

**Corporate Social Responsibility in the age of coronavirus:
Health Dimension as one of the CSR'S dimensions****Kechra Fatima Zahra ^{1♦}, Kerbouche Mohammed ², Bourezig Khaira³**¹ University of Mascara (Algeria), Fatima.kechra@univ-mascara.dz² University of Mascara (Algeria), m.kerbouche@univ-mascara.dz³ University of Saida (Algeria), bourezigkhaira@yahoo.com**Received:** 13/07/2021**Accepted:** 10/11/2021**Published:** 13/11/2021**Abstract:**

The purpose of this paper is to examine if the covid-19 crisis has an impact on corporate social responsibility CSR of firms (Health Dimension) in Algeria, the study draws on data from 115 firms listed in Algeria firms guide “ el-mouchir” from March 15th to July 15th 2020, using Social media and websites. The present study examines the effect of the Covid-19 crisis on CSR of Algerian firms, the finding supports a positive impact of Covid-19 crisis on CSR , the study also finds that Algerian firms have a high sense of social responsibility . The evidence also shows the great concern of Algerian firms in their employee’s health and their neglect of marketing research.

Keywords: Corporate Social Responsibility, Health Dimension, Coronavirus, covid-19 Pyramid.**JEL Classification Codes:** M14, P47

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1. Introduction:

For decades, *Corporate Social Responsibility* has been and remains one of the important topics discussed within the concept of corporate governance, and most research in this field has begun to shed light on corporate Social Responsibility or what is known as Corporate Social Performance (Wood, 1991, Turban and Greening, 1997) because of its clear impact on society, especially after the issuance of Bowel's book entitled "*Social Responsibility for Entrepreneurs*", then followed by the work presented by Edward Freeman, which established a new perspective in corporate governance called "stakeholders perspective" (Freeman and McVea, 2001). This new approach called on many international bodies such as the European Commission, the World Council for Business for Sustainable Development, the International Business Leaders Forum, and the ISO organization to adopt this concept, and that many countries have enacted laws on corporate citizenship and conservation on the environment. In order to pressure the multinational companies to control their influence and force them to respect the society in which they operate, but the application of this concept in a practical way remains relatively different from one country to another and from one institution to another, and it was not developed under real test proves its effectiveness until the world invaded Coronavirus.

Since the World Health Organization declared the Covid-19 virus as a global pandemic (Sohrabi et al., 2020) various countries of the world have taken a range of measures that have varied between general confinement, large scale shutdown of economic activity, and partial confinement. The great lockdown crisis caused a shock to the global economy, as global stock markets collapsed and the world's largest companies incurred heavy losses that led to many workers losing their jobs.

Under these circumstances, governments stepped in to revive the situation by providing aid, compensating for the damages caused by the health crisis, but this did not fulfill the purpose, so the responsibility of companies towards society became imperative to face the current situation, because we will not be able to get out of this crisis by harnessing one side only but with the concerted efforts of the public sector and the private sector side by side.

This crisis revealed the true image of companies and put them in front of a test to demonstrate the extent of their citizenship and their role towards society, and by the extent of their commitment to adopting the dimensions of the current social responsibility or adding other dimensions imposed by the current situation.

In this article, we try to highlight the role of the Corona pandemic in establishing the concept of social responsibility in corporate culture, and we will discuss the proposal of adding a fifth dimension to *Carroll's CSR Pyramid* which named "*Healthy Dimension*" by reviewing some Algerian companies like a model.

1. Literature background

1.1. Corporate Social Responsibility in the Age of Coronavirus

The impact of Covid-19 on the global economy is unprecedented since the Great Depression of the 1930s. (Euronews, 2020). The emergence of Covid-19 has posed many challenges for companies, especially with regard to corporate social responsibility. As it was reported that some companies or retailers tried to take advantage of this pandemic to gain profits illegally (Butler, 2020a, Butler, 2020b). During these tough times, when nations are under lockdown, economies are falling and common men are losing their jobs, it is of utmost importance on part of companies to adhere to the basic principles of the Triple Bottom Line (TBL) while carrying out their CSR activities. Under these circumstances, the role of companies in participating with the government machinery to implement welfare schemes for the needy under the CSR program takes precedence over earning regular profits (Mondaq, 2020).

Corporate social responsibility is not a new phenomenon, but it has not been given much importance in the company's decisions, as it is today (Sajjad et al., 2014). During the past decades, the concept of corporate social responsibility has evolved greatly and has become a prominent position in the business and academic community (Baughn et al., 2007, Hess et al., 2002, Smith, 2003).

