

LEADING AMIDST COVID-19: AN ATTENTION-BASED VIEW OF FIRM DISRUPTION RISK MANAGEMENT AND IMPROVED RESILIENCE OF INDIAN FIRMS

Neha Verma, Ajay Kumar Garg Institute of Management, Ghaziabad, India
T.R. Pandey, Ajay Kumar Garg Institute of Management, Ghaziabad, India

ABSTRACT

Finance is an area that deals with the study of [investments](#). Contemporary organizations require practicing cost control if they are to survive the recessionary times. The global outbreak of corona virus disease 2019 (Covid-19) has affected all segments of human lives, together with the physical world and is/was detrimental to human life, organizations, financial markets & economy as a whole. The pandemic highlighted the capitalist dysfunction presenting that taking into account profits over people can be deadly. But at the same time, the pandemic crisis has threatened the survival of firms at a global scale, with potentially disturbing economic outcomes. As Covid-19 raises a series of new concerns about how firms strategically steer through these turbulent times (Hitt et al., [2021](#)), Covid-19 provides an exclusive prospect to examine the impact of an unprecedented pandemic – given its scope, rapid spread, health and economic destruction – on firms' behaviors (Ghobadian et al., 2021). Following the methodology of Ghobadian et al., 2021, the present study draws on two harmonious theories – contingency and attention-based view. Thus, this study attempts to examine the relationship between firm disruption and firms' Covid-19 attention focus. Ghobadian et al., 2021, also stated in the research that Industry external environments may influence which signals attracts managerial attention; hence, this study also examines if firm disruption–Covid-19 attention focus is moderated by industry dynamism. The present study, therefore, used a sample of 1,536 Indian firms for the study and concluded a positive relationship between firm disruption and Covid-19 attention focus for the Indian Firms and that industry dynamism negatively moderates this relationship.

Keywords: Finance, Covid-19, firm disruption, Covid-19 attention focus, industry dynamism, Indian firms

JEL Classification Codes: G32, M41

INTRODUCTION

The Covid-19 virus quickly surpassed other recent epidemics in both magnitude and scope due to its rapid global spread. In addition to the death toll and the disturbance of the lives of millions of people, there had already been extensive and severe economic harm. National economies, as well as the businesses and people within them, have gone through a number of international crises. They have responded, among other things, to the 1997–1998 Asian

economic crisis, the 2000–2002 dot-com bubble burst and the post–9/11 economic downturn, the 2008 financial and economic crisis, the 2011 Fukushima nuclear meltdown, the 2015 migration crisis, political crises like the rise of populism, conflicts over Brexit, trade wars, and the climate crisis. The causes and severity of these and other crises can vary (Bansal et al., 2018). However, they share the potential for disastrous individual, societal, economic, and natural repercussions, such as the collapse of businesses and industries, significant job losses, social precarity and natural damages (Hällgren et al., 2018). Since reactions are governed by the various governance structures of the impacted nation states and regions, these overwhelming repercussions frequently result from their global or cross-border implications.

Similarly, there have been five pandemics and epidemics in this millennium: SARS (2002–2003), Swine Flu (2009–2010), MERS (2012–present), Ebola (2014–2016) and Covid-19 (Honigsbaum, 2020). They are significant since there is evidence that they will probably happen more frequently in the future (Honigsbaum, 2020) recognizing their effects on all levels.

The pandemic crisis had an impact on people and organizations all around the world. More and more governments are putting into place measures like lockdowns, event bans and shutdowns as the corona virus Covid-19 spread. By reducing Covid-19's spread, these actions help prevent dangerous capacity overloads in the country's healthcare systems. At the same time, they pose a global danger to the continued existence of businesses in all sectors and industries. As prior crises have demonstrated, such risks not only cause significant economic recessions but also have negative societal effects when household incomes diverge.

There is a dearth of comprehensive empirical study at the national level compared to the vast firm level studies on their influence (Prager et al., 2017 and Fan et al., 2018). Different epidemics and pandemics have different fury and breadth; Covid-19 was a once-in-a-century health crisis with effects on the economy that are comparable to those of a natural disaster. Natural disasters can have far-reaching effects, including the collapse of businesses and industries, significant job losses and social precarity (Hällgren et al., 2018).

