

# The Influence of Coronavirus on Enterprise Management and Countermeasures

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## ABSTRACT

The sudden epidemic disease, coronavirus, has brought a heavy strike to all walks of life. The traditional enterprise management method has exacerbated the difficulty of enterprises to resume production and work under the epidemic. By analyzing the influence of covid-19 epidemic on the organizational structure, human resource management and business environment of enterprises, this paper proposes relevant measures that enterprises can adopt to deal with covid-19 epidemic, such as building an efficient team, retaining excellent talents and adapting to network office. The online management mode based on the quarantine policy of epidemic prevention and control is the main operation mode for enterprises to resume production and work. According to this characteristic, this paper also puts forward specific suggestions for different industries.

**Keywords:** coronavirus, enterprise management, organization structure, human resource management

## I. INTRODUCTION

"An outbreak of novel coronavirus pneumonia is ongoing, called 2019-nCov, was first identified in Wuhan, Hubei province, China at the end of 2019" [3]. The transmission speed of coronavirus is very fast and many people in different countries have been infected. It not only influence people's physical health, but also affects the normal operation of a business and restrict economic growth of a country. The confusion of management is mainly rooted in business's management model in advanced. Before the coronavirus, businesses get used to making a plan and then to carry it out. However, the high speed and uncertainty of the coronavirus has caused panic in society and the company. Companies have to constantly change their plans according to the development of the coronavirus and protect themselves from bankruptcy. Some companies' managers according to this coronavirus take measures to respond positively in order to minimize the losses. However, some companies cannot adapt to this coronavirus and withdraw from the market gradually. In my opinion, the influence of coronavirus on business management mainly reflects in the following aspects, such as organization structure, human resources management and business environment.

## II. CORONAVIRUS AFFECTS ENTERPRISE MANAGEMENT

### A. Organization structure

Firstly, companies will have a long time in which they cannot return to normal operation affected by the coronavirus so they have to downsizing-downsize their departments through layoffs. For example, country garden company "integrate relevant functional parts and streamline the process", in order to improve their efficiency and service level [5]. The manager of country garden says they use a period of time to adjust organization structure that is beneficial for reducing cost, improving top manager's decision-making efficiency. At the same time, through decentralization of rights, it can help the organization inside have a good competitive relationship. In some industries, chemical factories, tourism and catering, they will have a long time to reduce and stop operation. For example, before the coronavirus, restaurants need large staff to complete to make food, pass food and wash dishes. However, there are less people even no people to eat at restaurants now. They usually to choose to take away and eat at home. It will lead to these restaurants no longer need so many employees for passing food and cleaning the restaurant but need some staff to deliver the food. In other words, they need to add a logistics and distribution department. For example, hot-pot chain Haidilao company, they extend industry chain and improve their after-sale service and logistics department to make customers enjoy the similar taste and service at home. When it comes to talk about education

companies, now many students cannot go to physical schools to have a class and they need to use websites or apps to complete their courses. However, some enterprises do not have their own software researches and development departments, they need to add a department and hire professionals to help their researches and developments and maintenances in the future. In a word, different industries have different influence based on this coronavirus, so the adjustment of organizational structure is also different. They need to adjust their organizational structures according to the characteristics of their industries to enhance their competency.

### *B. Human resource management*

Secondly, the coronavirus affects the human resources of enterprises. On the one hand, during the coronavirus, in order not to affect the normal progress of work, companies usually choose work at home. It will make companies hard to manage their employees and unable to evaluate their performances. It also will increase the labor cost. Employees working at home will have a lower efficiency because homes do not have nervous atmosphere. Employees tend to put off work until the evening. If they cannot finish it today, they will postpone it until tomorrow. Because many companies pay by time, companies will bear a lot of labor cost, such as overtime pay [6]. On the other hand, traditional recruit formal can make interviewer better to know the interviewee but now company will have to choose online interview. Online interview will have some inevitable decision risks because managers cannot make sure authenticity of interviewees. For the interviewers who attend online interview, managers cannot give a unified standard and make correct judgments. Furthermore, coronavirus will influence employee's turnover. When employees' salary or bonus is affected, some employees will choose another job or change another company. The turnover of some excellent employees will bring huge losses to the company. However, the employees in some unimportant posts or departments if company dismisses them, the company needs to pay liquidated damages[1].

