



Crisis and Business Adaptation

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Introduction

This paper aims to scrutinize the basic practice to decide to operate services under unfamiliar in the environment. Many firms endeavor to offer products and services for getting a competitive advantage in order to be a leader in the interesting business sector. While the liability of foreignness is interesting to study for firms that have been subsidiaries in the host country yet. Zaheer (1995) explained the liability of foreignness of international business context that is exacerbated by a lack of legitimacy in the host country environment and arduous inseparable playing the activities of far-flung affiliates. Likewise, McCallum (1995) indicated that liability of foreignness is known as LOF, which is explained by the economic geographer, such as “border effect” and “frictions of distance” (Appold, 1995).

Salomon and Martin (2008) explained the typically manifested of liability of foreignness as additional costs, which are composed of labor cost, transaction cost, legal cost, start-up cost, additional coordination costs base on the unfamiliarity of the local environment. The investor must recognize carefully to study the local environment before deciding to invest in services and manufacturing in order to survive of affiliates. Similarly, Goerzen, Asmussen, and Nielsen (2013) suggested that globally integrated firms associate with the local partner strategy in order to decrease the negative LOF. Consistent with Greve (2000) found that smaller banks decided to choose the imitation strategy with larger banks when expanding fully branch on location decision. Consequently, the concept of institutional distance is interesting continuously to study in different environments between the home and the host countries under different circumstances of each country.



The characteristic of formal and informal institutions

A different culture is attracting many researchers to investigate business research for increasing consumer engagement and reducing culture shock phenomenon. Interestingly, the institutional theory is the main theory for studying a deeper comprehending social structure. Hence, the institutional theory is often studied to launch the new product and the formal organizational structure, which are friendly to the local environment.

According to institutional theory is important to investigate for the operating business, the foundation of this theory begins to study the types of institutions. National institutions consist of formal and informal components (North, 1991 and Scott, 1995). Formal institutions relate to enforceable and explicit, which are composed of rules, laws, and property rights (North, 1991 and Scott, 1995). Likewise, Salomon and Wu (2012) also explained these institutions are composed of social norms, customs, taboos, sanctions, values, and beliefs. However, Kostova and Zaheer (1999) suggested the legitimacy strategy helps firms to avoid the liability of foreignness as “LOF” in case of the institutions are larger distance.

In my opinion, Institutional theory can refer to adjust working in the home country even though firms are highly familiar with their environment. Because the environment forces them to adapt automatically all the time. Hence, the observation of the local environment and the home environment under condition complexity environment both formal and informal institutions must be carefully considered by those concerned for changing the business strategy, which relates to the real situation and similar competitor in the same industry.

According to firms are forced to adjust the business strategy to accomplish by the environment, the spread of COVID-19 is the best lesson for pushing firms to recognize to change urgently business strategy in order to survive in the environment. Many industries in worldwide try to be friendly with the ecology, which is selecting the strongest person who can live in the virus outbreak. Hence, the legitimacy of the government announced the policy and pay respect the environment have considered in COVID-19 outbreak yet. Hence, adaptation and imitation strategies are one possible way to accomplish in complexity environment.



The best lesson in COVID-19 with the basic strategy.

