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# Extreme Contexts, Organization Urban Ruins and Resilience: Impacts on Restaurant Management

<sup>1.</sup> Professor Marcia Crespo Ferreira. <sup>2</sup>Professor Daniel Jardim Pardini, <sup>3.</sup>Professor Jurema Suely de Araujo Nery Ribeiro <sup>4.</sup>Professor Victor Andrey Barcala Peixoto.

Abstract: Uncertainty situations produced by extreme contexts impact management and organizational survival strategies, facilitated by resilience. The research used the metaphor of ruins as a backdrop for understanding the organizational urban ruins arising from the extreme context of the COVID-19 pandemic and the behavior of restaurant owners in coping with it. Its objective is to understand the impacts of an extreme context scenario on the perspectives of organizational urban ruins in the management of restaurants in the cities of Rome and Belo Horizonte, as well as the solutions used by the researched establishments in facing the crisis. The exploratory qualitative research was carried out through 41 interviews with restaurant owners in both cities, at the end of 2021 and beginning of 2022, totaling 114 restaurants surveyed. The research creates a new categorization of ruins, the organizational urban ruins resulting from extreme contexts, and divides them into three phases: deconstruction, disclosure and reconstruction. The research results expand the theoretical and empirical knowledge about organizational ruins, as well as contribute to the enrichment of research on extreme contexts and resilience.

Keywords: Extreme context. Organization urban ruins. Resilience.Restaurants. Impacts.

#### I. Introduction

The omen of archaeological metaphors and ruins have a multilinear genealogy. In the 21th century, the density of archaeological metaphor has grown beyond the idiosyncratic uses of individual authors (Boym 2001; Jameson, 2005, apud Dowdy 2010).

Since the turn of the century, the gaze on ruin has widened, and the ruins of the recent past, dynamic and unstable, have become the focus of many interdisciplinary studies (Dowdy, 2010). Of the "ruins of modernity" arising from the 18th and 19th centuries (Dowdy, 2010; Hell &Schönle, 2010), and the "industrial ruins" of the 20th century (Edensor, 2005; Mah, 2012), to the "urban ruins" of the 21th century (Kitchin et al., 2014; O'Callaghan & Di Feliciantonio, 2021), researchers have approached ruin as an object of interest (Pohl, 2022).

The crisis-driven realities of recent decades have led to a massive increase in ruins around the world (Pohl, 2022). The so-called urban ruins arise precisely from the collapse of the global economy and recent crises (O'Callaghan & Di Feliciantonio, 2021). This is what happened with the repercussions of the long periods of social isolation resulting from the measures to combat COVID-19 (Arbulú et al., 2021) and that impacted on the sustainability of restaurants around the world.

The extreme context, such as that of a pandemic, can result in extensive and intolerable magnitude, with physical, psychological, and material consequences (Hannah et al, 2009; Hällgren et al., 2018), causing or not, ruins in organizations. In the case of economic sectors susceptible to the effects caused by extreme contexts, such as restaurants, destructive panoramas can be manifested.

Taking into account that the term "ruin" can refer to both the object and the process (Hell &Schönle, 2010) – 'a ruin' (noun) and 'ruin' (verb). And also considering that the ruin can generate alternative understandings of the past, since they propose other ways of ordering and understanding the lived environment and provide exemplary opportunities for the study of the continuous and dynamic transformation of matter and the contingent constitution of the place, whatever it may be (Huyssen, 2006). This research used the metaphor of ruins as a backdrop for understanding organizational urban ruins, arising from the extreme context of the COVID-19 pandemic, seeking to understand the impacts of an extreme context scenario, as well as the solutions used by restaurant owners researched in coping with the crisis. It is believed that the use of the metaphor of ruin in the study of organizational urban ruins

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can shed light on understanding resilience and coping behavior in situations of extreme contexts, in addition to serving to better understand the phases of organizational ruins and being unprecedented in literature.

The use of the ruin metaphor in the research was based on the way in which Dale & Burrell (2011), as well as other authors cited in the research by O'Callaghan, C. & Di Feliciantonio (2021), describe the possible evolution of ruins. Thus, the three metaphorical situations in the archeology of ruins were used to establish the phases of organization urban ruins affected directly by extreme contexts. Which here are called organizational urban ruins: a) deconstruction related to projects abandoned during the extreme context in evidence, which generates discontinuity, bankruptcy filings and insolvency situations; b) disclosure in the figure of reflections and possible repositioning to face the serious situation in vogue; and c) reconstruction, in the other words, decisions for revitalization, growth and opening of new businesses.

Restaurants were one of the most affected sectors because of social distancing measures implemented by governments around the world(Gössling et al., 2020).

The intention of the article is to contribute to the literature of extreme contexts, risks, crises and disasters in business management. In order to fill theoretical gaps that underlie the phenomenon and the absence of empirical theoretical models intended to assist these enterprises in scenarios of vulnerability (Ritchie & Jiang, 2019). In this way, it expands theoretical knowledge about the constructs addressed: extreme contexts, organizational ruins, and resilience.

