CONTENT ANALYSIS OF EUROPEAN CORPORATE RESPONSES TO COVID-19 PANDEMIC

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ABSTRACT

Objective: This paper examines the role of European multinationals in battling the effects of the COVID-19 pandemic, by analyzing their utilized mechanisms for response and actual corporate responses towards their primary stakeholders.

Method: This study applied manual content analysis to the disclosures of the first 25 European corporations listed on the Fortune World Most Admired Companies, by investigating their newsletters, press releases and reports published on their websites.

Results: The findings of this research pointed out that sampled corporations have partnered with various external bodies and capitalized on their internal competencies and international presence to exert impactful responses. The outcomes of this research revealed the tremendous amount of corporations’ care for their employees, customers, and host communities’ needs. This study hinted out that both the stakeholder theory and corporate social responsibility viewpoints were integrated upon approaching the society’s emerging challenges, due to the scope and scale of the challenges faced.

Conclusion: This article investigates the European corporate responses to the pandemic, with evidences regarding where those specific contributions have gone and the mechanisms practiced to achieve these responses, unlike previous research. It has significant practical implications as to the role of businesses in combating social dilemmas in times of crises.

Keywords: pandemic, stakeholder theory, corporate social responsibility, European corporate responses.

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RESUMO

Objetivo: O presente documento analisa o papel das multinacionais europeias na luta contra os efeitos da pandemia de COVID-19, analisando os seus mecanismos de resposta utilizados e as respostas empresariais efetivas às suas principais partes interessadas.

Método: Este estudo aplicou a análise manual de conteúdo às divulgações das primeiras 25 empresas europeias listadas na Fortune World Most Admired Companies, investigando seus boletins informativos, comunicados de imprensa e relatórios publicados em seus sites.

Resultados: Os resultados desta pesquisa apontaram que as empresas amostradas fizeram parceria com vários organismos externos e capitalizaram suas competências internas e presença internacional para exercer respostas impactantes. Os resultados dessa pesquisa revelaram a enorme quantidade de cuidados das corporações com seus funcionários, clientes e necessidades das comunidades de acolhimento. Este estudo indicou que tanto a teoria das partes interessadas como os pontos de vista de responsabilidade social corporativa foram integrados na abordagem dos desafios emergentes da sociedade, devido ao escopo e à escala dos desafios enfrentados.

Conclusão: Este artigo investiga as respostas corporativas europeias à pandemia, com evidências sobre onde essas contribuições específicas foram e os mecanismos praticados para alcançar essas respostas, ao contrário de pesquisas anteriores. Tem implicações práticas significativas quanto ao papel das empresas no combate aos dilemas sociais em tempos de crise.

Palavras-chave: pandemia, teoria das partes interessadas, responsabilidade social corporativa, respostas corporativas europeias.

1 INTRODUCTION

On the 11th of March 2020, the World Health Organization’s Director-General had declared COVID-19 a pandemic. More than one year on, the pandemic is not yet over with vaccination roll-out issues still prevailing. More contagious mutations and vaccine sceptics are threatening to hamper the advancement made by vaccines. For example, India has been struggling with an outburst in the number of cases due to the emergence of a new virus variant, and India’s healthcare system is overwhelmed. In addition to the threats to public health, the global pandemic has disrupted societies, politics, world economies and thus the long-term livelihoods and wellbeing of millions as per the International Labor Organization. It has caused enormous human tragedies and extreme economic disruptions. Europe has suffered its most significant economic setback since the Great Depression. A research by McKinsey shows the destructive effect COVID-19 has had on Europe’s small and medium enterprises which hire more than two-thirds of Europe’s workforce and contribute greatly to Europe’s economy. Any forecasts of
economic recovery are rendered inaccurate due to the evolving situation of the pandemic. The Eurozone during 2020 had witnessed a lot of de-synchronization among its key economies. The near-term economic outlook depends on the pace of vaccinations, and the number and seriousness of the infections, as per a BNP Paris report.

It is worthy to reflect on the corporations’ responses and involvement in fighting the spread of the disease and in supporting various stakeholders. “There is a need for inclusive multilateralism, drawing on the critical contributions of civil society, business foundations, authorities, cities and regional governments. By unlocking public-private and private-private cooperation for a sustainable response to COVID-19 challenges, it is possible to recover better and build more resilient economies”, stated UNDP Administrator Mr. Achim Steiner. Looking at the corporations’ responses to the crisis towards the later stages gives a more holistic view of these responses, especially that firms learnt from each other, mainly from those who were hit earlier on. Continuing to manage these responses does not get necessarily easier, as initial models solidify and entrepreneurial innovation has to be continuously triggered, as argued by Unilever’s Group Head of Security Mr. Neil Robertson.