As a result, the pandemic raised a crucial concern regarding how businesses might effectively address emergencies like the Covid-19 pandemic. We argue that Covid-19's impact would have been just as significant, if not more so, because it will provide the most relevant empirical illustration of a "doomsday" scenario in management literature (Narayanan et al., 2021). In this paper, we investigate the relationship between Covid-19-induced business disruption and managerial attention focus by utilizing two complementary and well-established management theories: contingency theory and attention-based view following the methodology of Ghobadian et al. (2021) on Indian Firms.

The growing body of research indicates that Covid-19 has different effects on firm and industry outcomes, which, in our view, leads to varying levels of managerial attention focus (hence the choice of firm disruption as our independent variable and managerial attention focus as our dependent variable). The author also investigates whether this link is moderated by industry dynamism.

Contingency theory states a leader's effectiveness "depends on how well the leader's style fits a particular context or situation" (Wolinksi, 2010). In the literature on organizations and strategic management, contingency theory—which links organizational resources with the

appropriate environmental context—takes centre stage. According to numerous studies (Baum and Wally, 2003; Wright and Nyberg, 2017), businesses that react quickly to environmental change outperform those that don't. Additionally, failing to adapt could cause businesses to fall into a vicious cycle from which they may never emerge (Cozzolino et al., 2018). It is perplexing that only a small minority of businesses pay heed to environmental signals (Bundy et al., 2013). Thus, the purpose of this study is to investigate this conundrum in light of the unparalleled disruption brought on by Covid-19.

Contingency theory links higher performance to environmental adaptability but says nothing about how adaptation occurs. It is an instrumental theory. The attention-based view, which claims that adaptation, necessitates a tripartite information processing sequence: attention, interpretation and action. According to both views, the environment serves as a constant source of input and stimulation, therefore for businesses to remain competitive, they must adapt to environmental change. The paper argues that the tripartite process—the crucial first phase in the process—underpins environmental alignment, therefore, the paper tries to investigate the connection between disruption brought on by Covid-19 and attention.

The attention-based view (ABV) of the company has become a major theoretical viewpoint in research on strategic organizations (Ocasio and Joseph, 2005). The ABV proposes three fundamental ideas that, taken together, postulate strategic behavior as a result of attention focus and manipulation. It emphasizes how strategic decisions and outcomes are impacted by the attention of decision-makers. This attention is contextually located and socially organized. Although significant uncertainties still exist regarding the types and dimensions of attention, the first principle of ABV (Ocasio, 1997), which states that decision-makers' selective focus of attention directly influences strategic behavior and outcomes in organizations, is well established empirically.

Additionally, the level of discretion depends on elements at the corporate, organizational, and individual levels. Industry dynamism is recognized as a critical industry-level characteristic influencing management cognition and discretion among these contextual factors (Steinbach et al., 2017). In light of this literature, the paper argues that the association between firm disruption and management attention focus is moderated by industry dynamism.

Combining all the concepts discussed earlier, the paper presents two research questions. First, does firm disruption affect managerial attention to Covid-19? Second, does the association between firm disruption and Covid-19 attention focus is moderated by industry dynamism?

To answer the study objectives, the paper used a cross-sectional sample made up of 1,536 Indian firms. The study discovered a positive correlation between firm disruption and managerial attention focus on Covid-19, as well as a negative correlation between firm disruption and industry dynamism which is in line with the findings of Ghobadian et al. (2021). This research shows the significance of factors at the national, industrial, organizational and individual levels that influence management discretion.

Few things about this research contribute towards the literature available in context of Indian Firms and its response to Covid-19. First, the paper builds on contingency theory by showing how industry dynamism affects how managers pay attention to environmental signals in the face of objective disruption. According to Eggers and Kaplan (2013) businesses in dynamic

industry environments are more agile in response to unpredictability or more rigid as a result of noise and distraction. This research hypothesizes and illustrates that managers find it more challenging to pay adequate attention to the cause of sporadic disruption in dynamic situations. Additionally, there is a dearth of study overall, and none at all when it comes to pandemics, that looks at how environmental change, management focus and industry dynamism are related in Indian context. This paper provides a critical understanding of the management implications of Covid-19 through the conduct of this research. The next contribution, it makes is a methodological one again in Indian context. This paper pays attention to the textual data in financial reports and suggests a new method to assess Covid-19 attention focus because the present research on Covid-19 primarily focuses on retrospective survey data (Huynh, 2020; Papanikolaou and Schmidt, 2020).