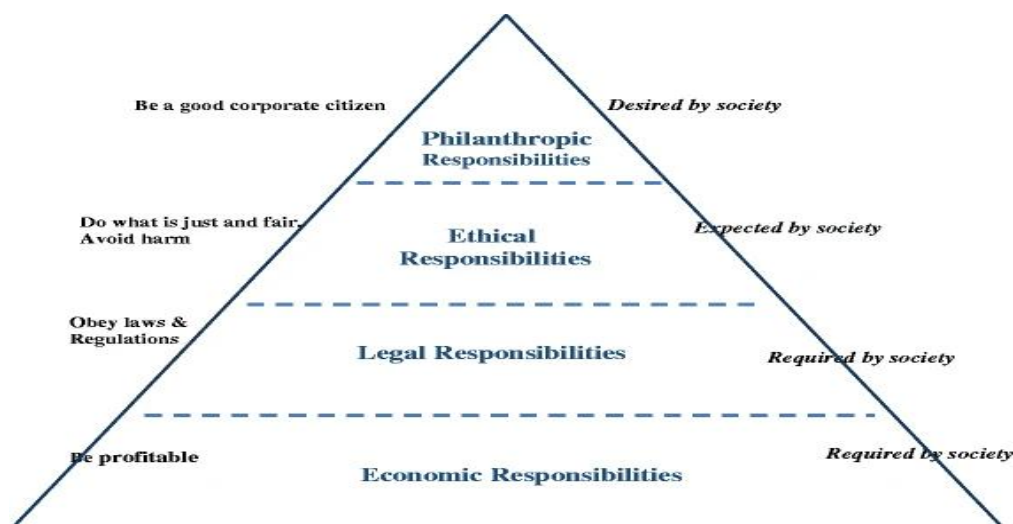
There is a difference of opinion regarding the definition of corporate social responsibility and the activities that make up the concept of corporate social responsibility (Dahlsrud, 2008). (Birch and Moon, 2004) point out: "There is no single model of corporate social responsibility around the world." In practical terms, where corporate social responsibility depends on the political, social, economic, and cultural conditions in which the company operates and also on the period and environmental variables in which these companies are located (Baughn et al., 2007, Chapple et al., 2005).

(Dahlsrud, 2008) conducted a recent study of 37 definitions of corporate social responsibility, which found that five dimensions were frequently used to define the concept of corporate social responsibility: the stakeholder dimension, the social dimension, the economic dimension, the voluntary dimension, and the environmental dimension.

Through this and in order to learn about corporate social responsibility, we find Carroll's pyramid of corporate social responsibility, which is the model that has both reflected, and helped to perpetuate business, legal, ethical responsibilities, and philanthropic. (Baden, 2016)

The pyramid of Corporate Social Responsibility is depicted in figure 1. It portrays the four components of CSR' beginning with the basic building block notion that economic performance undergirds all else. At the same time, business is expected to obey the law because the law is society's codification of acceptable and unacceptable behavior. Next is the business's responsibility to be ethical. At its most fundamental level. This is the obligation to do what is right, just, and fair, and to avoid or minimize harm to stakeholders (employees, consumers, the environment, and others). Finally, business is expected to be a good corporate citizen. This is captured in philanthropic responsibility, wherein business is expected to contribute financial and human resources to improve the quality of life (Carroll, 2016).

Figure 1: Carroll's Pyramid of Corporate Social Responsibility:



Source: (Carroll, 2016).

Under the conditions in which the world is living due to the spread of the Covid-19, which is behind the great lockdown crisis, we tried to add a new dimension to the corporate social responsibility dimensions that Carroll developed is the "Health Dimension". We called this new model "The CSR Covid-19 Pyramid" as shown in figure 2. The health dimension is for companies to take into account the health aspect in their activities and put it on their list of

priorities, and to take all necessary precautions to preserve of their employees and customers health, contribute to preserving public health, develop plans for preparedness and response to epidemics, and allocate expenditures to be deposited in saving packages in preparation for sudden health crises.

Figure 2: The CSR Covid-19 Pyramid



Source: By Authors

1.2 Health Dimension components

1.2.1. Health Marketing

Firms must fix the prices in times of the spread of diseases, and not raising them because of the urgent necessity, and work must be done to reduce the prices of necessary products. In addition to not monopolizing the material.

