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## Social Responsibility while Pandemic

Angela Luminița MOLDOVAN, Liliana PETER

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## Social Responsibility while Pandemic

Angela Luminița MOLDOVAN<sup>1</sup>, Liliana PETER<sup>2</sup>

### *Abstract*

*While there is a pandemic the population awaits the most measures to be taken by the authorities. The authorities make certain political and economic calculations and intervene either with delay, or even not at all. The confuse situation emerges because of incompetence, unconsciousness and ignorance.*

*Where the authorities do not succeed, the NGOs, the mass-media, the brands or associations and foundations step in and try to troubleshoot the problems. All the attention must be directed to the healthcare system through material, financial and spiritual support. Every person who wishes to help has different priorities determined by their life experiences. Empathy and compassion represents the motivation for a socially responsible behavior.*

*We can never be prepared enough to efficiently manage an eventual pandemic, but the more we manifest this socially responsible behavior, the more we realize how good it is to us and we will try to act more often in the society.*

**Keywords:** *social responsibility; pandemic; population.*

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<sup>1</sup> Valahia University of Târgoviște, România, [durneaangela@yahoo.com](mailto:durneaangela@yahoo.com)

<sup>2</sup> Valahia University of Târgoviște, România, [lili\\_inv@yahoo.com](mailto:lili_inv@yahoo.com)

## **1. Introduction**

While facing a pandemic generated by a virus, we are provoked to think about how we could take some social responsibility measures in our community. In isolation, confusion and stress we rapidly take decisions for the existential change and social transformation.

## **2. Theoretical Background**

Social responsibility finds its origins in 1930-1940, but it is perceived as a field of research only a few years later. Literature distinguishes 4 phases of the domain's publications:

- Gestation and innovation, in the 1960's;
- Development and expansion, 1972-1979;
- Institutionalization, 1980-1987;
- Maturity, 1988-1996.

## **3. Argument of the paper**

A pandemic is the worldwide spread of an unknown disease where most people do not have immunity. The total number of people who become seriously ill varies from country to country. The impact or severity tends to be greater in pandemics when most of those infected need to be hospitalized and thus the blockage of the health system occurs. Thus, the prompt intervention of the authorities helps to minimize the effects. But the state is not always ready to intervene, nor do the reserves cover the needs in such situations, and resort to social responsibility, help from other organizations, companies, individuals, brands and mass-media.

## **4. Arguments to support the thesis**

The concept of social responsibility designates the liability that the organizations must assume to the ones that call for help, but also the companies' obligation to respect the legal and ethical norms both in the public and private sphere. The assumption of this liability requires the tools to assure the compliance of these legal and ethical norms, such as conduit codes and principles, indices of performance and quality management, reporting models, guides of implementation, and manifest through social responsible politics and practices.

In essence, the social responsibility designates an attitude towards the society through which the obtaining of success is made by either respecting the law, or by having and ethical behavior, according greater attention to the nature and by taking into account the needs and interests of everyone.

The European Union defines social responsibility as ‘a concept through which a company voluntarily integrates the concerns towards the social and environment problems, in business operations and in interactions with partners of interest’ [1: 47].

## 5. Arguments to argue the thesis

The main social responsibility actions made by companies around the world are:

- The donation is the classic method in which a company offers financial support.

The donation can be part of the social responsibility strategy of the firm or can be an isolated charitable act. The donations can be made in money (i.e. the company offers money to a program for helping homeless people) or in construction materials, for those who are in disaster areas, or in food. The donations can also be products or services (i.e. an IT company donates computers for rural schools; a telecommunication company offers special telephone line for helping fundraising etc.).

- Philanthropic actions are a way through which companies contribute directly, with money or products, to help a cause. The philanthropic actions are the oldest type of initiative. For a long time, companies had scattered and random contributions. Lately though, there is a tendency to align these contributions with the general business strategy. Thus, companies:

- choose their causes which they support according to the business objectives;
- tend to more likely enter in long term partnerships ( with an NGO or an institution ), than to have a formal implication in the cause;
- expand their options to donations, from money to other resources ( i.e. excess products, technical expertise, offering distribution channels etc.);
- involve their employees more in choosing causes.