Future researches can also analyze managerial perspectives on Covid-19 and related activities using this methodology. This study offers managers the opportunity to analyze their company in the context of the industry, compare their attention focus to that of their competitors in the industry and determine whether the divergence is appropriate.

LITERATURE REVIEW

Although Covid-19 began in the Chinese province of Hubei's city of Wuhan, it spread quickly throughout the world, causing human tragedies and significant economic losses. It was not a surprise that Covid-19 has attracted the interest of management experts, academicians and researchers, as seen in the extensive commentary and conceptual papers that were frequently published in various national and international journals. Shankar (2020) outlined the necessity for mitigating action in the short, medium and long-term issues posed by Covid-19. Examining the effects of Covid-19 on international supply chains, Verbeke (2020) suggested four directions for further study. Hitt et al. (2020) contended in a conceptual study that enterprises must modify their environments in response to Covid-19. The necessity of reshaping also applies to large corporations (Hitt et al., 2021).

Inaction in the face of a crisis is not an option, according to Wenzel et al. (2020), who described four major potential strategic responses: retrenchment, preserving, innovating and exiting. Brammer et al. (2020) concluded that the long-term effects of Covid-19 on businesses and society are unpredictable. Wang et al. (2021) examined the connection between company communication (signals), consumer response and influence on trust recovery and emphasized on the significance of action in response to the Covid-19 issues.

In the discussion of the possible effects of Covid-19 on firms' non-market strategies, Lawton et al. (2020) identified three key trends: the emergence of novel cross-sectoral collaboration, the evolution of institutional environment-non-market strategy interplay and improved corporate socio-political alignment. Therefore, it can be further added that the Covid-19 literature as a whole emphasized on the necessity of swift mitigation action.

The environment is not solely exogenous and managers' interpretations impact the organizational response. This point of view provides a logical justification for why certain businesses struggle to adapt to environmental changes. Cognitive limitations and uncertainties

that make it difficult to assign probabilities to events are two major variables that lead to the requirement for interpretation. According to Adner and Helfat's (2003) theoretical perspective, management cognition is a vital managerial skill and both structural and managerial effects are important in understanding company actions in the face of environmental changes.

The cognitive views are placing 'attention' in central position of cognitive perspective (Narayanan et al., 2011). The attention-based view explains how organizational action is shaped by attention in organizations. The attention-based view holds that Attention, interpretation, and action are the three steps in the tripartite information-processing sequence that managers use (Dutton and Jackson, 1987). Many researches employed 'attention' as a measure of cognition (Li et al., 2013).

The nature of the circumstances motivating managers to pay attention and the consistency of this attention across organizations is crucial questions given the significance of attention focus in eliciting organizational action. For a very long time, cognitive theorists have pondered why only some businesses pay attention to a crisis and are able to identify its presence. For instance, in order to prompt actions, a crisis must produce a clear threat that decision-makers should recognize. Crisis situations also swiftly bring about significant change, giving decision-makers a constrained window of opportunity to act. A crisis also typically arrives as a surprise because its occurrence cannot be predicted by decision-makers.

According to theory, a crisis typically lasts for three time frames: respond, during which a company manages continuity and deals with the current situation; recover, during which a company gains knowledge and becomes stronger; and thrives, during which a company gets ready for and shapes the "next normal." Managers and leaders have the significant and additional responsibility of quickly taking into account all three time frames at once and allocating resources appropriately.

Resilient leaders can take specific tactical actions within the context of these broad imperatives to enhance these attributes throughout the current crisis, blunting its impact, and assisting their firms to emerge stronger. Instead of simply returning to the status quo, the correct approach can turn this crisis into an opportunity to advance and provide even more value and great society effect. Companies that have created a playbook for preparing for a downturn have an advantage because many of the scenarios, projections and levers have already been defined and may just need to be modified to account for the current situation.