Managers of organizations and marketing teams must pledge to protect people from the virus scare, for example, UK manufacturing companies transformed their factories to produce ventilators, personal protective equipment, hand sanitizer, and so on, with some of them donating, instead of selling, these products(He and Harris, 2020). Executives must change travel policies in work assignments, and IT professionals prepare networks for the flow of work from home. Marketing teams must also prepare for changes, as they can prepare a way to deliver products cautiously and safely to their injured or vulnerable applicants, under the framework of “ Mobile marketing “ to avoid consumers leaving and mixing, especially when quarantine measures are taken, for example, supermarkets in the UK have allocated opening hours specifically for the elderly and NHS workers (He and Harris, 2020).

1.2.2. Healthy Employees Program

As a proactive measure, the organization must prepare a strategy for its workers, which includes how to maintain their health inside and outside the organization, through continuous subjecting workers to medical examinations in normal circumstances, even if the institution is a service because there are diseases that result from occupational tension or exhaustion at work. Furthermore isolating immediately workers with infectious diseases and allocating medical follow-up to them, while enabling them to receive their full wages in the first months of the injury if it was due to an external reason, but if it was due to toxic substances or pollution inside the factories, the organization must fully undertake the costs of treatment with the empowerment of wages and compensation. With the benefit of family members who were exposed to infection from the same factor.

Organizing periodic awareness-raising and awareness campaigns, especially about declaring disease or infection as soon as it is discovered.

Preferring employee health over profits, lucrative deals, and attractive offers, as Version company did, it has implemented a comprehensive coronavirus leave of absence policy. Those who contract the virus are eligible for up to 26 weeks of paid leave (Vegeo Eiris, 2020).

1.2.3. Healthy search engines

In the technological field, companies can assign research team to conduct research on consumer trends for health products and services, and to talk with customers about how to develop a pivotal strategy to ensure that companies do everything in their power to protect public health and provide health requirements.

1.2.4. Health advertisements

The company must present its marketing advertisements under safe and non-false health slogans. As for organizations working in the field of advertising and media, it is its social responsibility to conduct non-profit health-related advertisements in a free and voluntary manner, as did MC Donald's company when it sent the message to the society by bifurcating the logo 'm' divided into two parts n n. The two parts of 'm' represent the meaning of social distance. Similarly, the logo of Audi is represented by four separate rings and exploring the tagline to keep distance (Sourav Kumar Das and Nilanjan Ray, 2020).

We all believe that the corona wave included even children who are difficult to understand well, they need to know that self-isolation is not related to panic and fear, but rather a social responsibility that everyone must take seriously. One of the simplest ways to illustrate this is animation, which is widely shared via television or social media, as did the Arabic channel for children " Spacetoon ", it makes advertisements that contain animations hero putting masks.

1.2.5. Donations

Organizations must allocate a percentage of its profits that do not exceed a certain percentage specified in the international regulations for social responsibility, in this regard, Saudi Banks donated more than 160 million Rials, which went to the newly established Health Endowment Fund to combat the pandemic (Ouda, 2020).

2. Hypothesis development

Based on the previous section, extensive literature shows that the Corona crisis affects Corporate Social Responsibility. In this sense, the current research makes the contributions of empirically testing the effect of the Corona crisis on CSR of the Algerian firms. In line with the extant literature, the current study hypothesizes the directional impact of the Corona crisis on CSR of the Algerian firms. the study hypothesizes the subsequent based on inconclusive evidence of the association without predicting its direction:

H1. There is a positive impact of the Corona crisis on the Corporate Social Responsibility of the Algerian firms.

H2. Algerian firms have a high sense of social responsibility.

H3. Donations are considered as the most typical of involvements used by the Algerian firms to prove their social responsibility.

3. Methodology

A representative measurement of the involvement of firms on the pandemic must be based on a method of data collection (Abbas et al., 2020). Using content analysis, the study collects a data set covering the period of the pandemic of coronavirus from March 15th to July 15th, 2020. The study included 115 Algerian firms, which researchers selected randomly from the Algerian firm's guide « el-Mouchir » published on the Algerian Chamber of Commerce and Industry platform. The disclosure of self-reported release and media news exposure is a source of data in

this study. The researches related to the involvement of firms using the disclosure of annual report and social media have been used by scholars (Hassan and Lahyani, 2019).