# II. Extreme contexts, organizational ruins, and resilience

#### 2.1 Extreme Contexts

Research on extreme contexts has increased, but the terminology is not uniform. Instead, different terms are used to refer to similar phenomena (Hällgren et al., 2018). In fact, terms used to refer to unforeseen, sudden events or series of events include adverse events, rare events, unusual events, non-routine events; surprise or unexpected events, extreme events, edgework, extreme situations, extreme operating environments and extreme environments (Hallgren et al., 2018). To name a few; in addition to extreme contexts (Hannah et al, 2009, Hallgren et al., 2018 and Chowdhury et al., 2022). In this work, the term extreme context will be used because it is more current and comprehensive.

Extreme contexts can provide valuable insights into the organizational processes of adaptation, prioritization, resilience, and barriers to inertia when organizations do not respond to the effects produced by the event(Hällgren et al., 2018). Contributions to organizational management studies are originally attributed to research on the impacts of extreme contexts on society (Bamberger & Pratt, 2010).

What characterizes the extreme context are the following conditions (Hannah et al, 2009; Hällgren et al., 2018): a) have the potential to cause negative physical, psychological and material effects to the affected people and organizations; b) present consequences considered almost unbearable for the organizational members to deal with the situation; and c) exceed the organization's ability to prevent such events from actually occurring. Another important feature of extreme contexts is their irregular occurrence (Chowdhury, Ray, Dana & Ghosh, 2022)

The extreme contexts present five dimensions that influence their typology: a) the place in time at the moment of the occurrence, b) the magnitude of the consequences, c) the probability of the consequences, d) the physical-psychosocial proximity of the event and e) the forms of threats arising from the context. Mitigating or aggravating factors can decrease or increase the endpoint level of the context and are influenced by the adaptive response of leadership (Hannah et al., 2009). The distinction between physical and psychosocial closeness suggests that people do not necessarily need to be witnesses to extreme events or experience them, to be affected by them.

When the extreme context has high severity, people immediately and intensely feel the danger and threat of its consequences. In overwhelming scenarios, in contexts of susceptibility and vulnerability, society tends to migrate to the state of immobilization caused by fear and the absence of government effectiveness (Kolditz, 2007). Extreme contexts can occur from the crisis or vice versa. Both affect people from individual (psychological), collective (social, economic, cultural, environmental and technological) and institutional (governmental, health, political, educational) perspectives.

Another way to categorize extreme contexts is from the nature of the phenomenonitself, which are typified in risk, emergency and disruptive scenarios (Hällgren et al., 2018).

In risk contexts, the potential chance that catastrophe will occur and be caused by natural and human disasters prevails. Although the risk context is characterized by the ever-present potential of catastrophe, in emergencies the catastrophe becomes a reality.

In the emergency context, central routines are disrupted, cognitive efficiency is reduced as a result of the situation generated, and the flow of information begins to fail (Weick, 1990). Organizational autonomy becomes highly valued and excessive objectivity prevents managers from becoming sensitive to uncertainty, preventing the ability to

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understand the risks involved in the context (Ching & Chan, 2020). In these situations, emotions are manifested, whether positive or negative (Keltner et al., 2019), and can affect the way in which members of the organization, under pressure, perceive and interpret ambiguous cues arising from the emergency context (Maitlis&Sonenshein, 2010). In extreme contexts, intensely negative emotions, including stress, anxiety, fear and sadness, are constantly present. In situations of extreme emergency context, individuals tend to react first with negative emotions, slowing down adaptive capacities and feeding errors and erroneous interpretations. Later, they seek the support of their superiors and try to cooperate and finally, they can develop positive emotions related to the exercise of courageous and compassionate behaviors towards others, such as empathy, which tends to favor resilience (Maitlis&Sonenshein, 2010).

Unlike risk contexts, disruptive contexts often do not allow for preparation to face the ongoing extreme situation, and are triggered by extreme events that occur outside the activities of the central organization and are often portrayed as unique, unprecedented, or even, uncategorized (Christianson et al., 2009).

Regardless of how it will be faced, the characteristic present in all types of extreme contexts is their inexorability, which can cause negative emotions, traumas and lead to the ruin of organizations.

#### 2.2 Organizational Ruins

In a brief review of the ruins literature one can find several definitions for recent ruins, ruins of modernity (Dowdy, 2010; Hell &Schönle, 2010), industrial ruins (Edensor, 2005; Mah, 2012), urban ruins (Kitchin et al., 2014; O'Callaghan & Di Feliciantonio, 2021) among others. The research used the term urban ruins because it is the most modern and the one that best suited the study scenario, since its scope seems to include organizational ruins, which symbolize those organizations exposed and ruined, often by crises and extreme contexts.

