



# What Lessons Can History Provide to Companies and Managers Currently Coping with the Impact of COVID-19?

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## **Summary**

This essay examines the lessons that history can provide to companies and managers currently coping with the impact of COVID-19. It makes three recommendations. First, managers should promote communal unity. For instance, during New Haven's 1918 epidemic, businesses cooperated to support public health measures that reduced hostilities and brought a rapprochement of nativist and Italian immigrant communities. Second, managers should oppose stigmatization. In past pandemics, reducing the stigmatization of the diseased increased the likelihood that the sick would seek medical treatment, thereby minimizing transmission. Finally, managers should embrace the opportunities in a crisis. For example, Alibaba launched Taobao, now the world's largest e-commerce platform, during the 2003 SARS lockdown with employees working from home and communicating by phone and internet.

## **Introduction**

The social realities in which the COVID-19 outbreak became a pandemic and an economic crisis bear parallels to previous epidemics in history. From cholera in the 19<sup>th</sup> century to influenza and plague in the 20<sup>th</sup>, and the more recent experiences with SARS and Ebola, outbreaks challenge leaders to act and adapt to protect their communities, secure their prosperity and safeguard social harmony. This essay examines the lessons that history can provide to companies and managers currently coping with the impact of COVID-19 and which suggest long-term implications for managerial decision-making in present and future crises.

## **Recommendations for Managers**

The closest analogy is the 1918-1919 influenza pandemic. Frank Snowden, Professor Emeritus of History of Medicine at Yale University and author of *Epidemics and Society* (2019) states that the COVID-19 pandemic "is more like the Spanish Influenza than any other event," and attributes this to "the ease with which it has spread through the world," and "the lack of preparedness."<sup>1</sup> Similarly, Jeremy Greene and Graham Mooney, medical historians at Johns Hopkins, suggest that the 1918-1919 influenza pandemic "claimed at least 50 to 60 million lives," and "came so quickly and was so rapidly disruptive on its own right, that it then



triggered a set of public health responses, which are what we now call social distancing, public gathering bans, school closures, and several other means [that] became the historical basis, and [the] database, on which our current policies are designed.<sup>2</sup>

*However, consider the unique social and economic characteristics of the pandemic.* Today's populations are more affluent and expect longer lifespans and lower mortality. In contrast, the 1918 influenza pandemic occurred during a war that killed over 40 million people, at a time when one expected less control over one's medical, hygienic and economic circumstances, and labor was more rural and physical. In addition, households tended to be more self-sufficient and supply chains were less global.<sup>3</sup> Such factors differentiate the present crisis from even the most comparable pandemic in history. In terms of implications, the 1918 influenza pandemic, which may have caused up to 100 million deaths, did "not have lasting long-term memory seared into our institutions and to our economy, [...] partly because it was overshadowed by the war and peacemaking afterwards, partly because it did not besiege communities in the way that say, bubonic plague [or the] coronavirus" does.<sup>4</sup>

*Update information on a daily basis.* Populations today are more technologically sophisticated and interconnected. As Victor Davis Hanson, Professor at Stanford University states "our present abundance of information creates a new psychological landscape."<sup>5</sup> For instance, the internet and television make new demands on managers while the public expects faster, more frequent, and more accurate information: "In 1918 or 1957, governments did not declare that 2.2 million Americans would die, and we had less confidence that our data, computers or knowledge were sufficient to declare the present, let alone the future trajectory of the outbreak."<sup>6</sup> In the COVID-19 pandemic, new cases and policies emerge on a daily basis and organization must communicate and adapt their data and strategies to be able to act on the latest information while avoiding rigidity or inertia. Managers can help their organizations to stay flexible by establishing a "time-stamped 'best current view'" that allows decisions to be revised as facts change.<sup>7</sup>

*Prepare for a rebound of post-crisis demand.* Although COVID-19 has negatively impacted both supply and demand, post-crisis experiences in 1946 and 1919 suggest that, as lockdowns ease, customers will overcome temporary suspensions of human indulgences and initiate a short-term rebound in spending, which may be compounded by record low fuel prices and interest rates that render travel and borrowing particularly affordable.<sup>8</sup>