Philanthropic activities can take many forms:

- Funding (i.e. the company launches its own financing program to which environment NGOs can place projects);
- Scholarships (i.e. the company initiates a study scholarship program for the disadvantaged students);
- Expertise offering (i.e. a company with medical profile can help in making of informative materials for drugs);
- Access to distribution channels, locations or the company's equipment (i.e. a transport firm gives its cars to take products to the disaster areas; a petrol station offers containers to collect used motor oil etc.).

When are philanthropic actions adequate? Usually when the company wants to strengthen the brand position. The cause in which a company decides to invest transmits one of the most emotional messages about that brands' company. This cause can become a valid argument in communication about the brand.

- Sponsorship is another classic method of financial support, which brings advertisement and is taken from the taxes in a certain limit;

Social responsibility can represent the sum of some donations and sponsorships from a long term strategy. Although they assume a greater effort, benefits in the plan of image is considerable. At the current time, the success of companies depends directly on the trust that the community gives mass-media or partners. Without this trust, the company is taking more risks. For example, it becomes vulnerable to some protests from some groups or activist organizations; it damages its relation with the authorities and with partners, which will not want to put in danger their public image by associating with a company that has debatable practices. Not the least, journalists and opinion leaders will tend to be more virulent in their attacks (sometimes intentional and false) at the company.

On the other hand, in the case of a company which demonstrates its responsibility towards the community, the good reputation benefits have immediate consequences.

Thus [2: 76]:

- 61% of the opinion leaders from around the world are willing to recommend the products to a responsible company;
- 84% of Americans consider that social responsibility is important when they think about the companies which they agree to see operate in their community.

Therefore, for numerous companies, social responsibility represents a component of the trademark, what allowed these to get into markets with

a growing demand for products and services based on value. As such, the implication in these accountability activities leads to:

**1. *Winning and maintaining a 'social license' for operations***

For companies in search for resources, a socially responsible activity determines obtaining the so called social license which permits the continuation of the activities and even their development. The failure in obtaining the community's support or, even worse, attracting contempt or the disapproval of the non-governmental community can lead to the cost increase through extending the terms for according approvals to run a business.

**2. *Reduction the risk of afferent business***

In the conditions of a market with growing complexity, with a more intense monitoring of the company's activity by the stakeholders, risk management becomes essential for the success of the business. Companies start to understand that if they do not invest time and resources to understand the expectations of the stakeholders and to bring these concerns in the foreground, it can get to a risk increase of the business terms of postponing and cancelling projects, the lack of communication in public relations or prejudicing the company's reputation.

**3. *The motivation and productivity of the employees***

A big number of companies have reported that their programs in the domain of social responsibility had as an effect the increase of the morale and motivation of the employees, these becoming an increase in productivity. The employees' favorable practices of personnel demonstrate that they matter for the company, this fact leading to the increase of productivity. Also it has been seen that the employees are interested in the social responsibility projects and that it is important for them if they can directly implicate in these initiatives. Such projects contribute not only to the growth of employee motivation, but also to strengthen the team spirit and communication between them.

**4. *Attracting and maintaining the employees***

For every company which works in a powerful competitive environment, the attachment towards the employees' brand is essential. And this attachment is not obtained just through salaries, but mostly through the accent put on the values of the brand. More and more the employees feel the need to be proud of the company they work at.

Thus [3:19]:

- 78% of the American employees prefer to work to a company seen as ethic and with a good reputation rather than at one with a bigger salary;
- For 81% of the Americans the responsibility of a company is an important decisional factor when they choose a job.

In other words, it was demonstrated the fact that the firms with a strong social responsibility or reputation in the domain of business sustainability often achieve the recruiting and keeping the great employees on markets with an intense competition.