The urban ruins may be related to bankruptcy, abandonment, crises, wars and pandemics brought to light the memory of managers of the affected establishments. The organizational urban ruins are the hidden project of reality, projected into the memory of architecture, management, the means of managerial control and the results of rational organization, also evidenced, in the symbolic sense by the ink stains, the used carpet, the faded photographs and the memories of the times when the organization was alive (De Cock &O'Doherty, 2017).

Using the metaphor of ruins and transporting it to the theory of organization urban ruins, three paths to be followed would be possible: deconstruction, disclosure or reconstruction of the enterprise. Deconstruction happens when the ruins become rubble. If organizations are ruined, ruin also affects the mental state of those involved, because it is through work that man self-produces, develops skills and learns to know his strengths and limitations when interacting with peers and living the affection of the relationship (Brown, 2022).

The second perspective of organizational urban ruins proposed in the research refers to disclosure process. When the ruin is perceptible, reflexive states of memory are triggered that involve the historical trajectory of the organization and the actions used in difficulties to preserve the enterprise. Thus, the ruins in restaurant management signal the intersection between what is visible – isolation measures, for example – and what is invisible – the manager's expectations and strategies for dealing with the current context. What is invisible (or absent) is highlighted by the fragmentation of the ruins, it is useless and sometimes incomprehensible, with the loss of its original functionality. In extreme context situations, disclosure means a moment of reflection on what to do with organizational urban ruin: abandon it, restructure or revitalize it.

The third path refers to the reconstruction of organization urban ruins. Because ruins are memory process, other devices can be found: the simulation of revitalization, the discovery of new capabilities and the recovery of the organization's forgotten forms (De Cock &O'Doherty, 2017). The relationship between construction and ruinsseems to be an antithesis between organization and disorganization, but instead of being the game of opposites, it is an intertwined relationship. In the addition, the ruins are related to both reconstruction and destruction of different forms of organization (Dale & Burrell, 2011).

Both the disclosure path and, mainly, the reconstruction path are strongly linked to the resilience of the owner of the organization in ruin.

#### 2.3 Resilience in extreme contexts

Resilience is the ability to adapt effectively and efficiently in the face of change; apply lessons learned from challenges, mistakes and/or successes to future situations; and, finally, to grow and prosper (Moran & Tame, 2012). It can also be defined as the ability to recover from adverse events in order to adjust to misfortunes or changes (Sutcliffe &Vogus, 2003) or even the ability of a system to survive an extreme context that considers the magnitude of disturbances that the system can tolerate and persist (Mena et al., 2022). The resilience in response to unexpected or unforeseen changes (Erol et al, 2010).

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Extreme contexts are drivers of changes that are not always desirable (Lew et al, 2020) and that require rapid adaptation. The extreme context often threatens the survival of people and organizations, which, in turn, are only able to maintain their functionality base due to the resilience process (Ricciardelli et al, 2018)

According to Shepherd & Williams (2020), people who experience an extreme context can: (1) act with resilience and engage in entrepreneurial actions so that they are balanced back to their previous state of well-being, (2) act with resilience and empathy and engage in entrepreneurial action to help themselves and others recover and balance back to what they consider to be their well-being; or (3) disengage (chronic dysfunction) in an attempt to escape the consequences of the adverse event, resulting in loss of well-being.

After an extreme context of the disruptive type, the progression takes place through the cycles of resilience model: (1) the collapse of the system, (2) the reorganization, (3) the growth and (4) the consolidation; this model includes understanding the collapse caused by the context, trying to reorganize routines, preparing for growth and seeking to consolidate again in the sector (Lew et al., 2020). The interaction between impacts and possible solutions involves complex scenarios for crisis management, with unexpected consequences.

Psychological resources such as resilience have the effect of loosening the hold that a negative emotion has generated in an individual's mind and body (Ching & Chan, 2020); these capabilities not only change the perception of an extreme context, but the ability to combat it and improving the actual performance that can serve to lessen the threat itself.

Many of the resilient capabilities in unprepared environments remain hidden until an event occurs that makes these capabilities salient (Hällgren et al, 2017). The organizational response to disruption has a relatively positive tone, when society and normal operations are disrupted, new profitable relationships can emerge between people and organizations that had no prior connections. Extreme contexts mainly that of disruption, seem to be especially suitable for developing knowledge about resilience at the individual, organizational and local community levels (Shepherd & Williams, 2020).

The crises can increase knowledge, resilience and motivation. New knowledge can also be triggered by extreme contexts (Christianson et al, 2009). The search for causes and solutions can increase individuals' absorptive capacity and learning, as previous experience reduces the probability of experiencing a crisis in the future (Madsen, 2009).

