COVID-19, Societalization and the Future of Business in Society

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COVID-19, Societalization and the Future of Business in Society

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Abstract

COVID-19 is profoundly affecting almost all aspects of economic and social life globally. Governments have closed borders, banned mass gatherings, and enforced social distancing, generating a new normal for businesses and individual citizens. Measures taken to protect public health have threatened the global economy, necessitating economic stimulus in most countries, and reconfiguring the role of business in society. We ask: Will the role of business in society return to normal after COVID-19, or will it be reconfigured in enduring and impactful ways? We use Alexander’s (2018, 2019) theory of societalization to examine how socially disruptive extreme events affect the role of business in society. To evidence this, we apply societalization to the revelatory example of COVID-19 and evaluate its impacts on society. Our analysis of the societalization of COVID-19 in the United States shows that concern regarding pandemic disease has moved from the governmental inside to the civic outside, placing strain on society, leading to regulatory response, and a significant societal backlash. We discuss three scenarios regarding the long-run impacts of COVID-19 on the role of business in society, suggest that societalization provides useful insights into other socially disruptive extreme events, and identify implications for future business and society research.

Keywords: COVID-19, doomsday scenarios, societalization, business and society
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When we say getting back to normal, we mean something very different from what we’re going through right now, because right now we’re in a very intense mitigation. When we get back to normal, we will go back gradually to the point where we can function as a society. But you’re absolutely right, if you want to get to pre-corona virus, that might not ever happen in the sense that the threat is there. (Dr Fauci, Director of National Institute of Allergy and Infectious Diseases (MSNBC, 2020).

At the time when the Academy of Management Perspectives first announced the Special Issue on Doomsday Scenarios in 2019, the possibility of a large-scale infectious disease outbreak (mentioned as an example of a possible Doomsday scenario in the Call for Papers) seemed both hypothetical and unlikely. None of us in our initial submission to the Special Issue could have predicted that we would all soon experience a rapid transition to a new normal. Presciently, Wood & Phan (2019) foreshadowed some of the implications of an infectious disease outbreak for which there are no therapies: the potential for “severe consequences for population mobility, and economic and political stability;” and the possibility that – combined with increasing population density and urbanization, “the resulting rapid collapse would upend the way we think about economic organization.”

On the 31st of December 2019, a pneumonia of unknown cause was first reported to the World Health Organization (WHO). It was soon discovered that the outbreak had been caused by a novel coronavirus (later named COVID-19). The threat posed by pandemic diseases such as COVID-19 was well known in both health and governmental institutions because no successful coronavirus vaccine currently exists. The 50 million deaths resulting from the 1918 “Spanish flu” had cast a long institutional shadow (CDC, 2018). 71 days after the initial outbreak, COVID-19 had reached 114 countries, resulted in 118,000 cases and 4,291 deaths (John Hopkins, 2020). The WHO rang the “alarm bell” and declared COVID-19 a pandemic and countries were urged to take “urgent and aggressive actions” (WHO, 2020a).
The people, businesses, health systems, and legislative authorities of many countries were not prepared for COVID-19. The virus had emerged at a time when many governments globally had undergone ideological and substantive shifts that influenced their willingness and ability to develop responses and possible solutions to pandemic disease scenarios. Many neo-liberal healthcare systems were poorly equipped to address the collective challenges that the virus posed. The turn toward populism and nationalism in democratic societies had reduced governments’ willingness to implement legislation designed to address social challenges, while the privatization of former state-owned industries and private companies’ growing involvement in providing public goods had reduced countries’ capabilities to respond to many global threats (Wood & Allen, 2019).

The measures taken to reduce the spread of COVID-19 were unprecedented. In America, the Centre for Disease Control (2020) issued social distancing guidelines that recommended staying six feet from other people and avoiding crowded places and mass gatherings. Many counties and states introduced public health orders that required residents to leave their homes only for essential activities (City and County of San Francisco, 2020). Businesses struggled to survive as Americans stayed at home. Millions of workers were furloughed or became unemployed (Mutikani, 2020). The world was waking up to a new reality triggered by a large-scale public health crisis and compounded by the threat posed to the economic system. COVID-19 had also drawn the public’s attention to several “worrying occurrences” (Alexander, 2019, p. 43): the on-going vulnerability of the economy, the precarious nature of the job market, and the persistence of structural disadvantage.
Research has analyzed the implications for business of extreme events or operating in extreme contexts (Hällgren et al., 2018; Jarvenpaa & Valikangas, 2020; Nyberg & Wright, 2020; Pereira et al., 2020; Wilson et al., 2010). An extreme context can be defined as:

“an environment where one or more extreme events are occurring or are likely to occur that may exceed the organization's capacity to prevent and result in an extensive and intolerable magnitude of physical, psychological, or material consequences to—or in close physical or psycho-social proximity to—organization members” (Hannah et al., 2009: 898).

