



Global Trends of Corporate Social Responsibility in Resolving COVID-19 Pandemic Impacts

Astrie Krisnawati^(✉)

Telkom University, Bandung, Indonesia
astriekrisnawati@telkomuniversity.ac.id

Abstract. The COVID-19 pandemic is a global catastrophe that affects the entire world in various aspects. All members of community, including businessmen, must be able to survive and struggle to improve the bad situation caused by the outbreak. As an economic entity, a company does not only have economic responsibilities, but also has social and environmental responsibilities, which is known as the concept of Corporate Social Responsibility (CSR). Currently, companies can empower their CSR initiatives to contribute to the world in resolving this difficult situation. This research is a preliminary study that applies analysis of systematic literature review of recent previous studies regarding CSR initiatives that focus on recovery of COVID-19 pandemic impacts in several countries. Applying a middle-range theory of some similar constructs from previous studies, this research aims to build a CSR model that can be implemented to resolve the COVID-19 impacts in global perspectives. This conceptual paper leads to implications for further research in terms of model validations through quantitative empirical studies.

Keywords: corporate social responsibility · COVID-19 pandemic · middle-range theory

1 Introduction

Coronavirus disease, or more commonly known as COVID-19, has changed human life in many ways. This virus was originated in Wuhan, China, but its spread has been growing very rapidly throughout the world. Currently, all the world has been impacted by COVID-19, and it becomes a major disaster that affects humanity globally. Within the last nine months, since the World Health Organization (WHO) first announced that COVID-19 is a pandemic on March 11, 2020 until now, the huge number of victims infected by COVID-19 has been continuing to grow enormously.

According to the report of WHO, as per December 3, 2020, there have been 63,965,092 COVID-19 cases confirmed globally, including the death number of 1,488,120 people. The number includes the confirmed cases in all over the world, i.e. 27,145,021 in America, 19,291,035 in Europe, 10,925,282 in South-East Asia, 4,184,748 in Eastern Mediterranean, 1,520,631 in Africa, and 897,634 in Western Pacific [1].

COVID-19 was originally a disaster for human health, but in its current development, in addition to the large number of infected and dead victims, this virus also has an impact on other aspects of human life. Inevitably, this pandemic also has enormous impacts on the global economy. As an effort to prevent the more massive spread of COVID-19, the governments in each region have imposed restrictions or lockdowns. Then it leads to major impacts on various economic sectors, not only regionally, but also globally.

The business sector that was the earliest and worst hit by COVID-19 was the travel industry, which included the tourism, hotels and airlines sector. These sectors have experienced the biggest drop since the beginning of the pandemic [2]. It does not mean that the other sectors are safe from the hit of COVID-19. According to Financier Worldwide, the most vulnerable sectors include accommodation and food services, manufacturing, retail, business and administrative activities. The economic catastrophe caused by COVID-19 is tremendous. It also leads to the issue of unemployment. Referring to the analysis of “ILO Monitor 2nd edition: COVID-19 and the world of work”, the International Labour Organization (ILO) forecasts that there will be 6.7 percent of working hours wiped out globally in the second quarter of 2020, this number is equal with 195 million full-time workers. According to the ILO analysis, there are 1.25 billion workers employed in the sectors identified as being at high risk of reductions in wages and working hours and increases in layoffs. Most of them are in low-paid, low-skilled jobs, where they might experience a sudden loss of income immediately [3].

As forecasted by The World Bank, the global economy will experience big decreasing of 5.2% this year. This number represents the most severe recession after the Second World War. The global economy has been falling down into a terrible contraction with declining number of per capita output and largest economic fraction since 1870. Economic activities in developed countries are forecasted to shrink by 7% in 2020. While the developing countries are forecasted to shrink by 2.5% this year, which is their first contraction within the last sixty years. Per capita income is also forecasted to experience declines of 3.6%. Thus, the hard times caused by COVID-19 pandemic lead to poverty issue [4].