#### III. Methodological Procedures

In this qualitative research, the exploratory methodology was used. The exploratory study deals with poorly investigated topics, on which a significant theoretical basis has not yet been accumulated. The research sought to broaden the understanding of the conceptual scope of organizational ruins in extreme contexts, resilience and the three possible paths within organizational urban ruins - deconstruction, disclosure and reconstruction - in restaurants in Rome and Belo Horizonte, as well as the strategies adopted by owners for coping with the pandemic.

In dealing with the data, information obtained through interviews with restaurant owners in both cities was used. To analyze the material extracted from the interviews, thematic analysis was adopted, one of the methods of content analysis widely used in research in the social and political sciences, and which, according to Mozzato and Grzybovski (2011), is more concerned with scientific rigor and the level of depth of research, with the objective of overcoming uncertainties and enriching the data that are collected. The texts generated from the interviews were divided into units (categories) and classified according to analogical groupings, using the *Atlas -TI* software. These units correspond to the dimensions and sub-dimensions of the researched constructs and aim to discover the nuclei of meaning that make up the communication, worrying about the frequency of these nuclei in the form of thematic categories (Tables 1 and 2).

#### 3.1 Fields of Research

The choice of the cities of Rome and Belo Horizonte to study the units of analysis formed by restaurant owners was motivated by the convenience of one of the researchers being divided between the two countries and, above all, by the relevance of the history of these regions in the context of the research. In addition to being a center of gastronomic tourism with an international reputation, Rome was the first European capital to be hit by the pandemic. Later, with the arrival of the virus in the countries of the southern tropics, Belo Horizonte, a Brazilian gastronomic reference, lived with long periods of social isolation, resulting from the dissipation of the virus in the municipality. The intention was to understand the impacts in each of the cities and possible solutions adopted in the confrontation.

#### 3.2 Data Collection and Processing

The sample of restaurants was selected trying to balance the number of establishments chosen for convenience in each city, as well as the public served and also identifying those that succumbed, were in the process of reflection and

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analysis of what could be done, and those that were rebuilt, grew, reinvented themselves or were opened during the period of the COVID-19 pandemic.

The sample had 41 interviewed restaurant owners, 25 located in Rome and 16 in Belo Horizonte, some of them own more than one restaurant, a more frequent phenomenon in Brazil than in Italy among those surveyed. Owners were 45 years old on average and were 70% men and 30% women. In total, 114 restaurants were surveyed, 57 in Brazil and 57 in Italy, at the end of 2021 and beginning of 2022. The restaurants that participated in the survey had an average of 20 employees and 15 years of operation.

The interviews took place both in person and online, according to the preferences of the interviewees, they were recorded and later transcribed into Portuguese. The average duration of each was about 40 minutes and were carried out using a semi-structured script, duly translated into Italian and Portuguese. The script was based on the theoretical dimensions and respective sub-dimensions of the following constructs: a) Extreme contexts b) Organizational ruins (deconstruction, disclosure and reconstruction stages) and c) Resilience

The snowball technique was used to access the researched restaurants, a non-probabilistic instrument used in social research, where study participants indicate new possible interviewees who, in turn, after being contacted, agree to indicate new participants and so on, until that the response saturation point is reached, when no more new relevant information is added to the survey (Handcock & Gile, 2011).

#### IV. Results Analysis

In this topic will present the results along with excerpts interviews in both countries. Impacts on routine, impacts on the team, impacts on functioning, major changes in management, survival solutions / actions taken, survival solutions / government aid, phases of organizational urban ruins, phases of the resilience cycle and lessons learned were the subjects of the interview scripts as well as the thematic analysis.

The main impacts felt by the owners interviewed in the operating routine were: loss of revenue (61%), adaptations to the restrictions required by the government (39%), personnel adaptations (34%), changes in the menu (29%), logistics (27%), store closures (15%), purchases (14%), process modernization (12%), as some interviewees say:

"I am broken. I lost 80% of revenue; I cannot even pay the fixed cost of one of the stores." (E5BH)

"The main consequence was in terms of operation, first the closure and then the adaptations for opening and adaptations to continue functioning. In addition to loss of revenue." (E15R)

The most cited impacts on the team were from an emotional and psychological point of view. Feelings such as fear (49%), insecurity (37%), concern (24%), sadness (17%) and failure (10%) were the ones that most appeared among respondents. In addition to these, the grieving process (20%) was also recurrent. Among the mental health issues cited by respondents and reported below, depression (25%), anxiety (22%), insomnia (10%) and stress (7%) were worrying and a warning sign of a pandemic within the pandemic:

"It was very difficult. We had fear, worry, despair and a lot of negativity. We Italians are very pessimistic and we couldn't see the light at the end of the tunnel." (E5R)

"The biggest impact was mental. We had employees who got sick and we were very concerned about the health issue, people were very depressed." (E3BH)

According to the interviewees, the most significant impacts of the pandemic on the operation of the enterprise were: lack of customers (32%), migration to delivery mode operation (21%), reduction of personnel (17%), concerns with cost (14%), investment in digital media (14%), emotional problems (14%), drop in revenue (12%), among others less significant and also cited are; lack of labor (10%), debts (10%), increase in personnel (5%).