There is a lack of empirical research on how European multi-national companies have responded to the pandemic. One recent study has already explored measures taken by U.S corporations (Mahmud et el, 2021). This study will apply the stakeholder theory and the Corporate Social Responsibility viewpoint to examine the European corporate initiatives in support of various stakeholders. Stakeholder researchers often pursue the empirical problem of describing how and why organizations act and perform as they do while tackling the conceptual problem of what moral principles should guide these actions (Berman and Johnson-Cramer, 2019). The specific key research questions are:

1. How did companies support society during the covid-19 pandemic?
2. What actions did they take to safeguard their different stakeholders?

2 THEORETICAL FRAMEWORK

The main aim of this study is to explore the responsible behavior of organizations and the individuals within them towards different stakeholders
during the COVID-19 pandemic. Major corporations often responded generously to humanitarian needs in times of previous disasters (Patten, 2008; Zhang et al, 2009). Any corporation’s response seemed to be linked to its size, profitability, liquidity, geography, leverage and industry (Amato and Amato, 2007; Campbell and Slack, 2006). The risks associated with the pandemic had a significant impact on stock prices in financial markets and on the economies of the world, resulting in significant losses for many companies (Saad and Yaaqoob, 2022). Many studies explored the role of organizations during times of disaster. However, they did so either in specific contexts impacted by the disasters, as the 2004 Asian Tsunami (Fernando, 2010) and the 2008 Wenchuan earthquake (Zhao et al, 2015), or discussed general giving terms rather than specific contributions’ whereabouts (Amato and Amato, 2007) or without mentioning the mechanisms for achieving these relief responses.

The aim of this paper falls within the shared logic of all scholars interested in studying social issues in management (SIM, 2020). To do so, the Stakeholder theory and Corporate Social Responsibility (CSR) are jointly used as the theoretical frameworks for this study. These two frameworks are not the only candidates for explaining social issues in management, yet probably they are the most influential (Dmytriiev et al, 2021). Relating the discussion to one of which might undermine the richness of the discourse, given the scale of the pandemic and its repercussions on lives and livelihoods. “Each theoretical framework has its own ideas, concepts, and tools, and limiting ourselves to only one and being ignorant of the possibilities of the other may restrain an effective pursuit of social issues” (Dmytriiev et al 2021, p 2).

2.1 STAKEHOLDER THEORY AND CSR

The stakeholder theory is a prominent management theory that has philosophical underpinnings (Stieb, 2008). It is compatible with several theories of ethics (Freeman, 2002). The corporation, under this theory, is understood through “the vehicles by which stakeholders are engaged in a joint and cooperative enterprise of creating value for each other” (Freeman et al 2007, p 6). Besides the shareholders’ and society’s interests defended by the neoclassical theorists and
CSR adherents consecutively, the stakeholder theory stresses the welfares of other stakeholders as employees, customers and suppliers (Dmytryiev et al, 2021).

There is a diversity of CSR definitions, but they all agree on the social responsible role of corporations (Campbell, 2007), beyond their direct interests (McWilliams and Siegal, 2001). CSR entails a voluntary pledge rather than mere compliances with governmental directives and rules (Batty et al, 2016). It is a form of social commitment that includes the allocation of money, in-kind donations, or time aimed at relieving a social need at grim times (Muller et al, 2014). The focus on societal orientation prevails in CSR, although the responsibilities are often arranged by the stakeholder type (Basu and Palazzo, 2008).

The stakeholder theory and CSR fall on a three-dimensional spectrum of shared characteristics where each occupies a different place along this spectrum (Dmytryiev et al, 2021). Having different business perspective is one distinction, where the stakeholder theory is developed from the perspective of the company while CSR looks at the needs of society (Eells and Walton, 1974). The beneficiaries of each theory also vary, where the stakeholder theory considers the stakeholders within the reach of the company’s operations (Wood, 1991), while CSR is mainly concerned with societal stakeholders across the globe. The third dimension is that of direction of the responsibility, being multi-directional with the stakeholder theory and unilateral with CSR, that is from company to community. By understanding these differences, Dmytryiev et al (2021) agree that researchers can better position themselves as adhering to one framework or the other. Figure 1. below show the differences between the stakeholder theory and the CSR viewpoint. In certain circumstances, though, scholars can consider both frameworks. The pandemic has hit hard both failed states and prosperous economies, so the private corporations intervened due to both social responsibilities (a main CSR domain) and business necessities vied for by the stakeholder theory. Moreover, when the stakeholders touched upon are covered by both frameworks, indicating an overlap, then “both frameworks can be potentially applied within the indicated overlapping area” (Dmytryiev et al 2021, p 18).
2.2 STAKEHOLDERS’ PRIMACY