In this respect, the Covid-19 pandemic fits the definition of a crisis because it posed a clear threat, manifested itself suddenly and gave decision-makers a limited window of opportunity to respond. However, it had an unequal effect on businesses and industry outcomes. Whether or not, businesses viewed the pandemic as the root of the issue would be determined by the negative effects of Covid-19 on revenue. This paper argues that monetary losses were significant aspiration-level triggers, and that while businesses with lower levels of disruption might not consider Covid-19 to be a crisis, businesses with higher losses are more likely to be aware of the threats posed by the pandemic and thus to pay more attention to it.

Whether, this justification and the ensuing hypothesis holds true in Indian context is a crucial question. Consequently, the study poses the following hypothesis:

H1: The degree of disruption that Indian Firms' faced is positively related with the Covid-19 attention focus.

The contextual factors at the organizational, industry and person levels influence managers' degree of discretion. The present study elaborated by offering a more thorough justification for why managers may overlook or misread a crisis even in the presence of triggers at aspirational levels following the methodology used in Ghobadian et al. (2021). Various industries change at various rates and are unpredictable to varying degrees. This quality is known as "industrial dynamism."

Due to the distraction of alternate explanations, managers in a dynamic workplace may find it challenging to comprehend the causes of disruption in the context of Covid-19. Since disruption is widespread in dynamic industries, attribution to a cause can be challenging. In contrast, in the absence of a compelling, alternative explanation, businesses engaged in a stable industry may be more likely to blame the sudden financial losses on the Covid-19 outbreak. But there are also arguments in opposition. Due to the high degree of unpredictability, some academicians contend that managers in dynamic sectors are more proactive in scanning their environments (Hough and White, 2004). Managers may become more aware of the Covid-19 threat, a new danger to their working environment, as a result of this. Further, attribution to Covid-19 and attention to it may be delayed for managers working in dynamic sectors. This is because they frequently have to decide which of the many endogenous causes at play the primary driver of change is. A delay of this kind could have detrimental long-term effects in a crisis. The association between firm disruption and the Covid-19 attention focus is generally thought to be negatively moderated by industry dynamism. Consequently, the study offers the following nation based hypotheses.

H2: The relationship between firm disruption and Covid-19 attention focus is negatively moderated by the level of industry dynamism in Indian Firms.

RESEARCH METHODOLOGY

The financial data for sample firms were drawn from CMIE-Prowess for all the 1,536 Indian Firms during the period of the study 2015-2020 covering 18 industries. The study assesses firm disruption using first and second quarter financial data from 2015 through 2020. The study employs the quarterly/semi-annual reports of Indian Firms released in 2020 for the managerial attention focus. To gauge industry dynamism, the study analyzes firm-level financial data from 2015 to 2019.

Dependent Variable

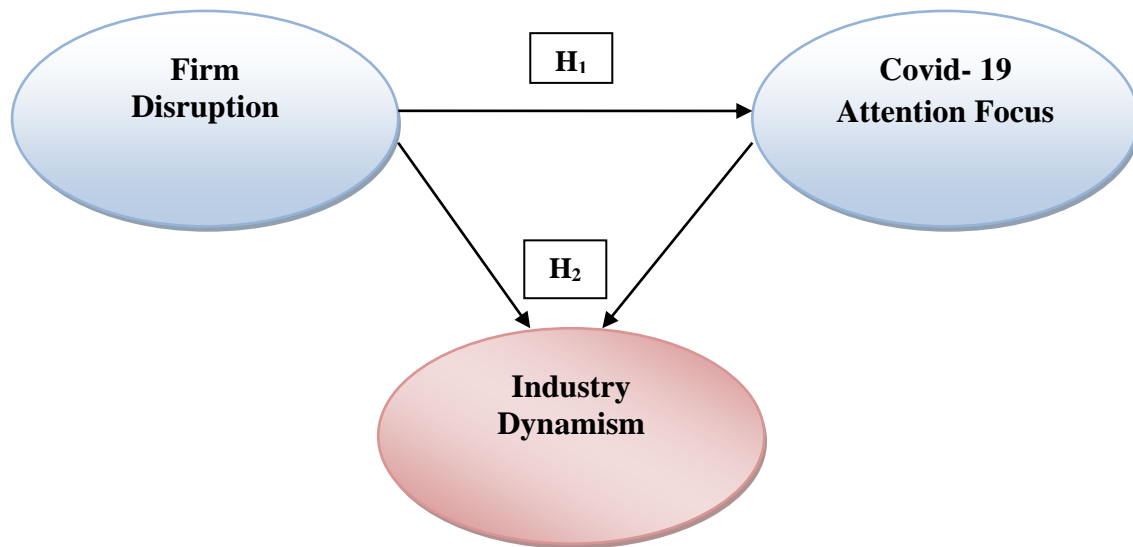
The COVID-19 attention focus at the firm level is the dependent variable. Financial reports, as opposed to surveys or interviews, which typically involve retrospective reconstruction, offer a more accurate measure of managers' attention since it record their

