories: constructing a market for knowledge in quantum computing", *Technology analysis & strategic management*, vol. ahead-of-print, no. ahead-of-print, pp. 1-14.
- Hill, R.C. & Levenhagen, M. 1995a, "Metaphors and Mental Models: Sensemaking and Sensegiving in Innovative and Entrepreneurial Activities", *Journal of Management*, vol. 21, no. 6, pp. 1057-1074.
- Hill, R.C. & Levenhagen, M. 1995b, "Metaphors and Mental Models: Sensemaking and Sensegiving in Innovative and Entrepreneurial Activities", *Journal of Management*, vol. 21, no. 6, pp. 1057-1074.
- Hodgson, G.M. 2006, "What Are Institutions?", *Journal of economic issues*, vol. 40, no. 1, pp. 1-25.

- Hoffman, A.J. & Ocasio, W. 2001, "Not All Events Are Attended Equally: Toward a Middle-Range Theory of Industry Attention to External Events", *Organization science* (Providence, R.I.), vol. 12, no. 4, pp. 414-434.
- Höllerer, M.A., Jancsary, D. & Grafström, M. 2018, "'A Picture is Worth a Thousand Words': Multimodal Sensemaking of the Global Financial Crisis", *Organization Studies*, vol. 39, no. 5-6, pp. 617-644.
- Huber, G.P. & Daft, R.L. 1987, "The information environments of organizations."
- Jay, J. 2013, "Navigating paradox as a mechanism of change and innovation in hybrid organizations", *Academy of Management Journal*, vol. 56, no. 1, pp. 137-159.
- Kaplan, S. & Orlikowski, W.J. 2013, "Temporal Work in Strategy Making", *Organization science* (Providence, R.I.), vol. 24, no. 4, pp. 965-995.
- Kärreman, D. & Rylander, A. 2008, "Managing Meaning through Branding — the Case of a Consulting Firm", *Organization Studies*, vol. 29, no. 1, pp. 103-125.
- Kayes, D.C. 2004, "The 1996 Mount Everest climbing disaster: The breakdown of learning in teams", *Human Relations* (New York), vol. 57, no. 10, pp. 1263-1284.
- Kennedy, M.T. 2008, "Getting Counted: Markets, Media, and Reality", *American sociological review*, vol. 73, no. 2, pp. 270-295.
- Kiesler, S. & Sproull, L. 1982, "Managerial Response to Changing Environments: Perspectives on Problem Sensing from Social Cognition", *Administrative science quarterly*, vol. 27, no. 4, pp. 548-570.
- Langley, A. 1999, "Strategies for Theorizing from Process Data", *The Academy of Management Review*, vol. 24, no. 4, pp. 691-710.
- Lawrence, T.B. & Suddaby, R. 2006, "Institutions and Institutional Work" in *The SAGE Handbook of Organization Studies*, 2nd edn, SAGE Publications Ltd, London, pp. 215.
- Legge, K. 2002, "On knowledge, business consultants and the selling of total quality management", pp. 74-90.

- Lounsbury, M. & Glynn, M.A. 2001, "Cultural entrepreneurship: stories, legitimacy, and the acquisition of resources", *Strategic management journal*, vol. 22, no. 6-7, pp. 545-564.
- Maguire, S., Hardy, C. & Lawrence, T.B. 2004, "Institutional Entrepreneurship in Emerging Fields: HIV/AIDS Treatment Advocacy in Canada", *Academy of Management Journal*, vol. 47, no. 5, pp. 657-679.
- Maister, D.H. 2003, *Managing the Professional Service Firm*, Simon & Schuster, Limited, London.
- Maitlis, S. 2005, "The Social Processes of Organizational Sensemaking", *Academy of Management Journal*, vol. 48, no. 1, pp. 21-49.
- Maitlis, S. & Christianson, M. 2014, "Sensemaking in organizations: Taking stock and moving forward", *The Academy of Management Annals*, vol. 8, no. 1, pp. 57-125.
- Maitlis, S. & Lawrence, T.B. 2003, "Orchestral Manoeuvres in the Dark: Understanding Failure in Organizational Strategizing", *Journal of management studies*, vol. 40, no. 1, pp. 109-139.
- Maitlis, S. & Sonenshein, S. 2010, "Sensemaking in Crisis and Change: Inspiration and Insights From Weick (1988)", *Journal of management studies*, vol. 47, no. 3, pp. 551-580.
- March, J.G. 1987, "Ambiguity and accounting: The elusive link between information and decision making", *Accounting, Organizations and Society*, vol. 12, no. 2, pp. 153-168.
- McKenna, C.D. 1995, "The Origins of Modern Management Consulting", *Business and economic history*, vol. 24, no. 1, pp. 51-58.
- Meriläinen, S., Tienari, J., Thomas, R. & Davies, A. 2004, "Management Consultant Talk: A Cross-Cultural Comparison of Normalizing Discourse and Resistance", *Organization* (London, England), vol. 11, no. 4, pp. 539-564.
- Mills, J.H. & Weatherbee, T.G. 2006, "Hurricanes Hardly Happen: Sensemaking as a Framework for Understanding Organizational Disasters", *Culture and Organization*, vol. 12, no. 3, pp. 265-279.
- Mitroff, I.I., Pearson, C.M. & Harrington, L.K. 1996, *The essential guide to managing corporate crises*, Oxford University Press, New York [u.a.].