Here we are particularly interested in what Hällgren et al. (2018) define as disrupted contexts which are “triggered by extreme events that occur outside the core activities of organizations or communities” (p. 135). However, not all extreme events are highly disruptive, nor do they necessarily entail enduring social or organizational impacts of significant scale and scope (Hällgren et al., 2018; Hällgren & Buchanan, 2020). Our focus in this paper thus lies with societally disruptive extreme events that (a) involve discontinuous and broad-based change in, and of, society, and (b) significant disruption at the organizational, industrial and economic levels. COVID-19 provides a unique empirical context within which to examine the implications for business and society of a societally disruptive extreme event.

COVID-19 is having profound implications for the role of business in society that far exceed the voluntary contributions to civil emergencies that prior research has addressed (e.g. Ballesteros & Gatignon, 2019; Luo et al., 2017). The relatively passive role of society in business and society research has been noted by several scholars, for example by Aguilera et al., (2007) who note the need to “put the S back into corporate social responsibility” (Aguilera et al., 2007, 836), and Barnett (2019) who highlights the need to resocialize corporate social responsibility (CSR) by recognizing that “society is composed of much more than just powerful
stakeholders” (Barnett, 2019, 173). Society has nonetheless remained a relatively broad and undifferentiated construct in business and society research until relatively recently (Brammer et al., 2012; Campbell, 2007) when research has illuminated the role of institutional influences on firms’ social roles and responsibilities (Kinderman, 2012; Matten & Moon, 2008, 2020).

Given that the role of business in society has started to change dramatically, we ask two inter-related questions: Will the role of business in society return to normal after COVID-19, or will it be reconfigured in enduring and impactful ways? To examine these questions, we provide the first application of the macro-sociological theory of societalization (Alexander, 2018; 2019; Chandler, 2013; Schmidt, 2019) in the management literature. Societalization deals with the process by which social problems become widely recognized as social crises, provoking societal change (Alexander, 2018; 2019), and occurs when problems or issues “that once aroused little interest outside a particular institution now appears threatening to ‘society’ itself” (2019: 8). Societalization involves challenging and critiquing existing institutional orders, interpreting focal phenomena as threatening to society, generating significantly heightened societal pressure on institutions and organizations to address those issues. However, not all events, issues, or problems provoke societalization, because societalization can remain untriggered, or be stalled, derailed, or blocked.

We draw on the example of COVID-19 to examine the conditions under which the process of societalization can lead to large and rapid social and regulatory changes that have significant implications for the role of business in society. Understanding the process of societalization as it applies to COVID-19 provides useful insights into the likely long run impacts of COVID-19 and offers a framework for evaluating whether getting back to business as usual is possible. We use societalization to analyse why other social problems, such as climate
change, have not, as yet, become resignified as social crises, and discuss the importance of a more detailed and dynamic concept of society for business and society research.

**Defining and Conceptualizing Societalization**

**What is societalization?**

Societalization is a central concept in cultural sociology that has existed for over a hundred years (Schmidt, 2019). However, while the concept itself has existed for a long time, the detailed theorization of the process of societalization has only recently emerged (Alexander, 2018, 2019). For Alexander (2018, 2019) societalization is defined as entailing a significant social upheaval in which a problem or issue that may have been endemic for some time transcends its traditional institutional boundaries, leading to widespread anguish and a fundamental crisis within society (Alexander, 2018). Alexander (2018, 2019) characterizes his process model of societalization as “a new macro-sociological model of structure and process. Macro, because it addresses society as a whole; structural, because it focuses on long-established, deeply institutionalized social spheres; process, because it details a dynamic sequence of conflict and struggle between competing material and ideal interests in distinctive societal domains” (Alexander, 2019, 6). Thus societalization is a process, relating to how “society must constantly be made and remade” and focuses on “the ‘makings’ whereby diffuse forms of sociality get transformed into the higher-order social aggregates we call society” (Schmidt, 2019, p. 15). Societalization, therefore, offers a theoretically nuanced way to examine why some social problems and challenges (strains) lead to outrage and action, while others fail “to trigger the pathos of inflamed civil judgment” (Alexander, 2018, p. 1065).

It is worth distinguishing between societalization and socialization. Societalization, as described above, is a macro cultural concept, concerned with the process by which a society
pivots in its collective perspective in relation to specific issues or problems through the experience of a revelatory crisis or upheaval. Socialization, in contrast, is an individual-level construct concerned with “the process by which an individual, born with behavioral potentialities of enormously wide range, is led to develop actual behavior which is confined to the narrower range of what is acceptable for him by the group standards” (Child, 1954, 655). In that sense, the societalization process has the capacity to influence the socialization of individuals’ attitudes and behaviors and over time by establishing and re-establishing society’s interpretation of, and normative orientation to, problems and issues.

Societalization is also related to, but distinct from, classical issue dynamics. Issues and problems have long emerged, matured, and disappeared within society according to relatively predictable life cycles (Dawkins and Barker, 2018). Assumptions of issue linearity, predictability, and a lack of consideration to “what happens within the stages or how an issue moves from one stage to another” (Mahon and Waddock’s (1992, p. 22), have all been critiqued in prior research but remain unresolved (Dawkins and Barker, 2018). We propose that societalization makes a valuable contribution to (i) delineating between the implications for society and for businesses of problems and issues that arise at different scales and severities, and (ii) highlighting the mechanisms, processes, and actors that play critical roles in determining whether a revelatory social crisis or upheaval occurs in relation to a given event or issue.