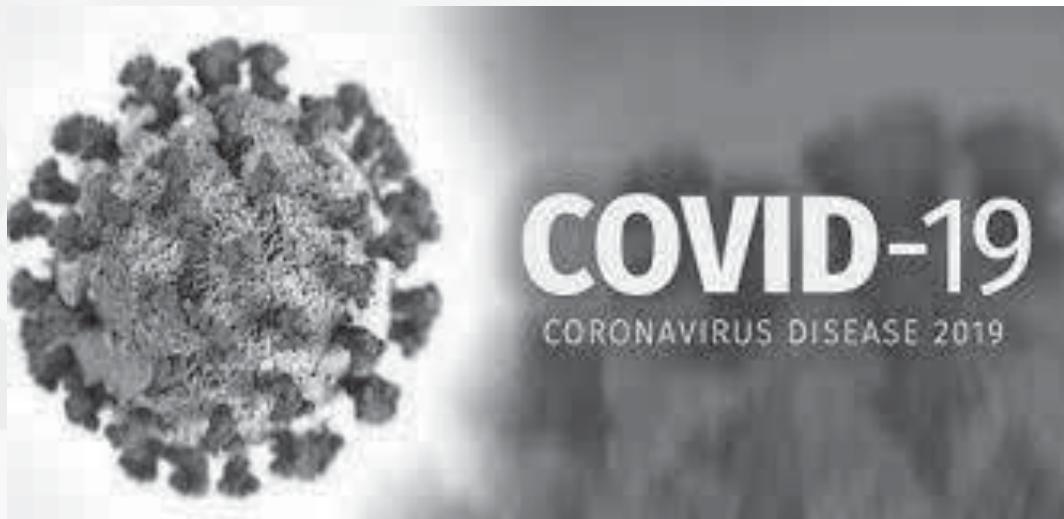


Figure 1 COVID-19

Source: <http://www.nurse.cmu.ac.th/web/moreEvent.aspx>

The situation of coronavirus disease has been affecting more than 200 countries and territories around the world. The World Health Organization (WHO) has declared COVID-19 on 11 March 2020 already (Department of Disease Control, 2020). The symptom of COVID-19 may appear around 2-14 days after exposure to the COVID-19. Likewise, the symptoms of COVID-19 have fever, runny nose, cough, sore throat, and difficulty breathing (Department of Disease Control, 2020). Therefore, Social distancing is appearing continuously during the virus outbreak due to this method is effectively protective against transmission COVID-19. For distancing, this method recommends people at least 1 metre apart (Broom, 2020).



Figure 2 Avoiding transmission COVID-19

Source: <https://www.weforum.org/agenda/2020/04/covid-19-in-pictures-this-is-what-social-distancing-looks-like/>

The problems are found during COVID-19 outbreak such as economic depression, income loss for both service and the manufacturing sectors. Likewise, the impact of this crisis forces automatically many industries to adapt rapidly to the working context in order to overcome during COVID-19 outbreak. To overcome costs associated with a disease outbreak, imitating practice can offset the liability of foreignness and additional costs (Miller, & Eden, 2006; Zaheer, 1995). Meanwhile, the suggestion of imitation and adaptation strategies is being acceptable to conduct in the COVID-19 outbreak for surviving in the crisis. Consistent with the following examples of the services and manufacturers, they try to launch a new strategy associated with the condition complexity of the environment;

1. With millions of people around the world have recently started work from home (WFH) against the COVID-19 outbreak (Evans, 2020). Therefore, work from home is a suitable policy to stop the spread of COVID-19. Hence, many people are forced to practice daily routine and working at home until total patients and new cases tend to reduce steadily better. Zoom application is the most popular tool during social distance culture. (Evans, 2020). While many platforms have more million accounts tend to launch the online meeting for real-time as well.