The data analysis is made into three steps. The first step is identification. The activity exposes are searched by visiting the websites of each firm and viewing the web pages and utilizing the use of the tool of Google machine to get information about media exposure. Company names followed by the word of the Corona and COVID-19 are used as keywords to search. Second, we do classification. We review the actions of firms during the pandemic of COVID-19, then classify them according to *health dimension* components mentioned above, and reclassify them according to each component of *health dimension*. In the last step, we calculate the number of firms and their percentages for each form of involvement made by Algeria firms in the coronavirus pandemic period, which will be discussed below.

We identify 115 firms listed in Algerian firms guide “ el-Mouchir “. After we obtain 90 firms (38.8% of the total sample firms are public firms and 61.2% are private firms) involved revealed in the pandemic of COVID-19 (Table 1). The firms in our sample are chosen from important firms in various sectors. The firm classification of these 17 sectors is given in Table 3.

Table 1: identifications of firms

	Number of samples	Percentage
Involvement	90	78.26%
Non involvement	25	21.74%
Total	115	100%

Source: by authors

Table 2: firm's ownership

	Number of samples	Percentage
Public	35	38.88
Private	55	61.12
Total	90	100%

Source: by authors

Table 3: sample firms for various sectors

	Sectors	Number of samples
1	Apparels	1
2	Transport-tourism-transit-hotel	21
3	Automobile and Auto parts	4
4	Finance	13
5	Chemical and paint	6
6	Commercial trading	4
7	Consumer electronics	3
8	Diversified range of product	1
9	Coal mining and gas and oil exploration	1
10	Packed foods and personal product	14
11	Pharmaceuticals	7
12	Power	3
13	Textiles	1
14	telecommunications	3
15	The building, public works, and hydraulics	6
16	Media	1
17	Cement	1
	Total	90

Source: by authors

4. Result and discussion

The result of this study is presented in two discussions. First is CSR of Algerian firms based on “ *Health Dimension* “ and second the types of firm’s involvement in helping fight the pandemic of COVID-19 according to the *health dimension’s* components.

4.1. CSR of Algerian firms based on “ *Health Dimension* “ :

From Table 4 below, *healthy employees program* is considered the most applied component by Algerian firms at a rate of 55%, due to health measures imposed by the government during the coronavirus period, as it imposed a complete confinement in some states, partial confinement in others, and it stopped transportation to avoid the virus spread, in response to these measures and in order to ensure their workers safety some firms granted an exceptional vocation to a portion of their workers, others chose to change working hours, followed by *donations* component by 48%, then *health marketing* by 44%, *health advertisement* by 33%, and in last place *health search engines* by 1%, it ranked last because Algerian firms do not care to market research.

Table 4: Health Dimension in Algerian firms

Component	Number of samples	Percentage
Health marketing	40	44.44
Healthy employee program	50	55.56
Health search engines	1	1.11
Health advertisement	30	33.33
Donations	44	48.88

Source: by authors

Condor electronics is the only firm in the study sample that has adopted all *health dimension* components shown in the table above. However, other firms of which 41 offered one type of involvement most of which were donations, 32 offered two types of involvement, 10 offered three types of involvement, and 6 offered four types of involvement. The involvement type varies according to the firm’s activity and size. Large companies have made donations and have reduced their worker’s numbers. however, SMEs are content with fixing their prices, publishing videos on their pages on how to protect against Covid-19.

4.2. Types of firm’s involvement in helping fight the pandemic of COVID-19 according to health dimension’s components :

4.2.1. Health marketing:

We demonstrate the types of firms’ involvement during the pandemic as follows : During the quarantine period, service firms asked their workers to work at home under the “ *télétravail* “ context. Suppliers of basic products committed themselves to fixing prices and not raising them in the pandemic period.

Most firms have modified their marketing strategies in response to the pandemic, for example, use e-pay instead of cash to preserve worker and client health, delaying paying bills during quarantine, offering free services to some states that were under lockdown, increasing its production to combat materials scarcity.

Table 5: health marketing

Measures	Number of samples	Percentage
Work at home	4	4.44
Fixing prices	2	2.22
Modifying marketing strategies	34	37.77

Source: by authors

According to the table above, we note that most firms have deliberately modified their marketing strategies in response to the measures imposed by the government and in order to preserve public health. The second measure percentage was supposed to be the highest because most companies did not raise their prices due to the strict control imposed by the government on markets during the pandemic period, but these companies did not declare that. Work at home is uncommon in Algeria due to poor technology.