- Nag, R., Corley, K.G. & Gioia, D.A. 2007, "The Intersection of Organizational Identity, Knowledge, and Practice: Attempting Strategic Change via Knowledge Grafting", *Academy of Management Journal*, vol. 50, no. 4, pp. 821-847.
- Navis, C. & Glynn, M.A. 2011, "Legitimate Distinctiveness and The Entrepreneurial Identity: Influence on Investor Judgments of New Venture Plausibility", *The Academy of Management Review*, vol. 36, no. 3, pp. 479-499.
- Nicholson, L. & Anderson, A.R. 2005, "News and Nuances of the Entrepreneurial Myth and Metaphor: Linguistic Games in Entrepreneurial Sense-Making and Sense-Giving", *Entrepreneurship Theory and Practice*, vol. 29, no. 2, pp. 153-172.
- Nigam, A. & Ocasio, W. 2010, "Event Attention, Environmental Sensemaking, and Change in Institutional Logics: An Inductive Analysis of the Effects of Public Attention to Clinton's Health Care Reform Initiative", *Organization science (Providence, R.I.)*, vol. 21, no. 4, pp. 823-841.
- Orton, J.D. 2000, "Enactment, Sensemaking and Decision Making: Redesign Processes in the 1976 Reorganization of US Intelligence", *Journal of management studies*, vol. 37, no. 2, pp. 213-234.
- Park, C.L. 2010, "Making Sense of the Meaning Literature", *Psychological bulletin*, vol. 136, no. 2, pp. 257-301.
- Patriotta, G. & Lanzara, G.F. 2006, "Identity, Institutions, and New Work Roles", *The American behavioral scientist (Beverly Hills)*, vol. 49, no. 7, pp. 987-999.
- Pearson, C.M. & Clair, J.A. 1998a, "Reframing crisis management", *Academy of management review*, vol. 23, no. 1, pp. 59-76.
- Pearson, C.M. & Clair, J.A. 1998b, "Reframing Crisis Management", *The Academy of Management Review*, vol. 23, no. 1, pp. 59-76.
- Pereira, L.F., Jeronimo, C.M. & Ramos, M.R. Jun 2017, "Management consulting business models a perspective of sustainability", *IEEE*, pp. 29.
- Polkinghorne, D.E. 1988, *Narrative knowing and the human sciences*, Suny Press.



- Pride, R.A. 1995, "How activists and media frame social problems: Critical events versus performance trends for schools", *Political Communication*, vol. 12, no. 1, pp. 5-26.
- Quattrone, P. & Hopper, T. 2005, "A 'time-space odyssey': management control systems in two multinational organisations", *Accounting, Organizations and Society*, vol. 30, no. 7, pp. 735-764.
- Rhodes, C. 2001, *Writing Organization: (Re)presentation and Control in Narratives at Work*.
- Robert Bradley MacKay 2009, "Strategic Foresight: Counterfactual and Prospective Sensemaking in Enacted Environments" in *Handbook of Research on Strategy and Foresight* Edward Elgar Publishing.
- Rouleau, L. 2005, "Micro-Practices of Strategic Sensemaking and Sensegiving: How Middle Managers Interpret and Sell Change Every Day", *Journal of management studies*, vol. 42, no. 7, pp. 1413-1441.
- Rouleau, L. & Balogun, J. 2011, "Middle Managers, Strategic Sensemaking, and Discursive Competence", *Journal of management studies*, vol. 48, no. 5, pp. 953-983.
- Santos, F.M. & Eisenhardt, K.M. 2009, "Constructing Markets and Shaping Boundaries: Entrepreneurial Power in Nascent Fields", *Academy of Management Journal*, vol. 52, no. 4, pp. 643-671.
- Schultz, F. & Wehmeier, S. 2010, "Institutionalization of corporate social responsibility within corporate communications. Combining institutional, sensemaking and communication perspective".
- Scott, W.R. 2013, *Institutions and organizations: Ideas, interests, and identities*, Sage publications.
- Seeger, M. & Ulmer, R. 2002, "A post-crisis discourse of renewal: the cases of malden mills and cole hardwoods", *Journal of Applied Communication Research*, vol. 30, no. 2, pp. 126-142.
- Smerek, R. 2011, "Sensemaking and Sensegiving: An Exploratory Study of the Simultaneous 'Being and Learning' of New College and University Presidents", *Journal of leadership & organizational studies*, vol. 18, no. 1, pp. 80-94.

