Sustainable Organizations to Emerge as Leaders During the COVID-19

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ABSTRACT

Organizations design sustainability framework to proactively assess, manage risks, and make financial decisions. Sustainability frameworks also generate positive environmental and social impact. Empirical research in developed markets shows that sustainable practices enable organizations to manage global risks such as COVID-19 and perform better than competitors. This paper explains how sustainable integrated approaches can enable organizations in emerging markets to have a robust model to overcome and flourish after times of crisis. A scenario in Nepal will inform this short essay.

Keywords: COVID-19, entrepreneurship, innovation, sustainability

Thousands of workers embarked on several perilous days across Nepal, left with no option nor relief support, as organizations were forced to cease operations due to the COVID-19 lockdown. Fortunate ones traveled before the lockdown; however, the less fortunate with limited resources had to brave the journey home on foot, relying on a limited supply of instant noodles. Some travelers were elderly, pregnant, or with young children. Others carried disease. With millions of people fleeing under these conditions, the hustle and bustle of Kathmandu had a desolated look of abandoned construction sites, empty streets, and a sense of insecurity. Many more travelers continued from India, exposing themselves to the COVID-19 contagion across crowded border lines. These people endured squalid quarantine facilities and unstable rest areas.
Organizations react defensively at times of crises as the focus shifts to reducing costs and staying viable. As organizations wait for government bailouts and relief packages, workers are left on their own. The market will pick-up slowly, but the relationship with workers and the community will deteriorate. Until organizations manage business continuity risks and adopt good practices to ensure job security and healthy work communities, workers will return slowly to their various places of business. However, during the chaos, organizations with sustainable practices are developing innovative solutions. These organizations consider sustainability as a valuable creation rather than an expense. Such ingenuity can poise them to emerge as market leaders.

A healthy corporate culture of trust with appropriate decisions at times of crises are essential for survival. Individuals in a group expect leaders to centralize authority and take action as situations become overwhelming (Mazánek, 2015). Organizational sustainability ensures that organizations have a set of principles and indicators to manage the developmental impact, to proactively manage risks, and to create positive value. As organizations scramble to revamp their strategies for continuity, the innovativeness and leadership of sustainable organizations have given them the edge. Nepal has had its fair share of crises in the last two decades. It has experienced civil turmoil and political unrest, a devastating earthquake, and an ensuing blockade from India. As a result, Nepali organizations’ have developed an innate adaptability and survival approach, but have continuously failed to integrate sustainability. COVID-19 presents the perfect opportunity to integrate sustainability within the organizational framework.

The Nepali entrepreneurial ecosystem continues to be vibrant and innovative. Alibaba skyrocketed after the 2002 SARS pandemic where there was underlying anxiety around traveling and human contact. Likewise, Airbnb and Uber gained fame after the 2008 financial crash as people relied on alternative income sources to cover their finances (Mudassir, 2020). And at times, a solution that has accelerated during this new market demand is the case of Zoom. The most well-placed sectors during COVID-19 in Nepal are the e-commerce platforms and delivery services that rolled out collaborative efforts to provide essentials to the masses. In turn, the economy stayed vibrant and, education institutions have created a significant virtual presence. Manufacturing industries and home-based workers started manufacturing personal protective equipment (PPEs) and face masks. The pharmaceutical sector manufactured Nepalese hand sanitizers, while travel companies continue to work on building a sustainable tourism framework to recover post COVID-19. The pandemic has certainly pushed the more innovative and risk-taking entrepreneurs to start surfing the waves. While chasing rainbows, they should continue
focusing on managing the ongoing risks of the business. There are plenty of entrepreneurial opportunities to be explored in agriculture, healthcare, robotics, research, and innovation. As the lockdown eases, whether organizations move towards sustainability, technology, or services is yet to be seen. Nonetheless, there is a strong sense of importance on workers’ health and safety practices which are often overlooked.

During this pandemic, the healthcare industry has suffered due to a lack of preparedness and regarding the safety of both patients and health care employees. Revenues have dropped sharply and staff including doctors and nurses are in limbo. The same trends can be seen in manufacturing, construction, and trade sectors. Close to four million formal workers and 5.7 million informal workers have been affected in these sectors. Tourism is hit hardest in terms of recovery because 570,000 workers not including informal workers in the sector have faced employment disruptions. Further, 3.5 million migrant workers and 1.4 million home-based workers are also facing the aftermath of COVID-19 (International Labour Organization, 2020). With negligible legal requirements on good working conditions, labour standards, health and safety, human rights, and organization’s failure to provide benefits to contract workers even though mandated by the law, millions of workers in Nepal have been negatively affected.

It is a different yet welcome sight to see workers donning their PPEs. Their health and safety are of the utmost importance. COVID-19 has helped inform people that workplace safety really does matter, and coronavirus is not the only risk to the workers. Beyond biological risks like the coronavirus, other risks including chemical risks, safety risks, physical risks, ergonomic risks, and psychosocial risks exist at the workplace (Martinelli, 2019). Even though Nepal’s labour law requires all workers to be provided with insurance, a variety of gratuity, wages, and construction workers are often not provided with such benefits. If organizations had practices respecting the rights of workers and had the resources in place to manage the basic workplace hazards, their new safe practices would not be novel. Another crucial component of social dimension is community, and when organizations can ensure the health and safety of community including development plans and emergency response, the organizations build on their credibility gaining a social license to operate.

A local e-commerce company, Sasto Deal, exemplified a good case of sustainable practices during the lockdown. Under the leadership of Amun Thapa, the organization had an effective environmental, social, and governance (ESG) management system and employment plan including employment stock options and menstruation leave for their employees. Options also included health and safety plans for workers and community, risk assessment framework, and verification system to ensure vendors and third-party’s management of workforce. Sasto Deal’s team worked with full
benefits. Their team members were provided with PPEs including accommodation facilities for delivery drivers. To help its own employees during the crisis, Sasto Deal created an "Employee Essentials Fund," to support employees with their basic necessities during the crisis. They had an integrated approach to work with a diverse community and give back to the society as evident from their work with Women for Human Rights, Nepal Barbers’ Trade Union, and distribution of PPEs to frontline heroes. Furthermore, in the past few months, Sasto Deal worked alongside its competitors to strengthen the industry. They signed an agreement with the Nepal Government, and raised an investment of USD 1 MN to set a milestone of achieving USD 10 MN revenue (Thapa, 2020). This is a real testament that with the right approach and sustainability framework, organizations can fluster even in times of crisis.

CONCLUSION

The consequential impact of COVID-19 on Nepal and the global economy is yet to unfold, but the emergence of sustainable organizations with empathic leaders to tackle the challenges and opportunities presented by the pandemic is inevitable. Leaders of such organizations exhibit certain personality dimensions on entrepreneurial orientation, such as proactiveness, risk-taking and innovativeness. Personability and empathy also convey social responsibility (Rahman, Pihie 2014). The belief and actions of entrepreneurs lead to the notion of job creation, voluntary nature, and a helping mindset (Thompson, 2002) that creates a unique proposition to influence policymakers (Daytona 2007). At times of an economic and health crisis caused by COVID-19, there is unsurmountable financial and emotional stress within organizations and communities, but there is an element of leadership that requires collaborations with employees and the community. Visionary leaders that embody sustainability will emerge and revolutionize post COVID-19 entrepreneurial ecosystem as a resilient and sustainable organization.

REFERENCES


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