The term stakeholder describes constituencies to which organizations and even societies must be accountable (Berman and Johnson-Cramer, 2019). Freeman (1984) stated that stakeholders are “any group or individual who can affect or is affected by the achievement of a corporation’s purpose”. However, one can distinguish between primary and secondary stakeholders (Metcalfe, 1998). The former group is imperative to the survival of the corporation, while the latter group only affects or is affected by the corporation. Employees, consumers and communities are considered the most important among all stakeholders (Brulhart et al, 2019). Showing a balanced interest in these different types of stakeholders has been shown to affect a company’s financial performance (Reynolds et al, 2006). The stakeholder theory as a managerial tool dictates the identification of important stakeholders, in order for these to receive sufficient managerial attention (Cooper et al, 2001). The more time sensitive, legitimate, and powerful are the claims of these stakeholders, the more management attention is awarded to them (Mitchell et al, 1997). The extensive or lack of focus on a particular stakeholder might be due to the nature of the relationship the corporation has with that stakeholder. For example, if a company directly deals with end consumers, it is more likely to focus attention on them, while the more intermediated their
relationship is, the less the attention (Cooper et al., 2001). Many argue that there are industry effects on the corporate social engagements of corporations (Cotrill, 1990) and thus on their disclosures (Waddock and Graves, 1997). Firms tend to highlight those areas they affect positively, and shy away from reporting areas where they have no or negative influences (Mitnick, 2000).

2.3 BENEFITS OF NURTURING STAKEHOLDERS’ RELATIONS

The benefits of cultivating good relationships with various stakeholders are paramount. Corporations may expect donations to breed ‘reputational capital’ (Godfrey, 2005), reinforce relationships with stakeholders (Hillman and Keim, 2001) and speed up their post-crisis recovery (Wang, Choi, and Li, 2008). As to employees, they are the most important asset of any organization and taking care of them during times of crisis will enhance a company’s reputation and brand image, aids its growth and its realization of its sustainable goals (Zhao et al., 2020). Engaging employees in socially responsible acts will yield to more employees’ engagement, citizenship, better performances (Gond et al., 2017) and higher creativity (Chaudhary & Akhouri, 2018). Similarly, responsible customer-oriented practices increase customer satisfaction, loyalty, trust and thus brand preference and purchase intentions (Randle et al., 2019). Analogous benefits are realized by companies when acting responsibly in targeting the community as this will strengthen the society’s bonds with the company and brightens its image (Mugova et al., 2017).

3 METHODOLOGY

3.1 SAMPLE SET

The present study is conducted through a manual content analysis. It focused on European corporations’ responses to the COVID-19 Pandemic. The data set is comprised of the first 25 European multinational corporations listed on Fortune World Most Admired Companies of 2021. The first 25 European companies are derivatives of the alphabetical ordering rather than the overall ranking of the corporations on the list, as after the 51st company listed, the Fortune listing resorts to the alphabetical ordering. Yet, the judgmental sampling of these 25 corporations, listed in Table-1, gives a good enough representation of European corporations with sound financial standing and good reputation across heterogeneous industries.
Table 1. Sampled European Corporations from the World Most Admired Companies of 2021

<table>
<thead>
<tr>
<th>Order</th>
<th>Company</th>
<th>Country</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unilever</td>
<td>UK</td>
<td>Soaps and Cosmetics</td>
</tr>
<tr>
<td>2</td>
<td>Accenture</td>
<td>Ireland</td>
<td>Information Technology Services</td>
</tr>
<tr>
<td>3</td>
<td>BMW</td>
<td>Germany</td>
<td>Motor Vehicles</td>
</tr>
<tr>
<td>4</td>
<td>Nestle</td>
<td>Switzerland</td>
<td>Consumer Food Products</td>
</tr>
<tr>
<td>5</td>
<td>Adidas</td>
<td>Germany</td>
<td>Apparel</td>
</tr>
<tr>
<td>6</td>
<td>Air-France-KLM</td>
<td>France</td>
<td>Airlines</td>
</tr>
<tr>
<td>7</td>
<td>Airbus Group</td>
<td>Netherlands</td>
<td>Aerospace &amp; Defense</td>
</tr>
<tr>
<td>8</td>
<td>Anglo-American</td>
<td>UK</td>
<td>Mining</td>
</tr>
<tr>
<td>9</td>
<td>Anheuser-Busch InBev</td>
<td>Belgium</td>
<td>Beverages</td>
</tr>
<tr>
<td>10</td>
<td>ArcelorMittal</td>
<td>Luxembourg</td>
<td>Metals</td>
</tr>
<tr>
<td>11</td>
<td>BAE Systems</td>
<td>UK</td>
<td>Aerospace &amp; Defense</td>
</tr>
<tr>
<td>12</td>
<td>BASF</td>
<td>Germany</td>
<td>Chemicals</td>
</tr>
<tr>
<td>13</td>
<td>Bayer</td>
<td>Germany</td>
<td>Chemicals</td>
</tr>
<tr>
<td>14</td>
<td>BNP Paribas</td>
<td>France</td>
<td>Megabanks</td>
</tr>
<tr>
<td>15</td>
<td>BOSCH</td>
<td>Germany</td>
<td>Motor Vehicles</td>
</tr>
<tr>
<td>16</td>
<td>CHUBB</td>
<td>Switzerland</td>
<td>Insurance</td>
</tr>
<tr>
<td>17</td>
<td>Compass Group</td>
<td>UK</td>
<td>Diversified Outsourcing Services</td>
</tr>
<tr>
<td>18</td>
<td>Continental</td>
<td>Germany</td>
<td>Motor Vehicles</td>
</tr>
<tr>
<td>19</td>
<td>Daimler</td>
<td>Germany</td>
<td>Motor Vehicles</td>
</tr>
<tr>
<td>20</td>
<td>Danone</td>
<td>France</td>
<td>Consumer Food Products</td>
</tr>
<tr>
<td>21</td>
<td>Deutsche Post DHL Group</td>
<td>Germany</td>
<td>Delivery</td>
</tr>
<tr>
<td>22</td>
<td>Deutsche Telekom</td>
<td>Germany</td>
<td>Telecommunications</td>
</tr>
<tr>
<td>23</td>
<td>Diageo</td>
<td>UK</td>
<td>Beverages</td>
</tr>
<tr>
<td>24</td>
<td>Eaton</td>
<td>Ireland</td>
<td>Electronics</td>
</tr>
<tr>
<td>25</td>
<td>Ericsson</td>
<td>Sweden</td>
<td>Network &amp; Other Communication Equipment</td>
</tr>
</tbody>
</table>