As we describe above, societalization deals specifically with the subset of problems (whether naturally or anthropogenically triggered) that disrupt society in ways that span institutional boundaries and implicate multiple institutional domains in their resolution. In Alexander’s terms, societalization happens when problems “suddenly burst their sphere-specific boundaries and become explosive scandals in society at large” (Alexander, 2018, 1049),
Societalization happens when “problems become crises … when they move outside their own spheres and appear to endanger society at large” (Alexander, 2018, 1050). We propose that this contrasts with issue life cycle models which address the “continuous, often severe strain” (Alexander, 2018, 1050) that is “handled” within existing institutional arrangements within a domain. For example, the endemic problems of homelessness, deprivation, pay inequality, animal rights, and excessive executive remuneration all ebb and flow in relation to the extent of social concern and attention they receive, but all have tended to be addressed within their own institutional spheres and none has (yet) provoked a widespread social crisis or upheaval. Thus, societalization is distinct from an issue life cycle in that it deals with issues at scales and severities that entail a permeation of the institutional boundaries within which issues are typically addressed.

How does societalization happen?

Societalization is inherently a process. In addition to addressing problems that entail significant societal disruption, societalization’s value, we propose, comes from its greater attention to the process by which changes in social understanding of problems and issues occurs. Alexander (2018) theorizes societalization as a process entailing 5 stages:

“At T1, practices of intra-institutional elites are insulated from the communicative and regulative interests of the civil sphere. At T2, journalists exercising civil power denounce such insulation as a dereliction of civil responsibility, as a cover-up. At T3, those who exercise material power on behalf of the civil sphere issue sanctions and restructure social organization. At T4, non-civil elites fight back, the separation between spheres is reconstructed, and there is an ambivalent, ambiguous, and contested return to the steady state (T5).” (Alexander, 2018, p. 1051)

Some of the specifics of Alexander’s (2018) analysis, especially the emphasis on the role of the media as provocateurs in the societalization process and the return to a steady state, are to some degree artefacts of the particular crises analyzed in his research – church pedophilia, phone
hacking and the global financial crisis. More generally, other actors – such as NGOs, governments, civil society self-organizing via social media – have the capacity to play an important role in initiating widespread social crisis in light of particular events, and neither is it necessary that an eventual steady state resembles the state that existed before a crisis event (Chandler, 2013; Schmidt, 2019). Nonetheless, societalization offers a powerful lens on how socially disruptive extreme events lead to significant institutional and societal change.

Societalization needs to be triggered to shift society’s position on an issue; for social problems that stem endogenously from institutions, this triggering is likely to be media-moderated (Alexander, 2018). Societalization thus emerges from the “collective representation leveraged from the institutional outside” (p. 1069). In other words, for the societalization process to be initiated, an event or trigger of some kind is required that, critically, must originate outside the institutional domain that usually handles a particular issue. For example, crises can be triggered by government action (or inaction), as in the global financial crisis, by civil society movements, as in #metoo and the civil rights movement in the United States, by non-governmental organizations, and by the media, as in the church pedophilia scandal.

The societalization process unfold across time and involves relatively predictable stages that follow one from the next, combining a push toward social restructuring with a pull back toward a steady state (Alexander, 2018). Critical elements of the societalization process once a triggering event has occurred relate to code change, regulatory intervention and backlash. Code change entails a shift in how a particular social problem is understood in society. In Alexander’s terms “a practice that once aroused little interest outside a particular institution now appears threatening to “society” itself. What was once normal comes to be viewed as pathological, as morally polluted and socially disruptive. It becomes what Mary Douglas (1966) called “matter
out of place”: something dirty and polluted in response to which strenuous efforts at purification must be made” (Alexander, 2019. 8).

Regulatory interventions, arise from a the “common concern” (Alexander, 2018, p. 1068) enshrined in the code change; as such, there may be calls for government to respond to the new social expectation set through new (and/or newly monitored) regulation. Alternatively, as per Chandler (2013), government may aim to provoke a societalization process (e.g., responsibilization toward self-security and self-reliance) via regulatory instruments (e.g., fiscal policies and legal frameworks) to restructure individual and/or civil society choice sets or behaviors. Often, but not always, growing social concern and consensus on a focal issue encourages regulatory and legislative attention, as in the cases of public concern over urban air pollution (Tvinnereim et al., 2017), and LGBTI rights (Mohliver et al., 2019).