The issue of a huge increase in unemployment and poverty, as well as a severe economic recession, has suddenly emerged as the result of COVID-19. Consequently, businessmen are in a difficult situation to survive and fight for the sustainability of their businesses. On the other hand, every business also has other responsibilities to community. Creating value of society is one of obligations of businessmen, as stated in the fundamental concept of Corporate Social Responsibility (CSR) [5]. Further discussions on CSR cannot be separated from the triple bottom line concept which explains in more detail the forms of corporate responsibility in three aspects, namely economy (profit), environment (planet), and social (people) [6]. CSR is also closely related with the concept of sustainability and sustainable development. The United Nations in 2015 declared 17 goals to be achieved by 2030 in the global development, which are called as Sustainable Development Goals (SDGs). The SDGs are the blueprint to address crucial challenges faced by the nations globally, including poverty, hunger, health and well-being, education, inequality, decent work and economic growth, climate change, environmental degradation, peace and justice [7].

Within hard times in coping with the impacts of the COVID-19 pandemic, the concept of CSR becomes more relevant to be applied. CSR is no longer merely an abstract concept, but it must be able to be implemented in a real way as a solution to overcome the major problems that have arisen due to the great COVID-19 catastrophe that has hit the entire world. Fighting to survive for business sustainability in difficult times while striving to comply with CSR initiatives is a great challenge for all businesses around the world. Capturing the global trend of CSR initiatives through literature review of some recent research, this study purposes to formulate a model of CSR that can be implemented to resolve the COVID-19 impacts in global perspectives.

2 Systematic Literature Review and Middle Range Theory

This study is an early stage of research. It applies analysis of systematic literature review of recent previous studies regarding CSR initiatives that focus on recovery of COVID-19 pandemic impacts in several countries. Systematic Literature Review (SLR) is commonly used as the beginning and important stage of research. SLR is a systematic and explicit method of literature review that is applied to identify and choose the relevant publications, to critically assess and analyse the data reported in the publications for the relevant matters of current research, and to synthesize the results of the relevant publications [8].

This study applies SLR as a technique of sorting sources for literature review that is limited only from a certain database with some determined keywords. The recent studies used as the references for conducting the systematic literature review are taken from the same database of Emerald journal publishers. There are ten articles used in this study. Those articles are the result of searching done in Emerald website, using the keywords of “Corporate Social Responsibility COVID-19”.

After selecting the relevant articles and doing the systematic literature review, the next step in this study is doing content analysis and synthesizing the previous studies to find the similar construct to formulate a conceptual framework to build the model. It is called as applying a middle-range theory. The middle-range theory is a theory that explains constructs based on observed homogeneity that exist between several groups, those similar constructs are not intended for building a universal generalization, yet merely to formulate local theories in a particular context [9]. Finding some similar constructs from previous studies, this research aims to build a CSR model that can be implemented to resolve the COVID-19 impacts in global perspectives.

The main-reference articles for the systematic literature review in this study are the ten most recent articles which firstly appeared as a result of searching the Emerald website for the keyword of “Corporate Social Responsibility COVID-19”. The selected articles must be relevant with the issue of CSR and COVID-19 (Table 1).

3 Results and Implications for Further Research

Looking at the results of the systematic literature review and the middle-range theory of those ten articles, we can conclude that an authentic and responsible leadership plays an important role in succeeding the efforts to resolve COVID-19 pandemic through CSR initiative. The forms of CSR activities to be conducted within the hard times of the COVID-19 catastrophe include corporate philanthropy, community engagement, and charitable donation.

The CSR initiative in COVID-19 pandemic must focus on the efforts of alleviating poverty and inequality. In terms of financial aspects, businesses must pay more attention in efficiency by managing cost and budget accurately. Since consumer is one of important stakeholders, businesses must observe the consumer behaviour very well in order to meet their needs.

Since it is a preliminary research, this study must have a lot of limitations that can be improved by conducting further research. This conceptual paper leads to implications for further research in terms of model validations through quantitative empirical studies.

4 Conclusion

This study concludes that the CSR model that can be implemented to resolve the COVID-19 impacts in global perspectives consists of some constructs, i.e. authentic and responsible leadership, corporate philanthropy, community engagement, charitable donation, poverty alleviation, efficient cost and budget management, and consumer behavior.

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