opinions in real time (Kaplan, 2011). Given the serious threat posed by the Covid-19 pandemic, many companies' quarterly/semi-annual reports addressed it, making them an appropriate source of information to gauge managers' attention focus for the present study. Here, the paper, substitute attention focus for the proportion of Covid-19 related material in the MD&A section of annual reports. The study argued that managers would discuss Covid-19 more if, cognitively, they perceived it as a salient issue to their firms (Nadkarni and Barr, 2008).

Following the approach of Hussainey et al. (2003), the present study developed a text-based method for evaluating the prospective data in the annual report. There were three steps in the computing process for each financial report. The evaluation started by identifying keywords connected to Covid-19. In order to accomplish this, the study examined 30 quarterly reports of Indian Firms and the study chose "Covid-19," "corona virus," "disease," "outbreak," and "pandemic" as the keywords. Second, the study considered a sentence to be relevant to Covid-19, if it contained any of these Covid-19 related keywords. Third, the study calculated the word count for the sentences relating to Covid-19 as well as the MD&A section. The word count of sentences relating to the Covid-19 and the word count of the MD&A section were divided to determine the attention score.

Independent Variable

The independent variable is firm disruption. This study uses an objective economic measure of disruption that follows a three-step approach and offers improved dependability and reproducibility. The paper solely considered the negative effects of the pandemic, in keeping with the developing COVID-19 literature as well as the crisis-related literature. For calculation, firstly, the study adds the company's revenues from the first and second quarters to determine its semi-annual total revenue. Secondly, the study determines the percentage change in each company's first-half revenues from 2015 to 2020. Lastly, the study uses the difference between mean value of firm revenue growth in the first half of 2020 and firm revenue growth in the first half of the previous five years (2015–2019) as a proxy for firm disruption. Negative performance changes are more likely to get managers' attention than positive ones. (Nadkarni and Barr, 2008).



Relationship between the three variables and Hypotheses drawn

Moderator Variable

Industry dynamism serves as the moderator variable. The study computed industry dynamism using a two-step procedure, following Richard et al. (2019). First, the study regressed the log-transformed industry sales of the past 5 years against time (2015–2019). Second, the study anti-logged the regression slope's standard error and utilized it to calculate the value of industry dynamism.

Control Variables

Anything kept constant or constrained in a research study is referred to as a control variable. Despite not being relevant to the study's objectives, this variable is controlled because it might have an impact on the results. It is possible to directly control a variable by maintaining it constant during an experiment, or indirectly by using techniques like randomization or statistical control.

Following the methodology of Ghobadian et al. (2021) and Hambrick and Finkelstein (1987), the study accounted for a number of individual, firm and industry-level variables that could have an impact on firm-level performance, including CEO tenure, CEO duality, firm size, current ratio, debt-to-equity, return on assets (ROA), revenue growth, capital intensity and industry-level factors like essential industry and industry revenue growth that might affect COVID-19 attention focus. According to the literature, managerial cognition and decisions are

influenced by a CEO's power. In this study, CEO tenure and CEO duality is taken as proxy measures of CEO power. CEO duality is a dummy variable with a value of one if the CEO also serves as the board chair and a value of zero otherwise. The CEO's tenure is the length of time since they first took office. The study adjusts for the firm size, as the natural log of the total assets of the firm.

The total asset of a company over its long-term liability is its current ratio. The hazards related to Covid-19 may be masked by strong historical performance, leading to decreased attention focus. By using ROA and sales growth, the study controls for prior performance of the firms in the sample. The financial data at the end of 2019 is used to construct these indicators.