Regulatory interventions provoked by the societalization process typically generate backlashes in which the institutions, organizations, and individuals required to change in response to the disruptive threat attempt to stall, de-rail, or block social change. Institutions might use buffering strategies (Meznar & Nigh, 1995) to dilute the changes that civil society demands. For example, Wright and Nyberg (2017) demonstrate how corporations deploy critique of climate change, highlighting tensions between addressing climate change and business imperatives, in order to convert “the revolutionary import of grand challenges…into the mundane and comfortable concerns of ‘business as usual’” (p. 1633). Similarly, the tobacco industry has long struggled to resist greater legislation and regulation of its products and their advertising (Savell et al., 2014). Thus, corporations might use denial or delay tactics (“the issue is not a/our problem”) or engage in symbolic activities, such as a form of ceremonial adaptation to disruptive events.
Once the societalization process has been triggered, it can “stall” due to “limit conditions” (Alexander, 2018, 1067). In fact, a given issue or problem being fully societalized – i.e. progressing through all of Alexander’s (2018) five stages - is relatively rare. As Alexander (2019: 19) argues, “such fully enunciated sequences of societalization are, however, more the exception than the rule. Significant institutional strains often do not trigger societalization. Code switching from intra-institutional to civil criteria often seems utopian in the extreme. Moreover, even when societalization is triggered, it often stalls.” Even for relatively severe or significant social problems, inertial, or active, processes of resistance and opposition act to reduce the likelihood societalization occurs. The nature of the issues themselves can influence the likelihood that they become fully societalized. Issues with low salience (Ciuk & Yost, 2016; Mohliver et al., 2019), high polarity (Alexander, 2018), and high uncertainty (Reilly et al., 2001) are less likely to trigger societalization. Events that entail particularly extreme social disruption might be less likely to trigger and progress the societalization process because people are particularly averse to considering and engaging with them (Douglas, 1966; Douglas & Wildavsky, 1982).

**Societalization and COVID-19**

Having defined and described the process of societalization, we now explore its utility in examining the COVID-19 pandemic in the institutional context of The United States of America (USA). We focus on a specific country context because many institutions are country-specific, but situate events in the USA within the global progression of COVID-19, therefore recognizing the importance of COVID-19’s global character for the American experience. We structure this analysis according to the stages of Alexander’s (2018, 2019) societalization process.

**Steady state**
For decades, government and scientific institutions have been concerned about the risk posed by a pandemic disease outbreak such as COVID-19. In particular, the severity and far reaching social consequences of the 1918 ‘Spanish flu’ outbreak have remained in the institutional memory of the American Government (see, Homeland Security Council, 2005). It is believed that Spanish flu caused “at least 50 million [deaths] worldwide with about 675,000 occurring in the United States” (CDC, 2018a). In the 1940s, two major centers for disease prevention and control were founded. In 1946 the Centre for Disease Control was created in the United States of America to reduce the spread of malaria (CDC, 2018b). Two years later, the WHO was founded as a specialized agency of the United Nations tasked with “directing and coordinating authority for international health matters and public health” (WHO, 2020b). These institutions would go on to play significant roles in preparing for, and responding to, COVID-19.

Prior to 2019 there have been three recent major outbreaks of influenza and corona viruses: Severe Acute Respiratory Syndrome (SARS) in 2003, Middle East Respiratory Syndrome (MERS) since 2012, and H1N1 in 2009 (CDC, 2019a, 2019b). SARS was largely contained through traditional public health interventions, such as, patient isolation, contact chasing and infection control measures (Bell, 2004). MERS cases were geographically concentrated in the Arabian Peninsula and, to date, transmission beyond this region has been limited (CDC, 2019b). The rapid spread of H1N1 led to the WHO declaring a global pandemic of novel influenza A (H1N1) despite the virus being of “moderate severity” (WHO, 2009). In America, H1N1 was declared a public health emergency. This declaration triggered the release of Federal resources (e.g. stockpiles of anti-flu drugs), the introduction of health checks at borders, resulted in the closure of a small number of schools, and led to the promotion of
infection control advice, such as, frequent handwashing (McNeil Jr., 2009). Notably, the H1N1 pandemic was happening in the wake of the global financial crisis.

Whilst institutional concern about H1N1 was high, civic concern about H1N1 remained limited. Commentators argued that the WHO had over-reacted, because H1N1 was not very different from a typical flu season (Schabas & Ray, 2010). Whilst it is difficult to gauge the true impacts of the H1N1 outbreak, a Lancet article suggested that the death rate was up to fifteen times higher than official figures (Dawood et al., 2012). In Alexander’s (2018, 2019) terms, H1N1 had not triggered generalized social anxiety and therefore had not been resignified by the public as a social crisis. Skepticism about the H1N1 outbreak may also have contributed to keeping the threat posed by pandemic diseases in the domain of specialist medical (e.g. WHO, CDC) and governmental institutions (e.g. Homeland Security). Despite the experience of SARS, MERS and H1N1, the risk posed by pandemic diseases remained of little concern to the civic sphere. Until January 2020 the steady state was sustained.

