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Corporate Citizenship Amidst Covid-19: Paradigm Shift, Event-driven CSR or Opportunistic Promotion?

Venkataraman S ¹

Over the last several decades, the world has seen the widespread ill-effects of unbridled growth of businesses and industries – a growth without borders, and seemingly even without a conscience. In response, over the last few decades, the discourses surrounding corporate sustainability (CS), corporate social responsibility (CSR) and the triple-bottom line have gathered momentum, aiming to address the problem of rapidly degrading ecological conditions and widening social inequities and disparities.

The ongoing humanitarian crisis triggered by Covid-19 has further accentuated this issue. By June 2020, in less than five months since its outbreak, the pandemic had spread across 188 countries, infecting over 10 Million and leaving 500,000 dead and counting. The world was already witnessing unprecedented loss of jobs and the worst global recession since the Great Depression. Corporations, big and small, struggled to come up with an appropriate response. At one end, there were reports of global companies retrenching thousands over an online call. At the other, there were companies that insisted that even at evident cost of the company, there would be no layoffs. Between these two extremes, there were a range of options exercised by firms – from selective lay-offs to protecting blue-collar jobs to retaining jobs at lower pay. Some firms declared their inability to honour large scale commitments made at college campus, prior to the onset of the pandemic. In some jurisdictions, as Governments also engaged with some of these issues, seeking to influence corporate actions in this regard through the use of policy initiatives the scenario was rendered more complex. All this fuelled afresh, debates around the need for a more conscientious form of capitalism, a theme that had significantly emerged after the global financial crisis (Hart, 2010).

Beyond the issue of employee retention or layoffs, several corporates also sought to respond in a multitude of ways that engaged with problematic issues triggered by the pandemic. Some firms, anyway faced with a sudden deceleration in demand for their products devoted their production facilities for the production of protective resources such as sanitizers, masks and personal protective equipment (PPE). Some others donated or pledged monetary contributions to national funds aimed at pandemic related disaster alleviation. Some, particularly those engaged in pharmaceutical research, invested more resources than normal to enable additional and staggered production shifts with fewer people and additional sanitized transport facilities. Some firms donated their production for humanitarian causes. Some firms allowed some of their facilities to be used as quarantine centres to aid the Government efforts.

Even as companies, charities and NGOs all came forward to support the fight against Covid, at an aggregate level, it was not surprising that it was the largest firms that contributed the most. BSE/NSE listed companies contribute the highest Covid related CSR donations (37%), followed by private unlisted companies (20%). Much of the funding (48%) went towards the funds set up by Central or State Governments, followed by a 32% support towards other health related infrastructure and 25% towards medical supplies and equipment (CSRBOX, May 2020).

Table 1 documents the Covid-19 related responses and initiatives reported by several prominent Indian firms. The choice of these firms were anecdotal largely based on media reports, company websites, and CSR reporting forums such as CSRBOX, CSR Hub, (ET Government, 2020; CSRBOX,2020). Taken

¹Assistant Professor (Strategic Management), Indian Institute of Management Kozhikode
Kozhikode (Kerala), INDIA Email: venkat@iimk.ac.in, Mobile: +91-9748182481

together these range of responses reveal an interesting pattern. From this data (and other reports not cited here), it can be seen that the predominant response from Indian corporates has been one of donations in cash or kind. Evidently, these contributions appear to have typically exceeded by multiple times what would have been the respective business-as-usual charitable donations; to this extent, it therefore merits characterization as event-linked corporate philanthropy. Many firms also appear to have extended their resources and capability for producing equipment for preventing or treating Covid-19. For some firms like Unilever, additionally, the connect of the initiatives appears more integrated to the business, whereas some firms like Shell appear to have largely limited themselves to the philanthropic agenda. In the above cases and more, a perusal of company websites, clearly bring out that all the Covid-19 related initiatives are prominently publicised. Most companies have also disseminated the same through the media, whether as a matter of reporting or publicity.