Source: Prepared by Authors (2023).

The ‘World Most Admired Companies’ is an annual ranking that has been published in collaboration with Korn Ferry Hay Group, a global management consulting firm, since 1997 (Fortune). The selection process considers a pool of 1500 contenders, 1000 of which are the largest U.S companies ranked by revenue, and another 500 non U.S companies from Fortune Global 500 with revenues of $10 billion or more. The companies with the highest revenues in each industry are shortlisted to yield a total of 670 companies across 30 countries. Then, executives, directors and analysts who work at these companies are asked to rate organizations in their own industry on nine criteria to arrive at the best-regarded companies across 52 industries. The nine features considered while voting are listed in Table 2. Firms in the top 50 percent of each industry are considered ‘admired’ while the lowermost 50 per cent are deemed contenders. Although many criticize the list due to its overemphasis on financial performance, it is still widely recognized as the gilded standard for measuring business reputation (Jeffrey et al, 2017). Inclusion on the list is considered an honor within the business circles (DiStaso and Brown, 2015).
3.2 ANALYSIS

This study used manual content analysis on the sampled European corporations’ websites to identify the corporations’ responses to the Covid-19 Pandemic one year after declaring it as a Pandemic by the World Health Organization, that is from March 2021-July 2021. The companies’ websites were used to search for the disclosures on COVID-19 responses towards different stakeholders. Press releases, newsletters, and company reports were searched more than once by the author to counter the absence of a second assessor (Milne and Adler, 1999). The search yielded more than 200 website pages and several pdf files that were deemed relevant to the topic. A pilot study of five websites from the sampled corporations revealed valued responses towards various stakeholders, namely employees, business partners in the companies’ ecosystem (mainly retailers and end customers) and communities in which the companies operated. Some websites were richer in COVID-19 disclosures than others, particularly towards certain stakeholders, a probable indication of the importance of that stakeholder to the reporting corporation (Krippendorff, 1980).

Content analysis on corporations’ reports is often used in business research (Campopiano and De Massis, 2015), and widely employed in CSR research (Gray, Kouchy and Lavers, 1995). It entails coding and categorizing of texts, based on systematic selected criteria (Maxfield and Babbie, 2013) allowing for replicability and thus reliability and validity (Krippendorff, 1989). Content analysis was practiced at the quantitative manifest level (Saunders et al, 2015) to yield percentages of practiced responses, as presented in tables, but more importantly at the qualitative latent level to allow for contextual interpretations (Payne et al, 2011) as detailed in the descriptions. Each corporation’s report, letter or press release was considered as a unit of investigation in research line up of Johnson et al (2011). Specific COVID-19 responses were coded and

| Financial | Use of Corporate Assets |
| Financial Soundness | |
| Long-term Investment Value | |
| Non-Financial | Innovation |
| People Management | |
| Social Responsibility | |
| Quality of Management | |
| Quality of Product/Services | |
| Global Competitiveness | |

Source: Prepared by Authors (2023).
then categorized into broad categories based on their bearing on various stakeholders, as employees, customers and communities. Data analysis was conducted with the aid of Microsoft office excel sheets in the research lineup of Xiao et al (2020). The research findings are presented below with adequate descriptions and summarized tables.