**Code switch**

A pneumonia of unknown cause was first reported to the WHO on the 31 December 2019. The official name for the virus was announced as severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) and the disease was labelled coronavirus disease (COVID-19) (WHO, 2020d). In China, the first country to experience an outbreak and a planned economy and society, rapid and sometimes invasive measures were taken to control the spread of the virus. The WHO (2020c) argued that “China has rolled out perhaps the most ambitious, agile and aggressive disease containment effort in history.” In the context of America - a liberal market economy - mixed messages abounded. Many questioned whether the risk posed by COVID-19 had been overstated. On March 9th, 2020 US President Donald Trump Tweeted that the
coronavirus was not as perilous as the flu, “So last year 37,000 Americans died from the common Flu. It averages between 27,000 and 70,000 per year. Nothing is shut down, life & the economy go on. At this moment there are 546 confirmed cases of CoronaVirus, with 22 deaths. Think about that!” Medical advice and expertise became a source of inter-institutional conflict. The dominant economic logic of the market – stay open, stay at work – seemed to impact the willingness of the Federal Government to commit to action on the coronavirus outbreak.

By early March 2020, everything had changed dramatically. 71 days after COVID-19 had first been formally reported, there had been 118,000 cases in 114 countries resulting in 4,291 deaths leading to the WHO “ringing the alarm bell loud and clear” by declaring COVID-19 a pandemic and calling for countries to take “urgent and aggressive action” (WHO, 2020a). Dr Fauci, Director of National Institute of Allergy and Infectious Diseases (USA), argued that coronavirus was “10 times more lethal than the seasonal flu” (Reuters, 2020). Traditional journalists and citizen influencers on both the right and the left of the political spectrum acted as agents of societalization. Confronting images of the effects of the virus were shared across the world’s media. Images of coronavirus had become “matter out of place” (Douglas, 1966; Alexander, 2019). Photographs of infected patients in isolation pods surrounded by medics in hazmat suits were front page news (e.g., see Michael et al., 2020). These scenes looked like something from a movie, as if they were depicting a fictionalized experience of a society threatening event (Hallgren & Buchanan, 2020). These seemingly apocalyptic scenes in often familiar places reified the threat of COVID-19. A civic awareness was also beginning to emerge that the neo-liberal American healthcare system with no universal health cover might be poorly equipped to address the collective challenges that the virus posed (Pearson, 2020). The provision of public goods by private companies had therefore stripped US Federal and State institutions of
many of the capabilities they needed to respond to coronavirus. In 2019, funding was cut to the
CDC and the post of senior director for global health security and biothreats on the national
security council was eliminated (Borger, 2020). Economist Joseph Stiglitz argued that “In the
advanced world, the US is one of the countries with the poorest health overall and the greatest
health inequality” (Elliott, 2020).

Public scrutiny of the Government’s response to coronavirus began to intensify.
Modeling by researchers at Imperial College London had suggested that up to 2.2 million
Americans could die if no action were taken to slow the spread of the virus (Imperial College
COVID-19 Response Team, 2020). The public interpretation of the event began to shift towards
antagonism, and a new generalized anxiety emerged about the lack of proactive measures that
had been put in place by the American Government. The threat posed by the virus had moved to
the “broader public outside” (Alexander, 2019: 41). COVID-19 was resignified from a health
crisis to a social crisis. The code had switched: the societalization of pandemic disease risk was
triggered in America months after the virus outbreak had begun.

Material regulation

COVID-19 had triggered an unprecedented regulatory response that has shifted the
foundations of American society to reduce the spread of the virus. Initially, President Trump had
framed coronavirus as a threat from the outside that was of limited impact (Lipson, 2020). In
response to heightened civil concerns about the threat posed by coronavirus to the American
population, new regulatory measures were introduced. At the Federal level, the CDC announced
a set of social distancing guidelines. Americans were asked to stay at least six feet from each
other, and avoid crowded places and mass gatherings (CDC, 2020). It would be up to state and
local officials to introduce material legislation to put the force of law behind this guidance.
(Zapotosky et al., 2020). Many health experts argued that social distancing measures alone would be insufficient to stop the spread of the virus (Wan et al., 2020). Large public events (e.g. South by Southwest, Coachella) were voluntarily cancelled and many iconic American businesses decided to close their doors (e.g. Disneyworld).

On March 17, 2020, residents in the San Francisco Bay Area were amongst the first American citizens to experience both state and county “shelter in place” orders. Such public health orders require that residents only leave their homes to participate in “essential activities” or to work for an “essential business” (City and County of San Francisco, 2020). Violations were punishable by fines or imprisonment. The San Francisco Police Department tweeted (17 March, 2020) “At midnight, #SFPD will begin checking bars and clubs for compliance with our city’s public health order aimed at slowing the spread of #COVID19”. San Francisco’s law enforcement stressed that the rules were depending on “voluntary compliance”. Yet, in the absence of clear Federal guidance, stark inconsistencies in state approaches to coronavirus containment persisted. In Alabama, Florida, Mississippi, Oklahoma, South Carolina, and South Dakota calls from public health experts remained mostly unheeded due, primarily, to concern about the likely economic impacts of such measures. Speaking on March 23 Florida Governor, Ron DeSantis argued that he did not think a statewide shelter-in-place order was necessary and that it wasn’t recommended by the White House (Martineau, 2020). In an interview with Fox News, US Attorney General William P. Barr described some of the stay-at-home orders and other restrictions as “draconian” (Zapotosky, 2020). By the start of April, two thirds of all Americans were now living under state-issued shelter-in-place orders (Martineau, 2020). The number of coronavirus cases on American soil had increased exponentially to approximately 214,444 cases and 4,794 deaths (John Hopkins, 2020).
In late March 2020, President Trump signed the largest financial stimulus package in US history designed to provide relief to families, workers and businesses (BBC Online, 2020). The measures introduced to control the spread of coronavirus were leading to a secondary economic crisis. Businesses both large and small struggled to survive as Americans stayed at home. Labor markets were directly impacted with millions of employees furloughed or laid off. In March, 20,000,000 Americans applied for unemployment benefit (Mutikani, 2020). The International Labor Organization (2020) estimated that the crisis would lead to the global loss of 195 million full-time jobs. Given the lack of a permanent social security safety net, an unprecedented number of Americans resorted to using food banks (Lakhani, 2020). The disruption caused by coronavirus had drawn the public’s attention to several “worrying occurrences” (Alexander, 2019: 43). The conditions of work for many Americans were precarious and unsupported by basic income assurances such as paid sick leave. Many of the most structurally disadvantaged people in society were involved in essential, and yet poorly paid and poorly protected, types of employment (e.g. cleaners, porters).