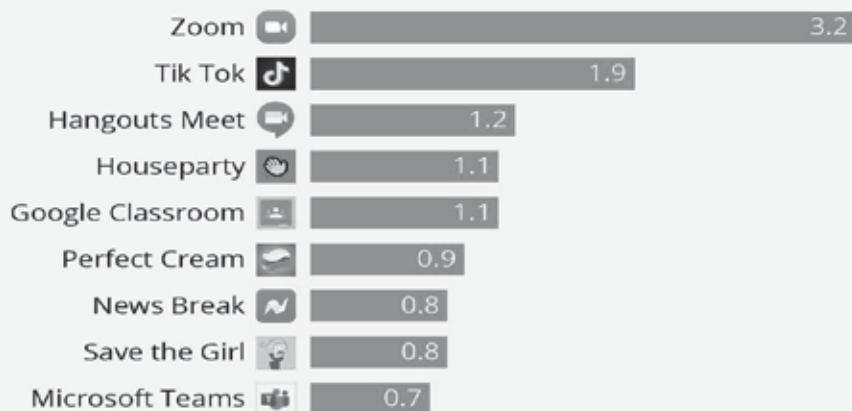


2. Many restaurants and food industries get damages from COVID-19 as well. The best way to overcome damages and maintain living under the uncertainty, the concept of delivery friendly and stop to sit down at the restaurant are the best solution to solve the problem better. Likewise, providing a food package for supporting takeaway within people who are forced to work from home during COVID-19 is one alternative marketing strategy to overcome damages during COVID-19 outbreak. Similarly, Thailand government's reaction to the spread of COVID-19 enforces services and industries close temporarily to stop new cases. Furthermore, the only industry that has been growing rapidly during the spread of COVID-19 is online food delivery (Prachachart, 2020). Delivery service and provide valuable food service to reach the consumer and adaptation service associate with the situation through both encourage minimizing physical contact, providing face masks and hand sanitizers for premium safety both consumer and driver (Grab, 2020).
3. Online learning classes will be proposed urgently to move to the school and university during COVID-19. The university in Thailand recognizes switching to be online teaching to stop the spread of COVID-19, while several universities and colleges in the US resolve the problem through cancellation in-person classes and switching to teaching online (Mala, 2020) Consistent with Buchholz (2020), who provided the popularly statistical applications, which are the most acceptable to download for working work from home during COVID-19. Interestingly, zoom application is the most popular application to download in the following statistical graph in figure 3



Zoom Tops Weekly Download Charts

Most downloaded apps in the U.S. from March 26 to April 1, 2020 (in million downloads)



Apple and Android stores

Source: Priori Data



prioridata

statista

Figure 3 Zoom tops weekly download charts

Source: <https://www.statista.com/chart/21323/top-apps-in-the-us-android-apple/>

For these adaptations of various industries during COVID-19 show that many industries recognize to choose urgently adaptation and imitation strategies that help them to live during the spread of COVID-19. Furthermore, firms' activities in COVID-19 can be created new value and a new organizational culture of the population around the world, which tends to be agreeable to practice a work assignment after achieving control COVID-19. Because millions of people around the world are familiar with the new behavior during COVID-19. Thus, many industries such as fast-food, beauty, college, and university offer special services based on valuable service during COVID-19. For example;

1. Work from home (WFH) remains to practice after controlling COVID-19 successfully. The new organizational culture helps firms to reduce variable costs. Meanwhile, the



assignment and communication with colleagues can be great achievement through using a meeting online platform during working at home. Likewise, the new organizational culture will be announced to be a new formal policy by the chief executive officer.

2. Food package delivery by service provider tends to be more acceptable before. Because, first, the consumer is familiar with the new lifestyle culture during COVID-19 outbreak. Second, some consumers remain holding health care after achievable controlling COVID-19. Organic vegetable and check-up programs tend to be popular for all generations especially elderly people.
3. Online learning class is more popular than before. Because the new method can respond to students who are working in case of a part-time job. Furthermore, the course online will be launch by many universities for responding who would like to develop practical skills.
4. The mobile device may have installation automatically basic application platforms such as delivery, online meeting, and education applications to answer a new consumer behavior, who is feeling a familiar a new lifestyle during COVID-19 outbreak.

According to the organizations use adaptation and imitation strategy lead to mitigate the liability of foreignness and increase a profit within different culture and disease outbreak. Consistent with Salomon and Wu (2012) indicated that foreign entrants can use an adaption strategy for reducing the liability of foreignness. Further, in my opinion of selecting adaptation and imitation strategies reflect respect with ecology in the world. Interestingly, the firm can be compared to a human who can adapt behavior for living in a different environment. While the environment has typically the own criteria to select a survivor based on considering the flexible mindset like the strategy of the firm, which has often related to the different cultures and ecology in the world. Therefore, the strongest firms may not be confirmed a survivor even though getting high revenue in the past period. The relationship between business strategy and ecology is the most important for living because the ecology selects who can live in the world. Consequently, launching a new business strategy has driven by controlling of the ecology.



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