### *C. Business environment*

Thirdly, coronavirus will impact business environment. When the epidemic situation is very serious, the government makes employees stop working in order to avoid epidemic spread too fast. Some industries facing this situation change their operational model from office to office to online. The analysis of the epidemic from the supply side will have some extent limit the production and operation of many manufacturing enterprises, especially small and medium-sized enterprises will face great operational pressure. Considering the business environment, some businesses choose internet celebrity to help them sell

goods [2]. However, some companies like tourism need face to face service model to earn money, but now it takes them a long time to return to work, which will lead to bankruptcy. At present, the whole market is shrinking and have insufficient competition. The real estate and automobile industries need to reduce price for reducing inventory in the face of unpredictable future. This epidemic situation not only has an impact on enterprises but also urges managers to constantly prepare plans to deal with different situations for management and operation in the future. There are some inspirations and countermeasures for managers to face the epidemic situation.

## **III. COUNTERMEASURES**

### *A. Building a high efficiency team*

At first, managers should build a high efficiency team which has risk resistance capability [4]. This team need have strong cohesion and managers need deliver positive energy to their staff. In any case, managers should make information transparent to prevent employees feeling panic when an emergency occurs. Only when employees know the real situation of the company, they cannot panic and give their own advice for company. In order to improve the working efficiency, managers should make some rules. Although employees work at home, they also need to complete daily plan. The complete situation will be used as a voucher for performance appraisal. Manager need train employees to adapt to online meeting and online submit work. They also need to tell every employee what they need to do every day.

### *B. Online work replace office to office work*

Secondly, managers need focus on online work rather than office to office work. They need to hire more internet technological persons because sales, management and operation are basically completed through the network. For example, companies can make their own manage program and train their staff to use it. They can use this program to finish many things such as submit customer information, upload work log and pay out wages. In today's internet age, many things can be done through the internet. Companies also can sale goods through the way of webcast. They need technological talent to do technology support. Whether or not during the coronavirus, the network office will be a mainstream trend in the future. Managers need consider about online work manage model.

### *C. Making plans timely*

Thirdly, whenever enterprises need to have a sense of crisis and make a careful plan to deal with all kinds of unexpected things. If an enterprise cannot find a good way to solve an emergency, managers can consult

professional people to help them solve this problem. Through this coronavirus, we can find that the government will update its policy according to the change of the different situation. Companies also need to change their plans timely based on policy of government. Managers need to have the insight and the ability to predict future trends.

#### *D. Maintaining and publicizing corporate image*

Fourthly, an enterprise needs to maintain and publicize its corporate image at all times. For example, the boss of "Heyue" restaurant which is called raincoat sister. During the coronavirus, she took her staff to Wuhan to make box lunches for doctors and nurses for free. This thing not only helps Wuhan people, but also helps her improve her brand image. Before this thing, many people do not know her company. However, now many people would like to eat food at her restaurant. As we all know, coronavirus makes restaurants need rest for a long time. Some restaurants do not earn revenue but they must pay rent and electric fee. They choose to close their restaurants early in order to cut their loss. If they can learn from "Heyue" restaurant which uses the period of time to do public welfare, they not only give back to the society but also attract more customers after the epidemic.

#### *E. Keeping the outstanding talent*

Fifth, managers need to avoid brain drain and excellent employees are wealth for a company. Managers need to learn their health situations and family conditions. When they have difficulty, managers need to help them. Managers also can reward them for their performances during the epidemic. Managers can also let employees report their temperature every day to prepare for their return to work.

#### *F. Extending production line*

Sixth, managers should make some plans to extend production line to deal with different situation. For example, catering companies can take two steps which are online and offline. Customers can choose eat at restaurants or order online. This is asks company should make some quick-frozen products for logistics distribution. Tourism companies can also innovate their marketing mode, such as they can launch online tourism mode. Now many museums open online exhibition and the scenic spots begin to visit online to meet the needs of tourists. Mangers need innovate ideas to extend their production line in order to make their enterprise live longer.

### **IV. CONCLUSION**

This epidemic was unexpected and we all do not make it happen. The epidemic has dealt a huge blow to some companies. However, some companies such as

pharmaceutical companies, mask manufacturer and logistics companies through this epidemic earn many revenues. When face to this epidemic, different industries should be prepared to minimize losses or maximize profits. Through this epidemic many companies already know their disadvantages, they can learn advantages form other industries or their competitors. I believe these companies that have overcome the epidemic will live longer because they have abundant experience and they will enhance their competitiveness greatly.

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