Further, for controlling the factors at the industry level, two variables i.e. essential industry and industry revenue growth are considered. An industry thought to be important for a country's economy and that the government may safeguard or promote is known as Essential Industry. For example, Healthcare, Law enforcement, public safety, Food and agriculture, Energy, Transportation and logistics, Retail and wholesaling, Food services and accommodations, Communications industries etc. The argument supported is that as a result of government backing, companies involved in essential industries might pay less attention to Covid-19. The research created a dummy variable that is equal to one if an industry is considered to be essential and zero otherwise. Lastly, the study asserts that businesses in underperforming industries may be more attentive towards Covid-19 since these sectors are more susceptible to disruption brought on by the Covid-19 pandemic. Because of this, the study controls for industry revenue growth, which is the change in industry revenue as a percentage from the first half of 2019 to the same period in 2020.

RESULTS AND ANALYSIS

Descriptive Statistics

Table I, lists the important variables used in this study's descriptive statistics and correlation matrix. For multicollinearity analysis, the study computes variance inflation factors (VIFs). The variance inflation factor (VIF), which evaluates how much the variance of an estimated regression coefficient increases, if the predictors are correlated, is one approach to measure multicollinearity.

If the independent variables are not multicollinear, the variance is 50% higher than what would be predicted with a VIF of 1.5. Regression analysis is said to be strongly correlated if the VIF is greater than 5 as a general rule. The model's VIF value falls below 1.5.

Table I: Descriptive Statistics

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1. Attention Focus	8.64	5.22											
2. Firm Disruption	0.28	0.59	0.07										
3. Industry Dynamism	1.37	1.22	0.03	0.07									
4. CEO Tenure	4.93	4.15	0.15	0.21	0.08								
5. CEO Duality	2.37	0.28	0.42	0.06	0.23	0.01							
6. Firm Size	8.28	0.72	0.04	0.05	0.11	0.04	0.02						
7. Return on Asset	0.22	0.54	0.28	0.01	0.08	0.11	0.05	0.04					
8. Debt to Equity Ratio	0.73	2.22	0.02	0.15	0.03	0.02	0.06	0.07	0.08				
9. Current Ratio	4.12	2.22	0.67	0.05	0.05	0.09	0.01	0.05	0.09	0.04			
10. Revenue Growth	0.49	0.51	0.01	0.02	0.17	0.04	0.06	0.02	0.01	0.15	0.01		
11. Essential Industry	0.12	0.16	0.03	0.02	0.06	0.01	0.03	0.01	0.08	0.03	0.07	0.03	
12. Industry Revenue Growth	0.24	0.82	0.01	0.04	0.00	0.02	0.08	0.08	0.06	0.09	0.08	0.01	0.01

There is no evidence of multicollinearity in the model because the values are below the suggested limit of 5.

Regression Analysis

The data come from the sample of 1,536 Indian Firms in various sectors. The study employed Ordinary Least Squares Regression analysis, adding individual, organization, and industry-level control variables, with firm disruption as the independent variable, industry dynamism as the moderator and attention focus as the dependent variable. At the firm level, robust standard errors are clustered.

Regression analysis findings are shown in Table II in regard to the two hypotheses. According to H₁, managerial attention to Covid-19 is positively connected with Indian firm disruption. This theory is supported by the values in Main Effect (Table II). A significant and favorable coefficient of disruption is discovered (= 4.09, p 0.05). Therefore, Indian businesses were more likely to pay heed to interruption brought on by COVID-19.

Table II: Regression Analysis

CONTROL VARIABLES	CONTROL VARIABLES	MAIN EFFECT	INTERACTION ANALYSIS
CEO Tenure	0.07 (0.98)	0.03 (0.46)	0.61 (0.29)
CEO Duality	0.42 (2.54)	0.30 (2.09)	0.56 (2.18)
Firm Size	0.53** (7.39)	0.44** (6.90)	0.71** (6.93)
Return on Asset	1.98** (2.45)	1.08** (4.39)	1.49** (3.84)
Debt to Equity Ratio	0.01 (0.43)	0.04 (2.2)	0.19 (1.12)
Current Ratio	0.34 ** (1.23)	0.56** (1.81)	0.82 (2.09)
Revenue Growth	0.62 ** (3.09)	0.28 (3.01)	0.04** (1.92)
Essential Industry	4.29** (3.20)	4.09** (3.15)	4.27** (3.18)
Industry Revenue Growth	5.23*** (2.09)	4.46*** (2.17)	4.23** (2.97)
MAIN EFFECT			
Firm Disruption		4.09** (2.05)	5.16** (2.99)
Industry Dynamism		2.46** (4.21)	2.74*** (4.10)
INTERACTION ANALYSIS			
Firm Disruption × Industry Dynamism			37.82** (3.62)
No. observations	1536	1536	1536
Adj. R2	77.86	75.29	75.02

