



Challenges for corporate social responsibility practices

Desafios para as práticas de responsabilidade social corporativa

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Abstract

Corporate social responsibility (CSR) is an expression used by companies to show that they are aware that their role in society or in the community in which they operate is not just to seek profit. According to the European Commission (2011), corporate social responsibility is defined as "the responsibility of companies for the impact they have on society. The pandemic has challenged many companies and economies and affected millions of people, emphasizing the need for collaboration and alignment between economic activity and human needs. It is time for all companies to put into practice actions that honor the purpose and organizational values that are intrinsic to their "personality" and that reflect the willingness to work with others to solve the great problems of our world, simultaneously building and building trust, much needed in our society. To analyze the challenges facing social responsibility practices, a qualitative methodology was used, through the literature review method, using various sources: scientific articles, legislation and other technical-scientific documentation. This descriptive article contributed to the debate in which CSR is a matter of attitude, apart from the fact that each company does what it can according to its resources; because it is not a matter of social action, but of social responsibility. The social responsibility is a more global and larger concept than social action. The main conclusion suggests that the actions that

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business leaders take today will be decisive so that, in the near future, they can look back and feel proud and satisfied with what they have done. What is done today, in terms of social responsibility, will define the value and reputation of the company, strengthening its purpose and values. It is therefore an investment worth betting on. The Sustainable Development Goals (SDG) are also an opportunity for companies to expand Corporate Social Responsibility (CSR), an initiative that constitutes one of the global efforts to translate sustainable development into something concrete and measurable.

Keywords: Corporate Social Responsibility. Resilience. Sustainable Development Goals. Uncertainty. Pandemic.

Resumo

A responsabilidade social empresarial (RSE) é uma expressão utilizada pelas empresas para demonstrar que estão conscientes de que seu papel na sociedade ou na comunidade em que atuam não é apenas a busca do lucro. Segundo a Comissão Europeia (2011), a responsabilidade social corporativa é definida como “a responsabilidade das empresas pelo impacto que têm na sociedade. A pandemia desafiou muitas empresas e economias e afetou milhões de pessoas, enfatizando a necessidade de colaboração e alinhamento entre a atividade econômica e as necessidades humanas. É chegada a hora de todas as empresas colocarem em prática ações que honrem o propósito e os valores organizacionais intrínsecos à sua “personalidade” e que traduzam a vontade de trabalhar em conjunto para resolver os grandes problemas do nosso mundo, construindo simultaneamente e construindo confiança tão necessários em nossa sociedade. Para analisar os desafios que se colocam às práticas de responsabilidade social, foi utilizada a metodologia qualitativa, através do método da revisão da literatura, com recurso a diversas fontes: artigos científicos, legislação e outra documentação técnico-científica. Este artigo de natureza descritiva contribuiu para o debate em que a RSE é uma questão de atitude, além do fato de que cada empresa faz o que pode de acordo com os seus recursos porque não se trata de ação social, mas de responsabilidade social. A responsabilidade social é um conceito mais global e amplo do que a ação social. A principal conclusão sugere que as ações que os líderes empresariais tomarem hoje serão decisivas para que, em um futuro próximo, eles possam olhar para trás e se sentir orgulhosos e satisfeitos com o que fizeram. O que se fizer hoje, em termos de responsabilidade social, definirá o valor e a reputação da empresa, fortalecendo seu propósito e seus valores. É assim um investimento em que vale a pena apostar.

Também os objetivos de desenvolvimento sustentável (ODS) constituem uma oportunidade para que as empresas ampliem o âmbito da Responsabilidade Social Empresarial traduzido por um esforço global e concreto na quantificação do desenvolvimento sustentável.

Palavras-chave: Responsabilidade Social Corporativa. Resiliência. Objetivos de Desenvolvimento Sustentável. Incerteza. Pandemia.

Introduction

It is early to assess all the social, political and economic impacts of the crisis generated by Covid -19 at a global level, no matter how much they are beginning to be noticed. Although some voices have launched to predict what the world will be like from now on (Han, 2020), ignorance of the disease, despite scientific advances, there are no particularly privileged or safe positions, and uncertainty continues to be the protagonist.

The covid-19 crisis has led companies to accelerate their CSR programs. Thus, they stop being just an added or reputational value to become pillars of the reconstruction of the economy.

According to the Corporate Reputation Monitor (Merco), CSR "goes far beyond donations and public relations." It went from being seen as philanthropy to being understood "as the commitment of the company to maintain a self-demanding corporate behavior with all its stakeholders: the community, employees, suppliers, etc."

The crisis as a consequence of the pandemic caused by Covid-19 has decisively and unexpectedly affected the different social subjects. Speaking of reputation, individual crises are distinguished, those in which a company makes a mistake or has a problem and needs to have a response and recovery strategy for its reputation; general or collective crises, in which the problems do not come from the company but from the outside, which is affected by impacts of a diverse nature, such as a pandemic.

