Ecosystem Wellbeing and Resilience: Lessons From Crisis Management in Service Organizations

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Purpose: In this paper, we investigate, from a S-D logic, the strategies and approaches adopted by service organizations to navigate the storm of Covid-19 crisis and the lessons learnt from the crisis to avoid and face a future one. Understanding the effect of a crisis triggered by health pandemic hazards on services delivery and management, organizational strategies for survival and recovery, and the recovery post-crisis, in terms of building organizational resilience and flexibility, is the focus of this paper.

Design / methodology / approach: Using a qualitative research design which closely approximates the theory-in-use (TIU) approach (Zeithaml et al., 2020), we interview 47 elite informants from service organizations that were particularly severely impacted by the crisis. We followed Corbin and Strauss's (2014) procedure for analysis of the interviews (i.e., open, axial and selective coding).

Findings: Drawing on transformational service research and dynamic capabilities perspective, we develop an empirical framework of crisis management which focuses on dynamic co-creation of service ecosystem well-being and resilience. Service organization responses included 1) retrenchment and balancing supply and demand, 2) service re-design and provision, 3) imposed service innovations, 4) digital servitization and 5) rethinking business models. Aiding with the process of crisis management in the face of uncertainty are dynamic capabilities, including strategic flexibility, market orientation, customer centricity, entrepreneurial leadership, and technological / digital capabilities.

Originality / value/ contribution The study provides a novel applied framework which sheds light on how organizations fundamentally transform their services to fulfill human and ecosystem actors' needs, by placing well-being right at the centre of their crisis management strategies. In this study, we combine the Transformative Service Research (TSR) lens on service ecosystem well-being and resilience with the dynamic capabilities perspective to explore how service organizations managed the Covid-19 crisis and what lessons can be learnt to face a future one. We argue that subjective well-being and resilience are dependent on a service co-creation process that involves multiple ecosystem stakeholders at the individual, organizational, community and societal levels. We have built on Chen et al.'s (2020) and Finsterwalder and Kuppelwieser (2020)'s work to extend the resources-challenges equilibrium to the entire service ecosystem well-being. The process of value co-creation, through the responses identified in our paper (e.g., digital servitization and imposed innovations), were adopted to provide physical, health, financial and social safety to the service ecosystem actors (primarily customers, employees, and managers) in times of the pandemic.

Practical Implications: The findings contribute to the service marketing practice by identifying the managerial strategies that blend Theory-in use approach, Transformative service research and a set of dynamic capabilities. The study provides a novel applied framework which sheds light on how organizations fundamentally transform their services to fulfill human and ecosystem actors' needs, by placing well-being right at the centre of their crisis management strategies. Well-being

became a function of fulfilling the most basic human needs (belonging, safety, security and hygiene) of customers, employees, managers and communities. Our research helps managers and decision-makers to identify the right strategies and capabilities needed to manage the crisis. Critically, managers should stress building the skills of market orientation, digitalization and strategic flexibility to manage uncertainty. Services organizations require flexible and integrative decision-makers who elevate service innovation to a *core strategic issue* to come out of this crisis.