**Backlash**

A headline in The Washington Post (see, Wan et al., 2020) stated “A growing debate pits the health of the US economy against the health of its people.” On Monday the 23rd of March President Trump stated that “America will again, and soon, be open for business. We cannot let the cure be worse than the problem itself.” (see, Politico Magazine, 2020). Not all political conservatives agreed. Liz Cheney the U.S. Representative for Wyoming tweeted (25 March, 2020) “There will be no normally functioning economy if our hospitals are overwhelmed and thousands of Americans of all ages, including our doctors and nurses, lay dying because we have
failed to do what’s necessary to stop the virus”. Responses to coronavirus continued to be polarized, and this triggered a civic backlash.

For some Americans, social distancing measures and shelter-in-place orders were viewed to be in direct contradiction of widely held civic values, such as, freedom of movement and association. In late April, protestors participated in anti-lockdown rallies in several states to oppose public health orders and promote “reopening” America (Gabbatt, 2020). In a White House daily briefing posted to The Guardian (2020) President Trump urged his supporters to liberate Minnesota, Michigan and Virginia arguing that “these people [anti-lockdown protestors] seem like very responsible people to me, they’ve been treated a little bit rough.” Many democratic federal and state representatives opposed the President’s messaging, for example, Ted Lieu tweeted (April 23, 2020) “… Your inconsistent messaging isn’t just confusing the American people, it increases the likelihood that more will get seriously ill or die”. Many state governors are still seeking to flatten the curve to prevent their healthcare systems becoming overwhelmed, whilst at the Federal level attention has once again shifted to getting back to business and returning to normal (Gabbatt, 2020). At the time of writing there are now 1,012,583 cases of coronavirus in America that have resulted in 58,355 deaths (John Hopkins, April 29, 2020).

**Towards a new normal?**

COVID-19 is in flight, and therefore as we write the ultimate outcome of the societalization process remains unclear. Where we go as a society after COVID-19 has itself become a new battleground. Conservative commentators argued that “our goal must be a total return to normal” and rejection of a “dehumanizing “new normal” (Marcus, 2020). Infectious disease experts, such as Dr. Fauci, have argued that a return to normal might not be possible now
that we, as a society, are aware of the threat posed by pandemic disease. Others argue that we shouldn’t return to normal, because normal reproduces the conditions that have led to us being unable to deal effectively with a virus outbreak and reinforces the structural inequalities (e.g. racial discrimination, precarious employment, etc.) that have exacerbated the effects of the virus.

**Discussion**

Having introduced the concept of societalization and applied it in detail to an understanding of the evolving COVID-19 outbreak, we now turn to exploring the value of societalization for business and management scholarship. We address three objectives: (i) exploring possible eventual outcomes of COVID-19 for business and society through the lens of societalization; (ii) critically reflecting on the development of societalization theory to maximize its application within business and society research; and (iii) examining the potential of societalization to contribute to understanding of other significant socially disruptive events.

**Societalization: Steady State Scenarios for COVID-19**

*Let’s get back to normal.* The experience of COVID-19 has led many commentators, especially those towards the political right and in liberal market countries, to call for a rapid return to pre-COVID-19 conditions. Within this discourse, COVID-19 is a one in a hundred-year event, an episode rather than an enduring and societalized phenomenon, and something to be overcome on the way back to normal. A proportion of the discourse surrounding COVID-19 reflects a dissatisfaction with government preparedness for the crisis, and intensification of longstanding declining trust in the inclination and capacity of governments to address pandemic risks and other social problems. There has also been significant scrutiny and dissatisfaction in many contexts with the impacts of government-led response strategies and their social consequences, especially for core libertarian values of independence, privacy, and personal
freedom. This has led to a backlash in some countries, most notably the United States, against
government crisis response strategies and approaches that is undermining the potential that
COVID-19 provokes a code change regarding pandemic risk. In this scenario, pressures of the
backlash come to undermine governments’ attempts to regulate societal responses to COVID-19,
leading to an erosion of their effectiveness, a reinforcement of liberal values, and the
maintenance of a disempowered, or further eroded, regulatory state. In this scenario, regulatory
initiatives are watered down, leave central societal vulnerabilities unresolved, and enable a return
to a steady state that resembles the pre-COVID-19 conditions.