***5. The social responsibility programs contribute at the differentiation over the competition and obtaining the loyalty towards the brand.***

There are two factors that make from social responsibility a redoubtable weapon in the construction of a brand:

- consumers have become more informed, more capable to express their opinions and more preoccupied of health subjects, environment matters and social problems;
- the market has become more and more busy and brands were forced to find new and more relevant methods to build emotional bonds with the public.

Because they answer right this type of emotional bonds, the social responsibility programs are a good opportunity to communicate the values of the brand in a memorable way. The studies have also shown that when they need to choose between similar products, the consumers' preferences lean towards the brands seen as "responsible".

Therefore [4: 78]:

- 70% of the European consumers consider that the responsibility of a company is important to decide whether to buy a product or a service;
- 86% of Americans lean towards changing a brand to another similar one because of a social implication.

***6. Competition in the case of resource access***

'A good tradition in the management of social and environment performances and a demonstrated wish to cooperate with stakeholders in their concerns can increase the rate of success in the competition with other companies for the access to resources such as energy, minerals, forests'. [5: 63]

Therefore, companies with a good reputation will have more opportunities than competitors in terms of resource access.

### **7. Market and client access**

A big number of companies have affirmed the fact that investments in social responsibility have as an effect the improving of market access, including the growth in clients' loyalty, diminishing of the company's safety position on the existing markets and the increase of attractiveness for new markets.

As such:

- Analysts have shown that social responsibility programs had a 20% direct contribution in the increase of profitability and also had a 25% contribution at the positive impact over the satisfaction of the company's clients

### **8. Costs reduction**

An important number of companies have reported that their programs in the domain of social responsibility have led to the reduction of costs and through this at the increase of the financial performances. The majorities of these were linked to the environment programs and refer mostly to the cost reduction regarding energy.

### **9. Stimulates the innovation and generates ideas**

Examining the business' core through the prism of social responsibility, companies have identified opportunities for innovation and development of new business possibilities. It can be said that the employees who are pleased with the work they do and perceive the fact that the employer respects and recognizes their contribution to the workplace tend to become more creative and more delicate to developing a solution to the problems they are facing.

Professor Gh. Ionescu identifies, apart from the benefits stated above, others such as[6: 51]:

- Satisfying the changing expectations of the stakeholders
- Improving the relationships with the stakeholders
- Supplying of valuable data for strategic planning
- Better relations with regulatory bodies

Taking into account the variety of benefits that can be associated with social implication of the company it is found that, globally; social responsibility has already become a part of daily business. Worldwide famous companies invest in this type of programs an important part of their Fiscal value. The allocated budgets by the organizations for the development of partnerships with the community often touch odds that, at first sight, may look dizzy. These sums represent though, in the vision of the managers of these organizations, a long term investment, with significant results for the business.



All the current social responsibility activities imply high costs and offer power to the ones implementing them.

## 6. Dismantling the arguments against

Social responsibility was punctuated by the question asked by specialists: why would you do good? A clear explanation is that of Kotler and Lee: similar to the situation with the human body, they say that, as human health professionals recommend doing sports to feel good and live longer, a socially responsible company can look better and live longer. Such participation in the community life will "look good" in the eyes of potential customers, investors, financial analysts, business partners, in annual reports, at news, etc [7: 10].

## 7. Conclusions

As a conclusion we can affirm that the 21<sup>st</sup> century will be for companies that activate in tough competitive environments 'the century of responsibility'.

Motivations for the accession to the social responsibility principles:

- the increase of concerns and expectations of citizens, consumers, public authorities and investors in the context of globalization and of large scale change of the industry;
- the social criteria influences more and more the decision of both the individuals, and the institutions to invest;
- the raise of concerns on the negative effects of the economic activities over the environment;
- the need of transparency of the companies' activities;
- the need of transparent and trustful practices of social responsibility;

In times of pandemic, it is important for each of us to help, to get involved and by our own example to urge other people to do the same. It is a challenge that only we can overcome together, each of us being involved to the best of our ability.

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