"We suffered a lot at the beginning because we were insecure; we didn't know how long the closure and the pandemic would last and what kind of actions to take. However, the main consequence was the lack of customers who always queued at the restaurant." (E12BH)

"The pandemic wiped out customers and practically did not allow us to function. We do not have any delivery service. .... We had to fire the employees we had and I was left alone in the store." (E7R)

The main changes in the management of the restaurants occurred in the operational part (69%) and in the operational logistics (13%).

"It got more tiring, because in addition to managing the business, we started working in operations, and working in production... until delivering the final order." (E1BH)

"The first impact was during the lockdown, with the loss of manpower; we had to be quick in the sense of rethinking the business so that it could at least pay for itself.... We also had to make many investments to adapt the business to open and that had a financial impact." (E1R)

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Adoption, migration or investment in delivery (78%) proved to be, according to the interviewees, the main solution for the survival of the business, in addition to investment in social media (39%), product changes/adjustments (35%), cost reduction (20%), employee management (vacation, leave, layoffs, hiring, rotation and adaptation) (17%), seeking loans (15%), customer loyalty actions (15%).

"Delivery for many months became our only source of income and thank God it was what saved us. We already had the service, but it wasn't much requested." (E6R)

"We decided to adopt only delivery, ending activities in physical stores." (E1BH)

As for government measures, in Belo Horizonte, 19% of respondents declared that they were insufficient or negative, while in Rome they were 12% of respondents. 31% did not get any support from the government in Belo Horizonte, while in Rome 36%. Already 75% of those surveyed in Belo Horizonte benefited from government measures while in Rome they were 52%

"PRONAMPE was a resource that was created by the government, but there was a lot of propaganda, but nobody got it. It was marked card.... I think the help with salaries was essential because I had to furlough 70% of the employees. The way Brazil managed the pandemic, in my opinion, exempted the government from taking measures that could protect the most affected areas." (E5BH)

"I received the aid based on billing. However, it was insufficient. There was a lot of unpreparedness from the government. A lot of information that was not taken forward and that made us invest money in various things that were not even inspected (acrylic partitions, disinfection)." (E2R)

As for the cycle of resilience, 19% of the surveyed establishments declared to be in collapse, 39% in the reorganization phase, 34% in growth; while 22% defined themselves as being in the consolidation phase. Many defined themselves in two phases simultaneously. It is important to point out here that the survey was carried out at the end of 2021 and beginning of 2022, a time when, in both cities, the pandemic was relatively under control, allowing for a slight reaction from the sector.

"Definitely collapse. One of my restaurants is definitely going to fail, another I think I can save, I'm reorganizing but it's still collapsing; the other one is a little healthier but it also has debt and I think I'm rearranging it." (E5BH)

"I believe we are moving from reorganization to growth." (E6R)

Among respondents, 53% took some kind of action to support the population, demonstrating that empathy really was an important factor during the pandemic.

"We offered meals to homeless people and health professionals throughout the critical phase and we currently have some bonus discounts for this public and provide meals to different shelters throughout Italy." (E9R)

"During the pandemic, we served food to homeless people, publicized health measures and provided snacks to teams at the emergency room." (E9BH)

As for the characterization of the sample based on the phases of the ruins, 32% were classified as being in the deconstruction phase; these restaurants went bankrupt or closed during the extreme context of the COVID-19 pandemic. The majority, 63% of those surveyed, demonstrated that they had repositioned themselves, rethought the business and were classified in the disclosure phase. 27% of those surveyed grew or opened a new store or point of sale during the pandemic, which classifies them as undergoing reconstruction.

"I believe I tried to reposition myself (disclosure), but in one of the restaurants I am very close to bankruptcy. The other two I would say repositioning." (E5BH)

"The pandemic came to shake me up for good. It made me realize that I had to rethink an entire business model and mainly because of this, at the beginning of the pandemic, when we entered the first lockdown I decided to close it, first it would be temporary, then I realized that it was not viable for it to work. It is not a delivery type of restaurant. Therefore, I decided to close for good and invest in another type of restaurant. There was no bankruptcy, but there was closure. Moreover, with regard to the new restaurant, there was repositioning and resilience in my opinion, as I created something based on the problems I saw in the old model and ready to face the pandemic or any crisis of that kind. "(E11R)

Of the restaurants classified in the disclosure phase, that is, the majority, those in Belo Horizonte were 82% while the Roman ones were 52%.

Among the restaurants studied, both those that were in the highlight phase and in the reconstruction phase were resilient. They demonstrated (1) better awareness of themselves, the main stakeholders and the environment in which they operate your business; (2) increased awareness of its vulnerabilities and the impacts those vulnerabilities

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could have on the organization; both positive and negative; (3) ability to adapt with new and innovative solutions to unforeseen situations (McManus et al, 2007).