*Prepare for possible further waves.* The 1918 influenza Pandemic witnessed three waves. The first wave in the spring of 1918 was relatively benign, however Dr. Mary Dobson at Cambridge University states that "the second wave spread like wildfire affecting a third or a quarter of the population of the world."<sup>9</sup> Further, Professor Frank Snowden suggests that the virus mutated over the summer and "it was this autumn catastrophe of November that coincided largely with the end of the war that was the cataclysm."<sup>10</sup> Presently, the relaxation of

nonpharmaceutical interventions (NPIs) such as lockdowns could initiate a second wave. For instance, Hatchett, Mecher and Lipsitch (2007) find that in U.S. cities implementing NPIs during the 1918 pandemic, viral spread renewed upon relaxation of such measures.<sup>11</sup> Similarly, Bootsma and Ferguson (2007) state that in 1918, interventions were often “introduced too late and lifted too early,”<sup>12</sup> despite “a statistically significant association between increased duration of nonpharmaceutical interventions and a reduced total mortality burden.”<sup>13</sup>

*Expect the next pandemic.* Since at least the 1997 avian flu outbreak, epidemiologists and virologists have warned that another pandemic would happen.<sup>14</sup> For instance, after SARS in 2003, US Congress passed and established a national pandemic preparedness plan, as did the WHO, the 50 U.S. states, and many major companies.<sup>15</sup> As recently as 2018, the World Health Organization appointed a commission to look at global preparedness and produced a 2019 report titled “A World At Risk,”<sup>16</sup> however these could not forestall the COVID-19 pandemic.

*Prepare for political, social, and supply chain disruptions.* Foremost, humankind’s contact with the animal world and zoonoses, animal diseases spilling over to humans, could be under unprecedented scrutiny because wildlife remains the most likely origin of COVID-19, Ebola, SARS, as well as the 1918 Influenza.<sup>17</sup> Nevertheless, not all pandemics leave lasting impacts. As Professor Frank Snowden states “it’s not simply a matter of [mortality rates], since even Asiatic cholera, which had a small mortality, was the most feared disease pandemic of the 19<sup>th</sup> century, and it left a huge impact on the sanitary movement, our sewers, safe drinking water, housing regulations, paved roads, [and] the germ theory of disease. [All] partly emerged out of the [Asiatic cholera] that was much smaller than the Spanish influenza.”<sup>18</sup> Consequently, pandemics “are not just interchangeable causes of death, but each one is experienced by society in a very different way that needs to be looked at on its own.”<sup>19</sup>

*Promote communal unity and oppose stigmatization.* In bringing massive disruptions to everyday life, epidemics can also inflame ethnic and class tensions. Nonetheless, managed responses can “work effectively to limit xenophobia, to bridge ethnic divides, and to actually pull together and build forms of social solidarity.”<sup>20</sup> For instance, during New Haven’s 1918 epidemic, industrial working-class Italians, comprising a significant portion of the city’s population, succumbed to the influenza at nearly twice the rate of other residents. However, tolerance, rapprochement and a distinct *lack* of hostility emerged between nativist Americans and the Italian immigrant community amid managed responses marked by calls for unity and cooperation that helped to quell potential hostilities. Businesses and newspapers in particular found ways to work together to broadly support public health measures that did not stigmatize or demonize minorities.<sup>21</sup> Avoiding stigmatization is crucial as stigma conflicts with prudence: “the people with the disease don’t come forward, don’t see physicians, and [become] a major driver of the disease.”<sup>22</sup>



*Embrace the opportunities in a crisis.* “You never want a serious crisis to go to waste.”<sup>23</sup> When SARS broke out in 2003, many Chinese businesses went into lockdown. However, Alibaba, led by Jack Ma, decided to launch its global e-commerce platform Taobao with employees working from home and communicating by phone and internet. Since then, Taobao has become the world’s largest e-commerce website and Alibaba one of the most valuable companies in the world.<sup>24</sup>

## Conclusion

Different epidemics in history, from cholera in the 19<sup>th</sup> century to influenza and plague in the 20<sup>th</sup> century and SARS, Ebola and COVID-19 today, offer different mirrors to look into the present. Managers can draw on these lessons of continuity and change to help protect their communities, secure their prosperity and to promote social harmony. This essay has examined to what extent our current experiences are similar or different to the past and what lessons we can draw from the past to help us expose different aspects of the reality of an epidemic in a way that helps us to become better managers during the present and in anticipation of future crises.