- Smircich, L. & Morgan, G. 1982, "Leadership: The Management of Meaning", *The Journal of applied behavioral science*, vol. 18, no. 3, pp. 257-273.
- Statista Research Department 2020, Nov, 17-last update, Leading consulting firms in the United States in 2020, by prestige rating. Available: <https://www.statista.com/statistics/190343/25-leading-us-consulting-firms-by-overall-prestige-2011/>.
- Strang, D. & Meyer, J.W. 1993, "Institutional Conditions for Diffusion", *Theory and society*, vol. 22, no. 4, pp. 487-511.
- Taylor, J.R. & Robichaud, D. 2004, "Finding the Organization in the Communication: Discourse as Action and Sensemaking", *Organization* (London, England), vol. 11, no. 3, pp. 395-413.
- Taylor, J.R. & Van Every, E.J. 2000, *The Emergent Organization*, Routledge, Florence.
- Teytcarev, A., Bazhenov, R., Amineva, E. & Pronin, A. 2019, "Constructive realism: advantages of ontology and methodology", *SHS web of conferences*, vol. 72, pp. 4009.
- Thomas, J.B., Clark, S.M. & Gioia, D.A. 1993, "Strategic Sensemaking and Organizational Performance: Linkages among Scanning, Interpretation, Action, and Outcomes", *Academy of Management Journal*, vol. 36, no. 2, pp. 239-270.
- Weber, K. & Glynn, M.A. 2006, "Making Sense with Institutions: Context, Thought and Action in Karl Weick's Theory", *Organization Studies*, vol. 27, no. 11, pp. 1639-1660.
- Weick, K.E. 2005, "Organizing and Failures of Imagination", *International public management journal*, vol. 8, no. 3, pp. 425-438.
- Weick, K.E. 1999, "Sensemaking as an Organizational Dimension of Global Change" in *Organizational Dimensions of Global Change: No Limits to Cooperation* SAGE Publications, Inc, Thousand Oaks, pp. 39.
- Weick, K.E. 1995, *Sensemaking in organizations*, Sage Publ, Thousand Oaks u.a.
- Weick, K.E. 1993, "The Collapse of Sensemaking in Organizations: The Mann Gulch Disaster", *Administrative science quarterly*, vol. 38, no. 4, pp. 628-652.

- Weick, K.E. 1990, "The Vulnerable System: An Analysis of the Tenerife Air Disaster", *Journal of Management*, vol. 16, no. 3, pp. 571-593.
- Weick, K.E. 1988, "Enacted Sensemaking In Crisis Situations", *Journal of management studies*, vol. 25, no. 4, pp. 305-317.
- Weick, K.E. & Sutcliffe, K.M. 2015, *Managing the Unexpected: Sustained Performance in an Age of Uncertainty*, 3rd edn, John Wiley & Sons.
- Weick, K.E. & Sutcliffe, K.M. 2003, "Hospitals as Cultures of Entrapment: A Re-Analysis of the Bristol Royal Infirmary", *California management review*, vol. 45, no. 2, pp. 73-84.
- Weick, K.E., Sutcliffe, K.M. & Obstfeld, D. 2005, "Organizing and the Process of Sensemaking", *Organization science* (Providence, R.I.), vol. 16, no. 4, pp. 409-421.
- Werr, A. 1999, *The language of change the roles of methods in the work of management consultants*, Economic Research Institute, Stockholm School of Economics [Ekonomiska forskningsinstitutet vid Handelshögsk.] (EFI).
- Wicks, D. 2001, "Institutionalized Mindsets of Invulnerability: Differentiated Institutional Fields and the Antecedents of Organizational Crisis", *Organization Studies*, vol. 22, no. 4, pp. 659-692.
- Wiebe, E. 2010, "11 Temporal Sensemaking: Managers' Use of Time to Frame Organizational Change" in *Process, Sensemaking, and Organizing* Oxford University Press, Oxford.
- Wolbers, J. & Boersma, K. 2013, "The Common Operational Picture as Collective Sensemaking", *Journal of contingencies and crisis management*, vol. 21, no. 4, pp. 186-199.
- Yu, J., Engleman, R.M. & Van de Ven, Andrew H 2005, "The Integration Journey: An Attention-Based View of the Merger and Acquisition Integration Process", *Organization Studies*, vol. 26, no. 10, pp. 1501-1528.

Zhang, Z., Gephart, R.P. & Topal, C. 2010, "13 Future-oriented Sensemaking: Temporalities and Institutional Legitimation" in *Process, Sensemaking, and Organizing* Oxford University Press, Oxford.

Zilber, T.B. 2007, "Stories and the Discursive Dynamics of Institutional Entrepreneurship: The Case of Israeli High-tech after the Bubble", *Organization Studies*, vol. 28, no. 7, pp. 1035-1054.