"In the first 2 months we invested mainly in lives and recipe kits. My son taught online and taught some recipes. It helped us a lot. Meanwhile, the youngest divulged everything. We were in the newspaper, appeared on TV. That brought even more people to the lives. Then to the restaurant. We opened a small shop in the restaurant to sell the kits and continue the lives once a month. We continued with delivery and take away. We put tables outside; we had to negotiate the store next door to enlarge the kitchen. The business expanded." (E13R)

"Even with a reduction in the number of employees, and with the decision to open 2 other stores at once (which did not work out due to several closing decrees), we managed to get back on our feet and change some things, such as restructuring processes and Everyone's roles were changing according to need. The pandemic intensified the demands for orders, due to the introduction of the delivery culture, and as we were strong in the delivery area, we were able to rebuild ourselves in the market." (E11BH)

There were few differences found in facing the crisis in both cities. A point to be highlighted is the issue of ownership/management of restaurants; while the Brazilian interviewees had a more organized management and oftenowned more than one establishment, managing a chain, the Italians mostly owned the same and only restaurant for generations, managing them as a family business, often quite improvised from a managerial point of view. Those surveyed from the city of Rome also demonstrated less modernity in the processes. Most Roman restaurants did not have social media (48%) and delivery service (88%) before the pandemic. Probably due to the anxiety of its population, Italian is digitally lagging behind Brazilians and this directly affected resilience and coping with the crisis.

"Initially we tried to understand the norms; we adapted and started working with the promotion of the business on social networks and in condominiums in the region. We entered the delivery app and took the delivery fee." (E10BH)

"The kind of business I had didn't work online, besides that people here don't buy much online, we are very technologically backward. I tried, but it didn't work, I didn't sell anything, I tried to sell it through social media, which I didn't even have... I invested in it." (E25R)

Among the owners who went bankrupt or closed their business during the pandemic, that is, who were classified in the deconstruction phase of organizational ruin, 29% of the restaurants surveyed in Rome went bankrupt or closed permanently during the pandemic, against 23% in Belo Horizonte.

"I am emotionally drained. My partner at one of the restaurants died of COVID during the pandemic, she was my son's godmother, a super friend, my right hand man. I lost my sister-in-law. I'm in mourning, depressed, worried, I don't sleep, I'm on medication, I'm a mess." (E5BH)

"First my wife, who was the main cook at the restaurant, caught COVID, she was in the hospital for 2 months and passed away. After that, everything was complicated... we were closed and with restrictions, we couldn't function, our clientele disappeared. The point was very central and there was no one else on the street, there were no tourists, there were no offices or commerce in operation; we had no energy and grief consumed us even more... the bills were piling up, and we couldn't open." (E2R)

For the owners surveyed, the biggest lessons learned from the extreme context of the pandemic were the importance of customer loyalty (29%), having a financial reserve (27%), having resilience (24%), strengthening the delivery service (22%), importance of continuous innovation (20%) and investment in social media (12%).

"We are going to maintain delivery (which did not exist) and invest in digital marketing and customer service, this we have always done and it was this loyalty that saved us. We need to value customers above all else!" (E3R)

"We learned to be resilient. Being prepared and adapting to the changes that arose." (E14BH)

Despite everything, 76% of respondents were optimistic about the future scenario of the enterprise.

"I hope we recover the losses and manage to rebuild ourselves and grow." (E13BH)

"I really hope that the scenario is one of growth and that after this storm a calm can come."

Aiming to elucidate the results found and the themes studied, Tables 1 and 2 were prepared.

# Table 1 Summary of General Results

(E15R)

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| Thematic Categories                   | Summary of Results                                                                                                                                                                                                                                                                        |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impacts on routine                    | <ul> <li>Loss of billing (61%)</li> <li>Adjustments (39%)</li> <li>Personnel adjustments (34%)</li> <li>Menu changes (29%)</li> <li>Logistics (27%)</li> <li>Closure of stores (15%)</li> <li>Purchases (14%)</li> <li>Process modernization (12%)</li> </ul>                             |
| Impacts on the team                   | <ul> <li>Fear (49%)</li> <li>Insecurity (37%)</li> <li>Concern (24%)</li> <li>Sadness (17%)</li> <li>Failure (10%)</li> <li>Mourning (20%)</li> <li>Depression (25%)</li> <li>Anxiety (22%)</li> <li>Insomnia(10%)</li> <li>Stress (7%)</li> </ul>                                        |
| Impacts on operations                 | <ul> <li>Lack of customers (32%)</li> <li>Migration to operating in delivery mode (21%)</li> <li>Personnel reduction (17%)</li> <li>Concerns about cost (14%)</li> <li>Investment in digital media (14%)</li> <li>Emotional problems (14%)</li> <li>Declining in billing (12%)</li> </ul> |
| Major changes in management           | <ul><li>Operational (69%)</li><li>Logistics (13%)</li></ul>                                                                                                                                                                                                                               |
| Survival solutions/ actions<br>taken  | <ul> <li>Delivery (78%)</li> <li>Investment in social media(39%)</li> <li>Product changes/adjustments (35%)</li> <li>Cost reduction (20%)</li> <li>Employee management (17%)</li> <li>Search for loans (15%)</li> <li>Customer loyalty actions (15%)</li> </ul>                           |
| Survival solutions/<br>government aid | <ul> <li>Insufficient or negative measures - 19% (BH), 12% (ROME)</li> <li>Didn't get government support - 31% (BH), 36% (ROMA)</li> <li>Benefited from government measures - 75% (BH), 52% (ROMA)</li> </ul>                                                                             |