Summary Theoretical Framework

CSR arose from the need to integrate concerns of a social and environmental nature into the agenda of organizations, in the name of a more open, humane and transparent way of doing business. Since the 1950s, many authors have studied the topic, which ceased to be

associated with the ideas of philanthropy and charity and became part of the strategic planning of many companies.

Dahlsrud, in 2008, identified 37 CSR definitions in the literature, which he concluded were predominantly congruent. Carroll & Shabana (2010) refer that the dominant concept in academic literature and in business practice is called “Corporate Social Responsibility”, which refers to the management of the impacts of business activity in the economic, social and environmental dimensions (Dahlsrud, 2008).

2.1 Carroll's Model

From the author's perspective, the definition of social responsibility encompasses a set of obligations that organizations have towards society: economic, legal, ethical and discretionary responsibilities. In 1991, Carroll revised his proposal, starting to include the discretionary dimension of philanthropy. In his article *The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders*, he proposes that the listed dimensions be represented in the form of a pyramid. At the top are Philanthropic responsibilities, then Ethical responsibilities and legal responsibilities, and at the bottom are Economic responsibilities. The philanthropic dimension is based on a degree of voluntarism, making part of its financial or human resources available to improve the quality of life of the community (Carroll, 2000). The four dimensions are correlated and interdependent, constituting different facets of corporate citizenship.

2.2 Sustainability Tripod

Through a model of sustainable economic development it is possible to achieve greater social equity, alleviate poverty and preserve species and natural habitats (Mebratu, 1998). It is about offering communities, today and in the future, the ability to reach a satisfactory level of human and cultural achievement, making sustainable use of natural resources. As early as 1987, the Brundtland report stated “development that seeks to meet the needs of the present without compromising the ability of future generations to meet their own needs”.

2.3 Creating Shared Value

Porter and Kramer's (2011) proposal is based on the idea that the social and economic objectives of companies do not have to be conflicting. Consequently, the authors state that when designing a CSR strategy, one should not only consider whether or not a given cause is socially relevant. It is necessary to consider whether actions are based on developing a propensity to create shared value, that is, an added value for society that is equally beneficial for the organization.

Organizations should seek to intervene in social issues that are intuitively related to their business area. In this way, they will benefit from an increased ability to maintain a long-term commitment to solving the problem adopted, given their knowledge of the area in question and the effectiveness and adequacy of their resources (Cochran, 2007; Dawkins and Lewis, 2003). Therefore, one should seek to explore the synergies between the economic and social domains of business activity (Carroll and Shabana, 2010).

Traditionally, the opinion formed in relation to a certain organization was based on dimensions such as the quality of its products and services or its financial performance. Today, other factors are considered, such as the treatment of employees, the company's involvement with the community or ethical and ecological issues (Dawkins and Lewis, 2003). The paradigm shift is a reality, companies serve their best interests when they look after the interests of society (Argenti, 2014).

Value creation happens when there is integration of the company's economic interests with the needs of a broader set of stakeholders, which include sustainability interests (López et al., 2007). The literature polarizes between the argument that CSR implies a displacement of scarce resources, which entails additional costs for the company, and the argument that CSR constitutes a strategic management tool, which allows the creation of tangible and intangible value. (Magnanelli, 2017).

In Elkington's (1997) approach, companies should base their performance on three different aspects (TBL-triple bottom line). The traditional measure of profit (P-profit), being socially responsible throughout all its operations (P-people) and finally being an environmentally responsible company (P-planet). "Only a company that produces a TBL is taking into account the total cost involved in doing business" (The Economist, 2009).

Methodology

Qualitative methodology covers a wide range of data collection practices and non-statistical research techniques. Among the qualitative methodologies, we chose to resort to bibliographic consultation. In the perspective of Aaker et al.(2004), “qualitative data are collected to know more about things that cannot be directly observed or measured”.

The consultation of documentary sources in the investigation of corporate social responsibility suggests that there is a significant variety of works that use an essentially qualitative methodology.

The study of corporate social responsibility and the pandemic is based on research using thoughts, intentions and behaviors as in other areas of knowledge, therefore, qualitative data is collected and qualitative research is used, because this“ provides a better view and understanding of the context of the problem” (Malhotra, 2001).

In summary, the methodology adopted was qualitative and the research method was document consultation using scientific articles, legislation and other technical-scientific documentation.

Analysis and Discussion

3.1 A new vision in corporate social responsibility

The main challenge that socially responsible companies face in a post-coronavirus scenario is, essentially, the same as in the period of the health crisis: guarantee the survival of the company while maintaining the values and principles on which its identity is built.

