

Chapter 1

Change Management, Organizational Adaptation, and Labor Market Restructuration: Notes for the Post-COVID-19 Era

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ABSTRACT

The recent transformation caused by the COVID-19 pandemic crisis drives the world economy to an accelerated mutation. This chapter focuses on how the current developments affect the various socio-economic organizations and systems and how they can adapt to this new emerging reality. To this end, relevant forecasts on the current pandemic crisis are examined. This crisis seems to cause the acceleration of the Fourth Industrial Revolution, functioning as a catalyst of the structural changes also observed in the working environment. The chapter suggests that all socioeconomic organizations (irrespective of their size, spatial reach, and sectorial focus) are called upon nowadays to readjust themselves and that innovation is the fundamental generator for exiting the ongoing structural crisis. However, innovation unavoidably creates significant changes that socioeconomic organizations must manage effectively in the foreseeable future, according to a new way of perceiving organizational resilience and adaptability for the post-COVID-19 era.

DOI: 10.4018/978-1-6684-3374-4.ch001

INTRODUCTION

The COVID-19 (hereafter pandemic) crisis leads to a stimulation of developments, facilitating the emergence of a repositioned framework for all levels of today's global economy (Soto-Acosta, 2020; Syani et al., 2020). Within the same, globally transpositioned context, the Fourth Industrial Revolution (4IR) increasingly becomes a force for disruption for various older and relatively saturated—in broad socioeconomic and innovational terms—professions and industries (Bonilla-Molina, 2020; Tiwari et al., 2021). In this profound transformation and paradigm shift for all socioeconomic organizations on the planet, adaptation, survival, and growth can only be uncertain and demanding (Marinov & Marinova, 2021; World Bank, 2020b). According to these general considerations on the global system's evolution, the question arising is how the socioeconomic organizations affected by the current trends can adapt to this emerging global mutation.

To explore this question and propose solutions, studying the unfolding global pandemic crisis seems to be imperative. This conceptual article will attempt an elliptic examination of the related literature, presenting projections by international organizations on the pandemic and significant developments in labor relations, aiming to offer new theoretical insight on the subject of organizational adaptation (Jaakkola, 2020; Snyder, 2019). In section two, scenarios and forecasts by international organizations are examined, oriented towards the global socioeconomic system's immediate future amid the pandemic crisis. In section three, the basic features of the 4IR are emphasized. The aim is to reaffirm whether the 4IR is accelerated based on the structural changes observed in labor relations. This is the context that leads us to conclude that organizational adaptation (OA) is the predominant ingredient required for the future development of all socioeconomic organizations affected by the crisis. Finally, in section five, conclusions are drawn, suggesting directions for future research.

EMPIRICAL BACKGROUND OF THE COVID-19 CRISIS

Following the worldwide spread of the pandemic since the early days of 2020, the global socioeconomic system has entered a period of unprecedented turbulence and regression. According to António Guterres, Secretary-General of the United Nations (2020), this pandemic crisis leads the whole world to a readjustment. Humanity is in front of extraordinary developments, where the weakest social groups and communities increasingly become more vulnerable. Guterres also speaks of the required swift action for our world to avoid the spread of other diseases and protect from violent extremists to rise in power.¹

According to the World Bank (2020a), which predicted a slight rebound for the global economy in 2021 based on a series of forecasts, the pandemic crisis has triggered a decisive blow to the already fragile world economy, with the magnitude of the recession being the largest since World War II. More specifically, this report by the World Bank foresaw three scenarios of possible economic recovery for 2020-2021: one consistent with baseline forecasts, a downside of a protracted global recession, and an upside that projects a prompt recovery (Figure 1).

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