## Endnotes

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- <sup>1</sup> Frank Snowden, interviewed by Howard Bauchner, April 2, 2020, *Journal of the American Medical Association Network*, Accessed April 19, 2020, <https://youtu.be/h30eayXdhYE>.
  - <sup>2</sup> Jeremy Greene and Graham Mooney, interviewed by Stephanie Desmon, March 27, 2020, Johns Hopkins Bloomberg School of Public Health, Accessed April 19, 2020, [https://www.youtube.com/watch?v=NUV9eyTr\\_6l](https://www.youtube.com/watch?v=NUV9eyTr_6l).
  - <sup>3</sup> Victor Davis Hanson, interviewed by Bill Whalen, April 9, 2020, Hoover Institution, Accessed April 19, 2020, <https://www.youtube.com/watch?v=WVK43a--m4g0> <sup>4</sup> Frank Snowden interviewed by Howard Bauchner.
  - <sup>4</sup> Frank Snowden interviewed by Howard Bauchner. Alfred W Crosby, *America's Forgotten Pandemic: The Influenza of 1918*, 2nd ed, Cambridge: Cambridge University Press, 2003. doi:10.1017/CBO9780511586576.
  - <sup>5</sup> Victor Davis Hanson interviewed by Bill Whalen.
  - <sup>6</sup> Ibid.
  - <sup>7</sup> Martin Reeves, Nikolaus Lang and Philipp Carlsson-Szlezak, “Lead your business through the coronavirus crisis”, *Harvard Business Review*, Feb. 27, 2020, Accessed April 19, 2020, <https://hbr.org/2020/02/lead-your-business-through-the-coronavirus-crisis>.
  - <sup>8</sup> Victor Davis Hanson interviewed by Bill Whalen.
  - <sup>9</sup> Mary Dobson, *Historian of Medicine*, interviewed by Cambridge University, April 2, 2020, Cambridge University, Accessed April 19, 2020, [https://www.youtube.com/watch?v=3x1aLAW\\_xkY](https://www.youtube.com/watch?v=3x1aLAW_xkY).
  - <sup>10</sup> Frank Snowden interviewed by Howard Bauchner.



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- <sup>11</sup> Richard J. Hatchett, Carter E. Mecher, Marc Lipsitch, *Public health interventions and epidemic intensity during the 1918 influenza pandemic*, Proceedings of the National Academy of Sciences, May 2007, 104 (18) 7582-7587.
- <sup>12</sup> Martin C. J. Bootsma and Neil M. Ferguson, *The effect of public health measures on the 1918 influenza pandemic in U.S. cities*. Proceedings of the National Academy of Sciences, 2007, 104(18), 7588–7593.
- <sup>13</sup> Howard Markel et al., *Nonpharmaceutical Interventions Implemented by US Cities During the 1918-1919 Influenza Pandemic*, Journal of the American Medical Association, Volume 298, Issue 6, Pages 644-654.
- <sup>14</sup> Frank Snowden interviewed by Howard Bauchner.
- <sup>15</sup> Ibid.
- <sup>16</sup> World Health Organisation, *A World At Risk: Annual report on global preparedness for health emergencies*, Global Preparedness Monitoring Board, September 2019, Accessed April 19, 2020.  
[https://apps.who.int/gpmb/assets/annual\\_report/GPMB\\_annualreport\\_2019.pdf](https://apps.who.int/gpmb/assets/annual_report/GPMB_annualreport_2019.pdf).
- <sup>17</sup> Frank Snowden interviewed by Howard Bauchner.
- <sup>18</sup> Ibid.
- <sup>19</sup> Ibid.
- <sup>20</sup> Jeremy Greene and Graham Mooney interviewed by Stephanie Desmon.
- <sup>21</sup> Julia F. Irwin, *An Epidemic without Enmity: Explaining the Missing Ethnic Tensions in New Haven's 1918 Influenza Epidemic*. Urban History Review / Revue d'histoire urbaine, 2008, 36 (2), 5–17.
- <sup>22</sup> Frank Snowden interviewed by Howard Bauchner.
- <sup>23</sup> Rahm Emanuel, interviewed by the Wall Street Journal, November 19, 2008, Wall Street Journal, Accessed April 19, 2020, [https://www.youtube.com/watch?v=\\_mzcbXi1Tkk](https://www.youtube.com/watch?v=_mzcbXi1Tkk).
- <sup>24</sup> Duncan Clark, *Alibaba: The House That Jack Ma Built*, New York: Ecco Press, 2016.



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