Table 2 Phases of Ruin, Phases of the Resilience Cycle and Lessons Learned

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| Thematic Categories               | Summary of Results                                                                                                                                                                                                                                 |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Phases of Ruin                    | <ul> <li>Deconstruction (went bankrupt or closed) – 32%,</li> <li>Evidence (reflection) – 63%</li> <li>Reconstruction (opened or grew) – 27%</li> </ul>                                                                                            |
| Phases of the Resilience<br>Cycle | <ul> <li>Collapse - 19%</li> <li>Reorganization - 39%</li> <li>Growth - 34%</li> <li>Consolidation - 22%</li> </ul> Many defined themselves in two phases simultaneously                                                                           |
| Lessons learned                   | <ul> <li>Customer loyalty (29%)</li> <li>Financial reserve (27%)</li> <li>Resilience (24%)</li> <li>Strengthening of delivery service(22%)</li> <li>Importance of continuous innovation (20%)</li> <li>Investment in social media(12%).</li> </ul> |

#### V. Discussions

Because it is a sector that requires high exposure to the virus, due to the very proximity of workers to customers in the execution of services (Sönmez et al., 2020), in restaurants, organizational urban ruins manifest themselves in periods of extreme contexts, motivated by the exposure and vulnerability of their own activities and directly impact management. In the research, management mainly encompasses the routine of the restaurants and their teams and the solutions used by each establishment in facing the crisis.

In the COVID-19 pandemic, movement restrictions were unprecedented, and affected more than 90% of the world's population (Gössling et al., 2021). Since man is a social animal, grouping together in society comes naturally, but if he is deprived of society and is suddenly forced to live in isolation, inner ruin is inevitable. The accumulation of functions and the overload of concerns generated by the changes caused by the pandemic, with regard to work, household chores, food, transportation, education and economic issues; added to social distancing and isolation, they generated psychological suffering and a great emotional impact, intensified by uncertainty about individual risks or fear of infecting family and friends. In addition to the inner ruin, the pandemic generated consequences and changes in the world of work that exacerbated the impact on emotions.

Negative emotions arising from extreme contexts (Maitlis&Sonenshein, 2010) could be observed in the results. Analyzing the emotions that appeared during the interviews, negative emotions such as stress, fear, sadness, loneliness and grief were constantly present, most likely affecting the individual's ability to act in the face of pressure. As for the positive emotions that can be developed in an extreme emergency context, it was possible to observe a greater concern for others and acts of generosity in both cities, especially in the first year of the pandemic. The mourning caused by business failure (Shepherd & Williams, 2020), accompanied by the mourning of deaths, increased paralysis in the face of adversity, and was shown to interfere with the ability of owners of restaurants classified in the deconstruction phase to learn from the crisis.

The COVID-19 pandemic, like an extreme context, began exponentially, with extensive and intolerable magnitude, and with catastrophic consequences worldwide. Physical consequences (illness, death, exhaustion, hunger), psychological (depression, anxiety, panic syndrome, burnout, loneliness, grief) and material consequences (loss of work, loss of income) that resulted in the bankruptcy of companies, mainly due to measures adopted to face the health crisis (social distancing, restrictive measures to close activities, decrease in purchasing power).

Regarding the categorization of the extreme context (Hällgren et al, 2017), of the COVID-19 pandemic, it was initially characterized as a disruption and then, due to its duration, an emergency context. Disruption because it was

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triggered by a single extreme event (spread of a highly contagious virus) that did not allow communities to prepare. As the pandemic was a real catastrophe and lasted for at least two years, allowing communities, individuals and organizations to prepare as much as possible during that time, it became an emergency context. Probably, over the years and the great possibility of new viruses hitting the world again, the context could become a context of risk, allowing the preparation for its confrontation to exist and admitting the ever-present potential of the catastrophe.

