

# **Introduction: Strategic Management in the new normal: Investigating practical approaches for an adapting governance**

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## **Background and focus of the special issue**

*From time to time, organizational environments undergo cataclysmic upheavals – changes so sudden and extensive that they alter the trajectories of entire industries, overwhelm the adaptive capacities of resilient organizations, and surpass the comprehension of seasoned managers (Meyer et al., 1990, p. 93).*

Despite the above quote being more than 30 years old, it perfectly describes the current social and business world we live in today (Ahlstorm et al., 2020; Hitt et al., 2020). Such discontinuous changes require entrepreneurial responses to allow organizations to navigate the new landscape provided by the “New Normal”: a resilient adaptation to a new business environment, accepting coexistence with extraordinary social, economic, and technological conditions that became ordinary (Jabeen et al., 2022). A common and growing criticism is that management scholars’ work does not address issues that confront managers and that, as a field, our scholarly work is separated from the ongoing issues we are confronted with.

This issue of the Journal aims to investigate the practical approaches allowing organizations to adapt their governance systems, strategies, business model, and strategic processes in the “New Normal”.

We believe that valuable ways to find these practical answers are by

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investigating under which conditions some theories are still valid, as well as looking at the intersections of established theories. About the former, a series of managers and scholars still assume, for example, that planners and policymakers rationally govern large projects (Andersen *et al.*, 2009). In contrast, it has already been advanced and proved that the governance of large projects is driven by bounded rational individuals affected by cognitive biases (Flyvbjerg, 2021; Flyvbjerg *et al.*, 2009).

Yet, other scholars advanced that these distortions are not always detrimental but can help reach satisfying outcomes under some conditions (Gigerenzer and Goldstein, 1996). However, investigating the environmental features under which those biases are good or bad for governance and how to deal with them, in these turbulent times, is still in the infancy stage. From a practitioner perspective, companies need to reimagine the post-pandemic landscape, taking a long-term perspective, across five stages proposed by McKinsey (2020): *Resolve, Resilience, Return, Reimagination, and Reform*.

Therefore, new purpose of companies needs to be defined, considering the different stakeholders (Sancino *et al.*, 2021). The purpose has “*to be open, broad, looking ahead, and seen from every aspect, not just focusing on profitability and shareholder value added, but it should also be communication to the society that an organization will exist to be part of something greater than itself, to do something meaningful, to create Stakeholder capitalism*” (Lhakard, 2022, p. 5).

In addition, the workplace and organizational practices should be different in a new normal and technology-driven practices need to be embedded within the organization (Carroll and Conboy, 2020; Singh *et al.*, 2022).

For example, the pandemic created a transformative environment in which individuals and companies rapidly adopted digitalization (Bag *et al.*, 2021). Under these conditions, the business climate has become more competitive, and corporations need to practice an alternative approach in corporate governance studies (Cucari *et al.*, 2023).

## **Papers Selected for the Special Issue**

Our special issue emphasizes the need for organizations to adapt to the “New Normal” characterized by rapid and discontinuous changes in the social and business environment. We highlight the importance of entrepreneurial responses and resilient adaptation to navigate the new landscape and all papers selected shed light on various aspects of organizational adaptation in the face of evolving challenges. Specifically, we stress on three most important aspects: the use of technology (Esposito *et al.*, 2023; Secinaro *et al.*, 2023), the

change on strategy practices (Makupa *et al.*, 2023; Baiocco *et al.*, 2023) and new forms of governance (Quarato *et al.*, 2023; Raffaele, 2023).

A brief summary is reported below.

The paper titled “*An innovative approach for circular data-driven decision-making in the new normal scenario: opportunities for the agri-food sector*” by Esposito, Sica, Malandrino and Supino propose a new approach paving the way for reflections about the relevance of the development of data-driven decision-making for the circular transition in the new normal context. The authors draw attention to the pivotal and facilitating role of Digital Technologies to enable interconnections between operational and strategic approaches, exploiting the insights derived from the digital technologies use as decision-making and governance actions supporting tools in the agri-food sector.

The paper titled “*New technologies in supporting ESG criteria and the implementation in the new normal: mapping the field and proving future research paths*” by Secinaro, Calandra and Degregori provides a bibliometric and coding analysis on new emerging technologies supporting the Environmental, Social and Governance aspects (ESG) to identify the interdependencies and relationships between these two areas. The authors identify three main research clusters: (1) new technologies for emissions controls; (2) new technologies for sustainability assessment management; and (3) new technologies for disruptive energy management.