There are three reasons that explain why socially responsible companies must behave with integrity at times like this: first, because any "ethical blackout" in these circumstances will entail a cost in the short, medium and long term (Corporate Excellence, 2020; Fontrodona & Sanz, 2015); second, for pure internal consistency with the freely acquired principles and commitments, largely translated into meeting the needs of all stakeholders (World Economic Forum, WEF, 2020); third, and above all, because a context of crisis like the present also represents an opportunity for change (Courtice, 2020).

In an environment of instability and unpredictability, companies face the challenge of adopting new strategic positions and devising new ways to create value and explore market

opportunities, at the risk of losing competitiveness and their value proposition, losing the interest of their groups. of interest.

For business continuity, companies must act with a sense of responsibility and be creative when designing a viability plan for their business after Covid-19. Companies will have their business model and cost structure, with committed expenses and forecasts that will need to be reviewed after – in many cases – a few months of inactivity. The pressures to face both the financial tensions in the short term and the revision of objectives and trade relations in the medium and long term will be enormous. Regardless of the aid they may receive from governments and public institutions, companies must decide where to cut expenses and how to achieve new income, both in the short and long term, actions that some voices define as defensive and strategic objectives.

We are going through a crucial moment for these organizations to demonstrate that they are truly committed to environmental, social and governance sustainability practices that are part of the Environmental, Social and Governance (ESG) criteria. Authors such as Clarkson (1995), Swanson (1995) and Wood (1991) ensure that corporate social responsibility includes four components: economic responsibility towards investors and consumers; legal responsibility to government, ethical responsibilities to society, and discretionary responsibility to the community.

In reality, CSR practices contribute, among other things, to reducing risk by anticipating it through the control of impacts on society.

3.2 Resilience in corporate social responsibility

In business terms, being a resilient company implies having the capacity (in terms of knowledge, skills, and attitudes) to survive changing, unpredictable, or directly unfavorable situations. Promoting business resilience requires drawing up a business continuity plan appropriate to the exceptional circumstances present (Davidson Institute, 2020; NG, 2020). The main objective of this business continuity plan is to facilitate decision-making in a context of high risk (Davidson Institute, 2020, p. 1).

Social responsibility is not an obstacle to business resilience. On the contrary, it can help define and direct it. In the same way, it can be assumed that the resilience expected from companies will offer new coordinates to corporate social responsibility. It is possible, for example, that one of the most notable effects of the virus is a change in business culture, a transition that puts competitiveness on the back burner and instead favors cooperation. Just as

many voices called for solidarity at all levels in the face of the health crisis, companies can also reap the benefits of closer cooperation to deal with the effects of the economic crisis.

Business management in a post-Covid-19 scenario should focus on achieving business resilience that ensures the viability of the business in the face of uncertainty (Joshi, 2020). According to Reese, Lang and Carlsson-Szlezak (2020), there are six principles that can help guide business action in this new horizon: availability of resources, diversity, action in modules, constant evolution and learning, foresight and cooperation.

Sustainable Development Goals (SDGs) and CSR

From Ramacha's Perspective (2017), there are some aspects of CSR that can be useful for the implementation of the SDGs in companies.

- Corporate culture: codes of conduct, ethical codes and values that are instilled in employees facilitate the creation of a social conscience that allows the work environment to be a space in which promotes cooperation and the collective enrichment of society. This similarly, if there are strong values of solidarity and collaboration rooted in the company, it will be easier for it to redirect its strategy according to the goals established in the SDGs.
- Identification and monitoring of the company's impact on society: once that culture is established, the company will establish a series of mechanisms that facilitate the identification and monitoring of the repercussions of their activity on the society. Thus, depending on its activity, it will establish management systems that make it possible to measure, even indicatively, the positive or negative of their actions in the environment, which will be very useful to measure their impact on the SDGs.
- Corporate compliance: another of the main objectives of CSR is to achieve that the entire company participate and respect the measures that are imposed to achieve a more ethical operation of the company because it is useless develop codes and standards of conduct if they are not to be used. To achieve this, it requires not only a mandatory nature of the measures for employees, but an internal communication system that is fast and direct and facilitates the goal alignment. These needs apply equally to the SDGs, if they are not get everyone's collaboration, it is impossible to achieve it, therefore, both can benefit from the same communication systems.
- Dialogue with stakeholders: one of the main characteristics of CSR it is his concern for the well-being of all the agents with whom he is related The company, whether to a greater or lesser extent, valuing the opinion of all involved, from employees and investors, to suppliers and customers. This quality leads the company committed to

CSR to establish mechanisms that allow fluid communication with all these stakeholders, taking into account their comments when developing their strategies and improving the relationship between them.