- Significance levels: **5% and ***1%

According to H₂, the link between firm disruption and management concentration to Covid-19 attention in India is negatively moderated by industry dynamism. In particular, the interaction between company disruption and industry dynamism is substantial and unfavorable in Interaction effect (Table II) (= 37.82, p 0.05). The findings are further supported in previous researches conducted on same paradigms. The study presents evidence for a distinct interaction effect in the context of Indian Firms.

Unlike Nadkarni and Barr's (2008) paper, which explores the relationship between clockspeed (factors endogenous to an industry), the mediating function of management cognition

and speed of response, this paper's origins are different. They show how managerial cognition moderates the link between industry characteristics and response time. This research explores the effects of external shock by combining the attention-based view and contingency theories to create and test a completely new theoretical framework. However, there are probably going to be distinctions in how much attention is paid to endogenous events (those that are part of current activities) and exogenous ones (one-off disruptions).

For instance, certain sorts of disruptions occur more frequently in high-clockspeed businesses than in slow-clockspeed ones (Nadkarni and Barr, 2008) and the frequency of these events may lead to attention inequalities between the firms in these two types of industries. However, disruptions like Covid-19, which are frequently treated as an infrequent occurrence, may receive managerial attention. However, managers may choose not to consider these disruptions to be worthy of their attention despite being aware of them because they perceive the crises as being out of their control. This perception of uncontrollability may prevent a response to the crises. Also, exogenous disturbances and crises are hardly discussed in the literature (Fan et. al 2018). Only some businesses respond to environmental change, but in the face of Covid-19, the most relevant apocalyptic scenario in terms of management research, environment-strategy alignment becomes more crucial (Brammer et. al 2020). The study hypothesized that if companies encounter more upheaval, managers would sharpen their Covid-19 attention focus. As a result, the study hypothesized that managers in dynamic industries were less likely to ascribe the reasons of disruption to Covid-19, which led to lower Covid-19 focus your attention. In other words, the research proposed that the relationship between business disruption and managerial attention focus is negatively moderated by industry dynamism.

This research created two separate hypotheses and evaluated each one with a sample of 1,536 Indian Firms. The result observed that both H1 and H2 were supported after empirically evaluating the hypothesis. Thus, as discussed in the previous section, the paper offers a significant methodological contribution.

CONCLUSION

How do firms handle crises effectively? This issue is becoming increasingly interesting to both academics and practitioners of strategy, also because to the covid-19's projected disastrous effects on the economy and society. According to Wenzel et.al (2020), crises have arguably become a more constant aspect of organizational life since the 1970s. Business leaders are understandably concerned about how their organizations will be impacted and what they need to do next in the face of definite problems and a still-uncertain set of hazards. Several historical lessons can be implemented right now, even in the heat of the moment. As a result, managers and workers are becoming unsure about the suitability of certain economic activities (Alvarez et. al, 2018). In light of this, it is unclear how managers can properly handle a crisis.

In addition to addressing a significant and unresolved theoretical problem, the study provides empirical data that will be useful to practitioners and policymakers in the country. By highlighting the significance of industry dynamism and external accountability in determining managerial attention focus, the study contributes significantly to the literature. Additionally,

because this research uses openly accessible data, it is replicable. Furthermore, the research delivers a high level of integrity and reliability because it relies on objective data (financial information) and current management perspectives rather than retrospective recollection.

Finally, the analysis advances knowledge of how epidemics and pandemics affect the behaviors of enterprises in Indian context, a topic that has received little attention in literature. It can be crucial to test the hypotheses using more extensive situational contexts in order to determine whether they are generalizable. In this work, the authors concentrated on the first stage of the tripartite process sequence: attention, with an eye toward future research. Prior to interpretation and action, there is attention. Future studies might look at the connection between Covid-19 attention focus and subsequent action – techniques and strategies businesses implemented to overcome Covid-19 effects.

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