**There’s no going back to normal.** In the second scenario, COVID-19 provokes a code
change regarding pandemic risks that leads to a persistently heightened sense of concern
regarding pandemic risk, despite resistance in the form of an assertion of economic priorities.
This heightened concern, in turn, leads to broad-based regulatory interventions in many parts of
society and economy that prevent and protect against future pandemics. COVID-19 has revealed
some significant limitations in how prepared societies globally are for pandemics, reflecting a
realization of the concern that “reductions in existential risks are global public goods…and may
therefore be undersupplied by the market” (Bostrom, 2002, p. 5). COVID-19 has also provided
evidence that “the reactive approach – see what happens, limit damages, and learn from
experience – is unworkable” (Bostrom, 2002, p. 5) because pandemics create such large, varied,
and broad-based effects. Pre-existing issues, including the diminution of the public sector and the
transfer of many responsibilities from public to private spheres, changes in prevailing labor
market practices and institutions, and shifts of manufacturing to relatively low wage economies,
have exacerbated some of the challenges in responding to COVID-19. In addition, COVID-19
has provoked significant public discourse in many countries regarding sovereignty in relation to
capacities to develop and implement responses, and dissatisfaction with underinvestment in key infrastructures and capabilities (especially in health systems).

Additionally, the constraints faced during COVID-19 have encouraged innovations that are unlikely to be rapidly returned to, such as a significant growth in e-commerce, and a dramatic fall in the use of cash, that will likely be maintained after the crisis. Together, in this scenario, these meaning that returning to business as usual is not an option considering the code change. COVID-19 is thus raising significant questions regarding the roles and responsibilities of states relative to companies and individuals in society for preparing and responding to doomsday events. While the value of companies’ “production capacity, resources, consumer markets, and their workforce” (Hällgren et al., 2018, p. 111) has been emphasized during COVID-19, and indeed the social significance of some sectors (e.g. aviation, retailing, delivery/logistics) has been highlighted, the overall lack of preparedness and capacity to respond will, we propose, lead to regulatory responses, the development of existing institutions and the introduction of new institutions that are designed to address the specific issues societalized during COVID-19.

“Let’s strive for a new and better normal”. While some analyses of COVID see a return to “normal” after COVID as desirable but impossible, other discourses see a return to normal as undesirable. COVID-19 has generated a heightened appreciation for the inter-connectedness of countries and of the contributions of all elements of society to creating a successful and resilient society. Rather as seen following other major global crises (e.g. the world wars, great depression) COVID-19 has, in some analyses, led to a resurgence of community spirit, and greater recognition of the contributions of essential workers, especially in medical professions. The crisis has demonstrated how collaboration between government, business and civil society could work, and an unexpected appetite for responding to the crisis in a relatively selfless and
community-spirited way, delivering benefits for all in similar ways to those imagined by Lumpkin and Bacq (2019).

Equally, COVID-19 has also highlighted some of the endemic challenges and vulnerabilities posed by inequalities within the existing order for broad social resilience— for example, the problems of existing labor models and precarious employment, patterns in pre-existing medical conditions that crises exacerbate. In that sense, COVID-19 has provoked heightened appreciation of the uneven impacts of the crisis on individuals and communities that reflects some pre-existing inequalities. These pressures could come together in a new social consensus, the remaking of a new society with a “new deal” akin to that that accompanied the great depression in the United States. Such a new deal would potentially kindle a wide debate regarding the role of business in society that encourages firms to play a broader role in society, likely encompassing both legislated and non-legislated elements.

Societalization: Opportunities for Future Business and Society Research

Socially disruptive events like COVID-19 provide a revelatory example within which to explore societalization, and the evolution of the roles and responsibilities of businesses to society. Societalization, we propose, offers a dynamic and detailed way for business and society scholars to think about societal change. At the same time, as a macro-sociological theory, societalization has some limitations when it comes to direct application to the organizational level of analysis. We see two broad directions in which business and society scholarship could, and should, advance the development and application of the societalization concept.

The first direction is the enriching of the framework at the societal level, where the limitations of Alexander’s (2018, 2019) roots in cultural sociology lead to an over-emphasis on some institutional actors, processes, and phenomena over others. For example, Alexander’s
framework places a heavy emphasis on the role of journalists, the media, and revelatory news coverage for societalization. Alexander’s analysis also stresses the role of national institutions over sub-national/regional institutions, and/or supra-national institutions and cultural institutions over economic and legal institutions. Institutionally-inspired business and society scholarship, with its understanding of supra-national institutions, knowledge of the roles of non-governmental organizations, and insight into broader social institutions such as trade unions, is well placed to extend the analysis of societalization to encompass new actors and processes. Business and society scholars are also well placed to tackle some core conceptual challenges we perceive of with Alexander’s framework, especially in relation to extending his limit conditions on the societalization process (especially, the importance of causal ambiguity in the underlying drivers of a given social problem, and the temporality of social and environmental challenges).