4 RESULTS AND DISCUSSION

4.1 APPROACHES FOR RESPONSE

The Pandemic caused difficult times for all corporations involved, but it was also a time of resilience. It was a stretch to corporations, which resorted to their own values, unlocked public-private and private-private cooperation to exert a sustainable response to the challenges faced. Sampled companies were able to respond to the needs of their internal and external constituencies by partnering with local governments and partners and by capitalizing on their existing operations, infrastructure, and technological competencies. They did so by “developing, donating and distributing essential resources needed to fight the pandemic” (ArcelorMittal). Coordination among teams within the same organization was difficult, yet very fruitful, leading to replicated initiatives in different countries, or new initiatives unique to the needs of the host areas. Adidas, like many others, reported that “all concerned stakeholders, governments and businesses—must work together, collectively, to secure the best outcomes. This is essential if workers’ lives and livelihoods are to be protected”.

An analysis of the corporate disclosures revealed that corporations had to learn, innovate, and act fast to find and apply the adequate responses to the overwhelming veil of challenges brought forth by the pandemic. Most companies in the sample have opted to disclose certain ways to implement their responses, and not others. That might be an indication of the prevalence of some responses over others, and not necessarily the exclusivity of these prevailing ways.

Many firms prioritized teaming up with various and numerous external entities in the same or different industries to facilitate their responses. AB-InBev, the world’s largest brewer, mentioned collaborating “with more than 50 new allied companies from 15 different sectors, and with more than 200 external stakeholders”. One fifth of sampled organizations (20%) mentioned various types of partnerships. Some of these partnerships were built with service providers such as transportation and hospitality organizations to distribute sanitizing products to wider sections of society, whether employees or clients
(Unilever). Others partnered with their business clients to offer their services through them (Airbus). Others relied on their procurement networks to solicit scarce resources to fight the pandemic (BASF). Moreover, others built partnerships with research and academic institutions to carry on research projects. Another 20% reported extending help to NGOs and charities, as these had the expertise to deal with vulnerable groups and used the right routes to do so. Twelve percent of sampled organizations reported collaborating with various international agencies, as the UNHCR, the ILO (International Labor Organization), the IOM (International Organization for Migration), the IFRC (International Federation of Red Cross and Red Crescent Societies), and the Global Coalition for Epidemic Preparedness Innovation. Some even mentioned joining the Private Sector Global Facility, which represents multinational, global and private sector stakeholders committing to joint projects to develop policy and financial solutions for pandemic relief. Another 12% of firms reported partnering with other factories to scale up production.

Other companies turned inwards for more resourcefulness. Twenty percent of corporations stated clearly that they capitalized on their core competencies, international presence, size and scale to offer help wherever needed. Nestle, for example, stated that it offered help everywhere, drawing on its ‘extensive presence and experience in 187 countries’. Twelve percent of corporations specifically mentioned capitalizing on the interplay between their people and state-of-the-art technology to exert change (Ericson, Accenture and Arcelor Mittal). Twenty percent of firms in the sample reported mobilizing their own foundations, campaigns and response programs. Some even resorted to redirecting sports funds to emergency efforts. Adidas disclosed consulting their ‘corporate giving guidelines’ for evaluating requests. The corporations’ internal resourcefulness, was also evident in the mobilization of the firms’ own employees, directors and executives. 20% of corporations matched their employees’ donations or even offered them paid leaves to support the healthcare sector. A minority of firms (4%) mentioned benefiting from best practice sharing. AB-InBev profited from the experiences of colleagues in China, who were the first to be hit by the virus, by learning how to preserve their natural ingredients and products. The production processes were modified in some instances as mentioned by 16% of the appraised corporations. These companies had to transform their processes to produce urgently needed disinfectants, face-shields,
non-contact door openers among other things. They had, at times, to resort to newer or more traditional methods to speed up production.

Almost a fifth of examined firms (16%) mentioned emphasizing their host communities' specific needs. Anglo-American Mining, for example, mentioned that its response is “tailored to the specific and most urgent needs of its host communities and countries, recognizing their different socio-economic factors”. However, a quarter of firms (24%), have disclosed information about the necessity to manage their own financial health and cash flows. For those reasons, some set up crisis management teams and used leading indicators. Some have witnessed a tremendous drop in operations and shock to demand. This obligated them to reallocate resources, reduce discretionary expenditure, renegotiate contracts, mitigate higher operating costs, optimize working capital, postpone investments, or apply short-time work in order to maintain good liquidity.

![Figure 2. Sampled Corporations’ Disclosed Approaches for Response](image)

Source: Prepared by Authors (2023).

4.2 SUPPORTING RESPONSES

This section details the support mechanisms used by the sampled corporations towards its different stakeholders mainly employees (internal stakeholders), business partners and the community (external stakeholders). The COVID-19 pandemic has caused a prolonged global public health emergency, since its outset. This health crisis is still ongoing due to the spread of the virus’s variants (lately the delta variant). The firms themselves were hardly hit by this pandemic, some more than others due to the nature of the industry they are in. Many were forced to go to lockdowns for particular time...
intervals, and others had lost a big chunk of their revenues due to stalled demand. Still others have faced logistical pressures on the movement of their goods and supplies. Yet, it was a time for resilience, innovation, and giving. The needs of the employees, supply chain partners, communities and supporting organizations (both governmental and non-governmental organizations) were multiplied by many folds.