- **Intersectoral alliances:** as it happens at the internal level, it is essential that the companies in the same sector have communication systems that facilitate communication alignment of interests and social and environmental objectives between them, being able to even share resources and knowledge and thus achieve that their impact in society is older. The collaborations that have been established with other companies in the sector based on their CSR initiatives can probably include in its purposes the achievement of some SDG.
- **Due diligence process and transparency:** the commitment to work well this fact leads companies to take the necessary measures to guarantee that in each phase of the process complies with the standards established both externally as internal. It is common, for example, to carry out a process of due diligence in mergers or acquisitions operations, although the companies that have internalized CSR as a fundamental part of their organism also take this types of preventive measures when carrying out any other operation, which facilitates control by managers and the process of identifying irregularities.

For Buhmann, Jonsson, & Fisker (2019) the SDGs institutionalize a new paradigm, in which the market's duty to contribute to sustainable development is recognized, alongside civil society and the State, with emphasis on goal 17.

For the SDG Compass (2020), a guide that offers tools and knowledge to place sustainability at the center of companies' strategy, there are five steps that support companies to maximize their contribution to the SDGs. The first step is to understand the SDGs, as well as the opportunities and responsibilities they represent for the business. The second step assists in defining the priorities on which the company should focus its efforts. The third step acts in the establishment of goals and must be incorporated directly into the results of the impact evaluation and in the priorities stipulated in the second step. The fourth step is responsible for integrating the SDGs into the business strategy and incorporating the goals into the company's functions. Finally, the fifth step outlines the actions required for reporting and effectively communicating performance in meeting the SDGs.

In accordance with the adoption of the 2030 Agenda for Sustainable Development, the seventeen sustainable development goals (SDGs) encompass the economic, social and environmental spheres. If any company, whatever it is, directs its vision and mission towards

the SDGs, it becomes an actor of a positive change; he empowers himself, transitions from a passive position to a proactive attitude in which he acquires responsibility for his own destiny and ensures his survival over time. Furthermore, by embracing one or more of the SDGs, you transform your corporate culture and improve your image in front of your customers, distinguishing yourself from your competitors.

The supposed link between CSR and the SDGs of companies allows us to talk about:

- Proximity, a point of proximity is established between the two, since it is assumed that the SDGs constitute the next level in terms of responsibilities and functions of the company.
- Coincidence, they share different lines of action (from the social, environmental, ethical perspective...), in such a way that some CSR policies followed by the company coincide with some goals established in the 2030 Agenda.
- Integration, the SDGs complete, expand and give continuity to the company's vision and CSR actions.

Considering as a central idea the empowerment of the company with the convenience and common need to protect public health, every company needs to incorporate SDGs 13 and 15, in the daily management of their activities to increase their competitiveness, to improve their image and reputation. We live in a time in which the virtual is privileged and business intangibles are worth more than ever. The "pre-Covid" paradigm no longer exists, let's assume that it is possible to contribute to aligning the efforts of companies with broader objectives with a rate of return for both the company, the environment and the global society in which we all win.

Cheu (2020) in his study identifies and suggests hypothetical correlations between the spread/containment of the virus and the implementation of the culture and practice of social responsibility at different levels of government. "The first hypothetical correlation has to do with the geographical context in which the first contagion of Covid-19 was verified. That the virus initially spread in China, from my point of view, was not a fluke. Thus, my first correlation hypothesis is the following: zoonotic diseases are more likely to originate in those countries where the culture and praxis of corporate social responsibility are in an embryonic state".

Final Considerations

There is great pessimism about the future of the economy and concern about the imminent recession. This state of mind also extends to the sphere of the domestic economy, affecting the forecast of future purchases, especially with regard to durable goods, travel and tourism or financial products.

The Covid-19 crisis was a turning point in the world of advice. Digitization, which was already beginning to play a relevant role, is going to take a huge qualitative and quantitative leap in the management of all the processes that support it. Additionally, this crisis caused by the pandemic highlights the importance of managing non-financial risks, where social issues are going to be an absolute priority.

To carry out a good integration of social responsibility within the company, it is important that the governing bodies see it not as a mere marketing strategy, but as an engine of growth and generation of value for shareholders, stakeholders and society in general. Systemic change and cultural transformation are long processes and not necessarily linear. However, highly disruptive situations, such as the Covid-19 pandemic, require an accelerated change in mentality, in which resilience and the search for more harmonious methods of coexistence will be key elements for the survival of companies, societies and States.

We are witnessing changes in behavior that economic globalization normalized and the truth is that the pandemic has affected countries differently. The biggest challenge of all is that all the initiatives that companies around the world carry out are really conscious and that they remain at the core of all businesses, not only as a response to the crisis. Of course, businessmen are also required to face the great social challenges that we are experiencing and those that are to come, considering link between CSR and the SDGs as an effective practice that society demands in a context of change in which Heraclitus's maxim prevails "Everything changes things change and we change."

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