The paper by Mukupa, Cristofaro, and Giardino titled “*Workplace Inclusivity from a Strategy-as-Practice Perspective: A Systematic Literature Review*” offers a unique perspective on workplace inclusivity as a strategic practice. The authors argue that inclusivity enhances firm performance and sustainable competitive advantage. In particular, the paper reframes inclusivity as a strategic practice, providing valuable insights into its impact on firm performance and competitive advantage.

The paper titled “*Managing rural destinations in an evolving society: an empirical research*” by Baiocco, Leoni, and Paniccia addresses the urgent need for rethinking destination management models in the face of complex socio-economic and ecological challenges in the tourism industry. The paper proposes a co-evolutionary destination management model that considers the relationships and temporal dynamics between key actors within the destination ecosystem. The findings highlight the crucial role of sustainable entrepreneurship in destination development.

The paper titled “*Shared Leadership: a new normal for family businesses?*” by Quarato, Cambrea and Laviola investigates the effect of succession on the

performance of family firms characterized by collegial leadership and the moderating role of the board of directors and the size of the firm. The result, based on a sample of Italian family firms, support the hypothesis of an improvement of performance following shared leadership succession. A shared leadership succession turned out to be particularly suitable to manage succession gradually and smoothly, mitigating the abrupt impact that usually characterizes individual successions, which negatively impacts financial performance. However, the positive impact of these succession mechanisms can be sustained only if certain conditions are met.

The paper titled “*Virtual(-only) shareholders’ meetings in Italian listed companies: quo vadis?*” by Raffaele focuses on the participation in the shareholders’ meeting by means of telecommunications, with particular attention to the regulation of listed companies. Specifically, the topic of virtual(-only) meetings is addressed with a view both to investigating the reasons for their scarce use by Italian listed issuers, and to understanding whether the ability to intervene remotely can become a default rule in Italy. For example, the use of blockchain technology could further facilitate remote meetings, improving transparency, identification, and verifiability of votes, but expectations should be realistic regarding its ability to address all governance issues (Esposito De Falco *et al.*, 2019).

### **Concluding remarks**

Overall, the papers selected for this special issue contribute valuable insights into the practical approaches that organizations can adopt to successfully navigate the challenges of the “New Normal”. In an environment characterized by constant change and uncertainty, these papers emphasize the importance of technology integration, strategic reorientation, and innovative governance practices.

Technology integration emerges as a key driver of organizational adaptation. The papers highlight the transformative role of digital technologies, data-driven decision-making, and emerging technologies in enabling organizations to make informed choices, enhance sustainability practices, and drive operational efficiency. By embracing technological advancements, organizations can gain a competitive edge and respond effectively to the evolving needs and expectations of their stakeholders.

Strategic reorientation is another crucial aspect emphasized by the papers. They underscore the need for organizations to reassess their strategies, business models, and practices in light of the dynamic landscape. Workplace

inclusivity, sustainable entrepreneurship, and co-evolutionary destination management models are proposed as strategic practices that can enhance firm performance and facilitate sustainable growth. These findings highlight the importance of strategic agility and the ability to adapt to changing circumstances.

In addition to technology and strategy, the papers shed light on innovative governance practices. They explore alternative leadership models, shared decision-making, and virtual participation in shareholders' meetings. By embracing these innovative approaches, organizations can enhance their decision-making processes, foster stakeholder engagement, and ensure transparency and accountability.

It is crucial for management scholars and practitioners to actively engage with ongoing issues and ensure that their work remains relevant and applicable to real-world contexts. This special issue serves as a catalyst for bridging the gap between theory and practice. The insights provided by the papers offer practical guidance for organizations seeking to thrive in the face of ongoing disruptions and uncertainty.

To succeed in the “New Normal”, organizations need to embrace entrepreneurial responses, demonstrating agility, adaptability, and a willingness to explore new opportunities. Resilient adaptation becomes paramount as organizations navigate uncharted territory. By adopting a stakeholder-centric approach, organizations can reimagine their purpose, moving beyond mere profitability and shareholder value to contribute meaningfully to society and create a sustainable future.

In conclusion, the papers in this special issue highlight the importance of technology integration, strategic reorientation, and innovative governance practices for organizations to adapt and thrive in the ever-changing business landscape. By leveraging these insights, organizations can navigate the complexities of the “New Normal” and position themselves for long-term success in an environment characterized by ongoing disruptions and uncertainty.

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