4.3 EMPLOYEES-TARGETED RESPONSES

The pandemic has threatened the lives and livelihoods of millions of employees around the globe. Corporations acted instantly and continuously to protect their labor forces by adopting various measures aimed at their health and safety protection first and foremost, and secondly at their livelihoods. Many of these practices were aimed at the prevention of the disease or restriction of its spread as detailed below.

Most firms, nearly 68% of sampled ones have reported implementing strict ‘monitoring and reporting health systems’ by exercising health assessments, inspections, contact tracing, and mobile applications’ downloads. They sometimes extended these measures to instigating quarantines and facilitating sick leave arrangements. Many firms, almost 60% of the sample, have reported measures aimed at ‘limiting exposure’, by imposing restricted travel, avoiding group travel and replacing it by individualized voyage, offering free transportation, bike rentals, and extending corporate car usage options. Even some applied staggered shifts to limit contact or exposure. Some or all of these practices were reported by Unilever, Nestle, Adidas, Anglo American Mining, Arcelor Mittal, BAE, BASF, Daimler, DHL and Diageo.

Another 56% of sampled firms have disclosed applying ‘enhanced precautionary and safety measures’ by supplying and enforcing the use of PPE and sanitation products, and by their cleaning and disinfecting measures. Less than half of the firms (40%) have resorted to remote, mobile and flexible work arrangements, especially when the nature of the work allowed for it and employees afforded not to be on cite, production floor or office. BASF, for example, supported its employees’ physical and mental health by offering webinars, programs and services to help them navigate and balance the many new aspects of working from home. Accenture, similarly, eliminated other cyclical work for employees to concentrate on the most important tasks. ‘Information and Recommendations’ campaigns’ have been run by almost 28% of the sampled firms, in the form of hygiene protection trainings, sharing of safety information with employees
and most importantly by abiding by the health authorities’ recommendations. Chubb, for instance, has disclosed its sharing of vaccine safety information.

As to livelihood support, almost half (48%) of firms have disclosed the continuation of salary schemes, the securing of employment contracts, the extension of cash loans, and the redeployment to front-line posts where more work is needed. Danone, for example, reported giving bonuses to those working on site. In cases when the businesses were truly suffering, furloughs were practiced but coupled with employee assistance to those affected. Continental disclosed a reduction in their executives’ pay in solidarity with the company and its employees. Only 16% of the companies mentioned something about their provision of benefits in the form of health care or childcare. BASF reported its inclusion practices during the pandemic.

Figure 3. Corporations’ responses towards employees’ needs during the COVID-19 Pandemic

4.4 SUPPLY CHAIN-TARGETED RESPONSES

Many corporations have reported helping different players in their supply chain. Many of which, though, have disclosed supporting their direct business partners, such as franchises and retailers. Fewer corporations have reported measures aimed at their end consumers. Almost half of the sampled corporations (40%) have disclosed extending support services to business partners and franchises. Some did so in the form of providing better communication systems, and COVID responses’ coordination systems through geospatial exploitation products. Others supported the supply chain to go online, through the digitalization of the industry, and online trainings and rewards. They also gave insights into advertising and hygiene measures, offered travel advice, safety guidelines and awareness. Sometimes, a particular company extended many different services to its retailers at once. Diageo, for example, provided bars with hygiene measures, digital
support, equipment to transform the functioning of their outlets, best practice training, and global surveys to share insights.

Another 36% of corporations have reported addressing the liquidity challenges of small businesses in their global ecosystem. Some did so in the form of extending financial facilities to small retailers, such as Unilever and Nestle which disclosed extending up to 500 million euros. Particularly, Unilever relieved partners from marketing and royalty fees. Accenture reported coauthoring, with its clients, proposals for funding. Danone has expanded its financial support to farmers, suppliers and service providers. Adidas reported multiple practices aimed at helping their suppliers, as offering funding and financial relief resources and practices, health and safety guidelines and travel advice. Unilever and Anglo-American Mining, too, extended early payments to small and medium enterprise suppliers.

A big proportion of the world population were not going out, due to stay-home orders, work from home arrangements, imposed or voluntary health and safety measures. A quarter of appraised corporations (24%) mentioned supporting their end consumers by offering them free on-time delivery and take-out services. 8% of corporations reported offering end-consumers discounted or prepaid vouchers such as AB-InBev and rebooking options. Air France-KLM offered 2.3 Billion euros of refunds to customers in the form of re-bookings, vouchers and cash refunds. Another 8% developed unique in-home activities and health awareness campaigns. Diageo, for example, offered virtual good host guides to their end customers.