The second direction in which business and society scholars need to advance examination of the societalization concept is to better theorize and examine linkages between society-level processes and organizational behaviors and impacts. Inevitably, perhaps, given its macro-sociological emphasis, societalization under-emphasizes the agency of actors, especially corporations, in seeking to influence the societalization process. Research has shown that businesses have a long history of resisting, perverting, re-directing, and deflecting institutional pressures, and that they are also accomplished institutional entrepreneurs in seeking to promote advantageous forms of institutional change (Kaplan & Kinderman, 2020). We envisage significant opportunities for business and society scholarship to theorize how corporate agency affects the process of societalization in relation to specific contexts and issues.

**Societalization: Application to other Socially Disruptive Extreme Events?**
COVID-19, and more generally the challenge of pandemic diseases, is by no means the only significant problem facing global society. As recent research on grand challenges (e.g., Buckley et al., 2017; Doh et al., 2018) has examined, there is no shortage of significant global issues such as climate change (Ansari et al., 2013; Scherer & Voegtlin, 2019), and human development, and poverty alleviation (Battilana & Dorado, 2010; Mair et al., 2012). We propose that societalization is a useful framework through which to examine the development of societal responses to these challenges, especially by identifying the necessary and limiting conditions that provoke, or undermine, a given problem reaching a level of crisis that leads to a societal shift in attitudes and a pathway to significant action and resolution.

As we write, based in Australia, we are acutely conscious that in August 2019, the news that the Amazon was on fire made headlines all over the world and soon after, Australia witnessed the devastating impacts of the “Black Summer” bushfire season. The fires peaked in December 2019 and January 2020 and resulted in massive fire fronts across substantial parts of the continent that devastated more than 11 million hectares of bushland. The severity of the fires was attributed to the impacts of climate change. At least 33 people died, countless homes were destroyed, and over 1 billion animals perished. It is estimated that nearly 80 percent of Australians were affected either directly or indirectly, and that another 400 people died of the indirect effects of smoke inhalation (Borchers Arrigada et al., 2020).

Scientists have recently declared that “clearly and unequivocally that planet Earth is facing a climate emergency” (Ripple et al., 2019, 8), and yet, in our view, climate change has not been societalized to the same degree as COVID-19. The societalization framework, we propose, explains why, and what would have to happen for societalization to occur. Examining climate change through the lens of societalization, the first thing that is immediate is that climate change
has not yet managed to create a level of societal anxiety and crisis that is seen in the context of COVID-19. In spite of its many adverse impacts on societies globally, climate change still suffers from the absence of a compelling triggering event. Why aren’t events such as the Black Summer sufficiently compelling? Our view is that the absence of broad based and near-term threat to human life is a critical factor – as, unfortunately, is the fact that COVID-19 emerged very soon after the summer wild fires, encouraging a focus on the current crisis over a concern with the earlier one. Thus, climate change has, at least in most societies, yet to be resignified as a significant threat to human society.

Another critical factor in the absent societalization of climate change is that climate activism faces a formidable campaign from corporations, industries, and communities that have vested interests in maintaining business as usual. These act as limiting conditions on the process of societalization and ensure that climate change remains largely confined to its regulatory sphere. There appears to be an important role for government in promoting societalization and aligning public policy with civic activism to stimulate change in relation to various social problems. First, government can actively promote public dialogue and understanding of social problems. Second, echoing prior research on wicked challenges and corporate responses, government can play an important role through “catalytic legislation” (Reinecke & Ansari, 2016); even if unsuccessful in political and legal terms, it can support and encourage activism among NGOs and other civil society actors, eventually spurring social and political consensus. Third, government and civil society actors can promote information disclosure on and public awareness of corporate preparedness and action on significant social and environmental issues. Naming and shaming companies has been shown to be very effective in encouraging greater responsiveness to social concerns.
Conclusion

COVID-19 is having profound impacts globally on almost all aspects of economic and social life, and is perhaps the closest empirical example of a “doomsday” scenario of relevance to management scholarship. Our analysis focused on how the COVID-19 pandemic affected business and society, and whether the role of business in society will get back to normal after COVID-19, remain affected and/or reconfigured in enduring and impactful ways? Addressing these questions, we propose, requires a more detailed and dynamic concept of society. To achieve this, we draw upon Alexander’s (2018, 2019) theory of societalization and a detailed analysis of the societalization of the COVID-19 pandemic in the United States. Our analysis shows how concern regarding pandemic disease has moved from the governmental inside to the civic outside, placing strain on society, leading to regulatory response, a significant societal backlash, and uncertain long run consequences. We have outlined a number of potential steady states for the post-COVID-19 world, highlighted the utility of the societalization model for understanding the conditions necessary for a social problem to become societalized, and outlined a number of possible extensions and developments to the societalization model that offer opportunities for future high-impact business and society research.

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