The collapse of the global economy, as well as the impact on the functioning of organizations, proved to be generators of organizational urban ruins. To face the extreme context, taking into account its disruptive nature, the cycle of resilience was activated (Lew et al, 2020). The collapse phase saw the implementation of urgent measures such as social distancing, curfews, establishment closures, and surveillance and control measures when saving lives became the top priority. The reorganization phase is the phase that requires the highest level of resilience, in which community support measures, government aid packages, proactive measures to deal with chaos emerged. Growth, the third phase of the cycle, involves raising the well-being of the community to an acceptable standard through economic improvement with the restoration of markets, and strategies aimed at stimulating recovery. The fourth phase, consolidation, implies long-term responsibility resulting from transformational learning and is related to values such as global awareness, equity, collective engagement and sustainable consumption patterns (Lew et al, 2020). This phase is also related to the proactive resilience development.

Extreme contexts trigger changes that are not always desirable (Lew, 2017) and that require rapid adaptation and resilience. To survive the pandemic, establishments had to adapt above all. The company's adaptability is related to the ability to absorb profound impacts (such as those caused by extreme contexts) without losing the ability to fulfill its mission (Sampedro, 2009).

There are different ways of dealing with extreme contexts; some people manage to keep functioning, while others experience considerable disturbances and even paralysis (Shepherd et al., 2020). It's possible that the personal characteristic that differentiates the way of facing this type of context is exactly resilience.

Restaurant owners' perceptions and responses to adversity seem to have be influenced by resilience, by the way in which they perceived the adverse situation many times, as an opportunity. Those who perceived the situation as a challenge, also with resilience, tried to combat adversity, and those who perceived the situation as a threat accommodated themselves in the face of adversity.

These behaviors can also be compared to the prospects of ruins. Comparing the 3 phases of ruin suggested in this research with the behavior of people who experience an extreme event (Shepherd & Williams, 2020. The behavior of paralysis (Powell and Baker, 2014), was probably presented by the owners of restaurants in the deconstruction phase, who gave up on the business, closed or went bankrupt; while resilience, in addition to entrepreneurship and empathy, are probably related to the phases of reconstruction and disclosure.

#### VI. Conclusions

This study used the metaphor of ruins as a backdrop for understanding both the phases of organizational urban ruins arising from the extreme context of the COVID-19 pandemic and the behavior of restaurant owners in coping with it. The research contributes to expanding knowledge of risk situations and vulnerabilities in the sector in extreme contexts and the role of resilience in coping with these, at the same time that it discusses new concepts associated with ruins.

The results showed that despite the differences in crisis management, the main impacts on the management of restaurants in both cities were similar and occurred mainly in billing, adaptations for operation, personnel adjustments, lack of customers and feelings staff negatives; resulting in changes in the logistics and operation of the establishments. The solutions found for the survival of establishments in both cities were also similar: government aid, adoption or migration to delivery, investment in social media, product adaptations and cost reductions.

The interviews were carried out during the pandemic recovery phase and the data presented refer to this phase. Maybe, because of that, most of the restaurants interviewed being defined as being in a reorganization phase (resilience cycle); this factor can be considered a limitation, since many establishments had already passed their worst phase.

Another limitation found was the initial difficulty in collecting data from restaurants that had closed. To mitigate this issue, the snowball technique was adopted, facilitating access to the owners.

Although the focus of the research was not the emotional issue, this factor appears repeatedly and it is recommended that it be analyzed in future research. As well as the character of emotion in decision-making and the characteristics of thepersonality of the leader, which may have impacted both on management decision-making and on their resilience and consequently on the stage of organizational urban ruin.

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Resilience, as a psychological resource, (Ching & Chan, 2020); seems to be fundamental in the development of the capacity to combat the extreme context, and in the case of restaurants in the reconstruction phase seems to be improve the real performance.

As noted, restaurant owners looked for solutions to face the crisis and thus probably increased their learning capacity. Itis expected that experience and knowledge acquired can reduce the probability of experiencing a crisis in the future (Madsen, 2009). This would also be another suggestion for future studies, to verify whether learning from the pandemic facilitated coping with possible new extreme contexts.

After observing the possible paths within organizational urban ruin and characterizing the extreme context of a pandemic as the reason for ruin and resilience as the main strategy for coping with adversity, it becomes important to prepare organizations to face possible future pandemics or other extreme contexts.

Organizations and people who manage to survive organizational ruins develop reactive resilience and emerge stronger than before; however, resilience can also be proactive, that is, promoting a faster and more effective response to face possible crises (Salanova, 2020). The importance of dealing with the term resilience comes mainly from the assessment of the ability to react to extreme contexts and how the entrepreneur, can observe their impacts (or organizational urban ruins) in a resilient way, as rebirth, awakening and reconstruction. Thus, organizations can be trained to develop proactive resilience in order to be better prepared to face future extreme contexts, which is what is suggested for future research.

The research results expand theoretical and empirical knowledge about organizational urban ruins, dividing them into phases of deconstruction, disclosure and reconstruction, as well as contributing to the enrichment of research on extreme contexts and resilience.

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