Figure 4. Corporations’ responses towards their supply chains’ needs during the COVID-19 Pandemic

Source: Prepared by Authors (2023).
4.5 COMMUNITY-TARGETED RESPONSES

The corporations disclosed many measures targeted at various groups in the communities in which they operated, mainly the healthcare sector and the already vulnerable groups which have been greatly burdened. These measures varied pending on the contexts, the communities’ persisting needs, and industry type of the concerned organization. For example, Anglo-American Mining fought gender-based violence widespread in its host communities, and Nestle landed a helping hand to pet organizations as pet food is one of their business lines. These measures were mainly offered through partner organizations and NGOs. “Covid-19 has affected everyone in one way or another, but none more so than the charitable sector, which has seen its funding dry up while demand for its services has continued, if not increased. We want to help them to help our communities, because they’re needed now more than ever” said David Archer, Chairman of the Sirius Minerals Foundation (Anglo-American Mining). More than half of sampled firms (52%) mobilized their employees by matching their donations, offering awards and rewards to those with impactful ideas, supporting employee volunteering and deploying employees to frontline jobs at hospitals, the defense and the education sectors.

Almost two thirds (68%) of corporations disclosed supporting personnel on the frontlines. They did so by supplying PPE (masks and gowns) to health and medical staff, offering transportation to medical professionals and staff (Airbus Group), making vehicles and ambulances available to social and healthcare facilities. More than half of corporations (56%) offered support for hospital systems in the form of healthcare centers, hospital wings, power infrastructure, and medical equipment as ventilators, beds, utensils and care packages. Most of these were in-kind donations, and some were in the form of financial donations. Around 44% of firms have participated in breakthrough medical research and development to support vaccine exploration, production, transportation and distribution. 28% of firms ran modular clinics or intensive care units (ICUs) to diagnose and treat COVID. 12% of firms contributed to the production and delivery of sanitizers and disinfectants, either directly or through the donation of alcohol (AB-InBev, BASF and Diageo).

More than half of organizations (56%) offered food and water donations to food banks, and vulnerable groups and home bound seniors. "The biggest hidden consequence of the pandemic has been the hunger pandemic it has spawned," according to Mark Lowcock, the U.N.’s Humanitarian Affairs Emergency and Relief Coordinator. Another
32% of firms offered financial help to governments, charitable organizations and the IFRC (International Federation of the Red Cross and the Red Crescent Societies).

Around 40% of firms worked on ensuring their business continuity, through staying operational as many of their products were vital to hospitals and people. They also worked on economic recovery, by initiating new contracts (Anglo-American Mining), offering employment opportunities, online trainings to interns and apprentices, online teaching of digital skills to secondary and university students (Ericsson), and teaching of healthcare skills. Another 20% were engaged in creative purpose-led awareness campaigns running hand washing education programs, and promoting cleanliness, hygiene, food cooking and preservation. Still another 8% of firms were engaged in preparing and planning for healthcare demands by using AI (Ericsson) or educating for crises during the pandemic (Chubb).

Figure 5. Corporations’ responses towards their communities’ needs during the COVID-19 Pandemic

<table>
<thead>
<tr>
<th>Community Targeted Responses</th>
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</thead>
<tbody>
<tr>
<td>Planning for healthcare demands</td>
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<tr>
<td>Creative purpose-led awareness campaigns</td>
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<tr>
<td>Business continuity &amp; recovery practices</td>
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<tr>
<td>Financial help to governments &amp; charities</td>
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<tr>
<td>Food &amp; water donations</td>
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<tr>
<td>Support to the production of sanitizers</td>
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<tr>
<td>Modular Clinics &amp; ICUs</td>
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<tr>
<td>Breakthrough medical R&amp;D</td>
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<tr>
<td>Support to healthcare systems</td>
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<tr>
<td>Support to frontline personnel</td>
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</tbody>
</table>

Source: Prepared by Authors (2023).

5 DISCUSSION

The covid-19 epidemic enforced changes on the firms' activity, as seen by the working stoppage as a result of the government's measures, which included the entire or partial closures of various industries (Al-Zoubi, 2023). The efforts exerted by the sampled corporations to respond to the disruptions caused by the pandemic are evident in their disclosures. They have adopted various ways of coping by sharing best practices, by adapting their business operations to increase capacity or change production lines to manufacture highly needed ingredients to fight the pandemic. Most importantly, they
have partnered with many external bodies with expert knowledge in their fields to be more efficient and effective in their responses. They have partnered with service providers, governmental organizations, non-governmental organizations, international agencies, charities, academic and research institutions. They have oriented their measures internationally by capitalizing on their size, scale and presence in many countries. Corporations also were resourceful in their responses by focusing on their own areas of core competences, existing structures and own foundations. They were considerate by emphasizing the host communities’ specific needs.

Corporations have capitalized on their strengths, competencies, and expertise. They acted relatively fast given the sheer width and breadth of the disruptions caused by the pandemic. However, almost nothing was disclosed about their weaknesses, failures or delayed responses. It is equally, if not more important for corporations, to keep crisis teams operational to reflect on their past and current practices, benefit from them for the sake of building better response mechanisms for the future. Crises are expected to be more intense and frequent in a globalized, hot and crowded world (Friedman, 2008). Climate and technology accelerators necessitate for corporations to be ready and proactive in their moves. Some corporations disclosed less responses than others, probably due to the nature of the industry they are in (Cotrill, 1990), or due to the fact that they were more hardly hit than others. Others had to concentrate on their own financial health and liquidity for survival, and thus withdrew from customary CSR practices (Mahmud et al, 2021).