4.2.2. Healthy employees program:

Measures of this program in the Algerian firms are as follow:
Owing to an executive decree, public firms freed 50% of their employees and granted them exceptional paid vacation, unlike private firms that closed temporary their doors to preserve their worker's health. And as health measures, some firms have sterilized workplaces, examined employees, and modified work times.

Table 6: Health employees program

Measures	Number of samples	Percentage
Exceptional vacation	35	38.88
Temporary close	8	8.88
Health measures	25	27.77

Source: by authors

The holding of exceptional vacation is an expression of citizenship of public firms, this initiative has met with the approval of workers, the vacation included people over 45 years old, pregnant women, and people with chronic diseases, as well as about a third of the firms, imposed a set of measures to protect their employees. In this regard, *Sonatrach* is considered as the most citizen company as it sterilized workplaces, conducted medical examinations for its workers, and some of its employees benefited from exceptional paid vacation.

4.2.3. Health search engines:

This component includes a single measure which is research on consumer trends. As mentioned previously, *Condor Electronics* was the only firm within the research sample that did this type of research.

4.2.4. Health advertisement:

Under the concept of health advertising, Algerian firms have three type of advertisement:

- Advertisement under healthy and safe slogans
- Advertisement directed to children
- Advertisements about virus protection

Table 7: Health advertisement

Advertisement type	Number of samples	Percentage
Health advertisement	2	2.22
Children advertisement	2	2.22
Advertisement about virus protection	28	31.11

Source: by authors

About a third of firms under study prepared advertisements about virus protection and published them on their websites. For children's advertisement, *Mobilis* in cooperation with *el-Bilad* channel prepared animations aimed at urging children to adhere to virus prevention measures. *Nike* and *Coca Cola* change their slogans to raise awareness of the importance of social distancing.

4.2.5. Donations:

The donations made by Algerian firms during the pandemic period were:

- Donating funds of million of Dinars.
- Providing medical supplies and vehicles.
- Distributing, nutrition products, face masks, and sanitizer.
- Supplying food.
- Conducting disinfectant fluids for cleaning public places.
- Giving self-protection assistance tools.
- Providing free access internet.
- Giving the evacuating place for treating the infected victims.

Table 8: Donations

Type of donations	Number of samples	Percentages
Donating funds of million of Dinars.	6	6.66
Providing medical supplies and vehicles.	12	13.33
Distributing, nutrition products, face masks, and sanitizer.	25	27.77
Supplying food.	30	33.33
Conducting disinfectant fluids for cleaning public places.	4	4.44
Giving self-protection assistance tools.	10	11.11
Providing free access internet.	3	3.33
Giving the evacuating place for treating the infected victims.	17	18.88

Source: by authors

The types of donations differ according to firm activity, its financial capacity, and its size, for example, finance institutions donated funds of money, food firms donated food, tourist firms used their hotels as quarantine center, pharmaceutical firms gave medicines and protection assistance tools, telecommunications companies provided free access internet, public works firms have sterilized streets and public places.

5. Summary and conclusion

The impact of Coronavirus pandemic on CSR has been investigated in several studies (Ahmed Abas et al (2020); Vigeo Eiris (2020); H. He, L. Harris (2020); Ahmed Husain Ebrahim, Mohamed Buheji (2020)), but these studies dealt with the impact of the corona crisis on CSR in general. In our study, the *Health Dimension* was focused on because of its close relationship with viruses and diseases. In this regard, three main hypotheses were examined.

First, it has been proven that the Corona crisis has greatly contributed to the need for CSR in addressing the pandemic with the government to return to society what took from it. This result is consistent with the study of H. He, L. Harris (2020), this study discussed the impact of Corona pandemic on CSR by presenting a set of initiatives undertaken by British companies.

The second hypothesis suggested that Algerian firms are citizen firms, as CSR is a religious and ethical requirement before it is an economic responsibility, as approximately 80% of the study sample performed their duty and proved their citizenship.

Moreover, *healthy employees program* ranked first among the measures taken by the Algerian firms within the framework of *Health Dimension*, this finding contradicts the third hypothesis. The *Donations* component is affected by disclosure, as many Algerian firms gave significant donations, but did not disclose this for religious reasons.

As with all empirical studies, the current research has several limitations, and overcoming these can be a guide for future research. First, the data are based on the *health dimension*; therefore, the research is exempt from other CSR dimensions. Future research could combine all of CSR's dimensions. Second, this research is limited to Algerian firms. Future research should

consider different countries, inter-differences with medium- and large-scale firms, and private and public undertaking firms.

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