Sampled corporations mainly reported responses towards their employees, customers, and community, which confirms the primacy of these stakeholders among all others (Brulhart et al, 2019). The targeted support is dependent on the impact that these stakeholders have on the corporations, their needs and the direct or intermediated nature of the relationship among the different players in the supply chain (Sweeny and Coughlan, 2008). Disclosures pertaining to employees involved protective measures to lives and livelihoods. Corporations set up monitoring and reporting health and safety measures, as well as livelihood support. The extent and nature of disclosures involving their own people embody a lot of care and respect towards them (Mahmud et al, 2021). Such measures must have achieved joint benefits to corporations and their employees. The latter group were supported during times of crisis, which in turn led to increased citizenship and engagement from their side (Gond et al, 2017). Employees’ donations of
their own funds and time to support their communities, and the corporations’ rewarding and matching of these donations have created multilateral relationships among various stakeholders (Sulkowski et al, 2018). The multi-directionality of responsibilities acknowledges that any relationship between the company and a particular stakeholder group also influences the relationships among the company and other stakeholder groups (Dmytriiev et al, 2021).

Examined corporations extended supporting services to business partners in their global ecosystem, but mainly towards their intermediated and end customers. The companies’ extension of their support and relief services was mainly guided by the nature of the relationship they hold with their consumers (Cooper et al, 2001). A majority of the disclosures entailed responses towards the needs of the host communities. Due to the nature of the health pandemic, many responses were naturally aimed at supporting the personnel at the frontlines, the health systems, medical research, and ultimately patients. Moreover, since the pandemic badly affected the livelihood of so many people around the globe, many corporations were engaged in donating money, food and water to food banks, international bodies and vulnerable groups. These corporations also worked on their business continuity and thus the economic recovery of the regions in which they operated.

Many of the corporations’ responses were aimed at the corporations’ direct stakeholders, mainly employees, customers and community groups that affect the firms or can be affected by them. These practices were the result of business considerations, directed towards a host of stakeholders beyond direct society, and were multidirectional in nature. These characteristics make them fall under the umbrella of the stakeholder theory (Phillips and Freeman, 2008). However, some other practices were aimed at groups and individuals dispersed in areas in which the companies did not necessarily have operations. Some of these practices were not directly affected by the firms’ business operations, were uni-lateral in nature, and of impact on the societal needs across the globe. Thus, these latter practices are more CSR prone. It would be thus safe to assume that an integrative approach of both the stakeholder theory and CSR is more appropriate to apply in such a disruptive pandemic that impacted billions of human lives and livelihoods across the globe. “If a firm works on addressing many social issues at the same time, it would make sense to use both frameworks simultaneously” (Dmytriiev et al, 2021, p 22).
6 CONCLUSION

This research has shown clearly that sampled European corporations have exerted efforts, some more than others, to extend help to their primary stakeholders. Some corporations were more hardly hit by the pandemic due to the nature of their industries, and the shock to the demand for their products, so they struggled to preserve their financial health and liquidity. Corporations extended help to their primary stakeholders, beyond the society’s needs, out of both business necessities and societies’ obligations, thus the corporate responses were grounded in the stakeholder theory and corporate social responsibility viewpoints in an integrative way. This is due to the scale and scope of disruptions brought forth by the pandemic.

The corporations shared best practices, learnt from each other, partnered with many public, private, local and international agencies in various capacities (service, educational, research, charitable organizations) to extend help to their stakeholders in the most efficient and effective ways. They also capitalized on their internal resourcefulness, competencies, infrastructure and strengths to exert change. They benefited from their international presence, scale and scope of operations to inflict positive changes in their host communities pending the latter’s most pressing needs. The corporations targeted their efforts towards their primary stakeholders, namely employees, supply chain partners and communities. Corporations prioritized the safety and health of their employees, and their livelihoods by ensuring the continuation of their contracts and through the provision of benefits. They also extended financial relief and services to their small and medium enterprise partners in their global ecosystem, mainly their intermediated and end customers. Corporations extended their help to their host communities by mainly helping the pressured health care systems and personnel, and by extending food and water donations to the vulnerable groups. European multinationals found themselves highly involved in the crisis due to its disruption to societies, and economies. These disruptions were very hard to forecast, and desynchronized among various world and European economies.

The above findings prove the importance of business role in society, especially during times of disasters and crises, as the ongoing COVID-19 pandemic situation. This research gives practical and real life lessons about the mechanisms for corporate coping and responses towards different primary stakeholders. This article investigates the pandemic responses with evidences regarding where those specific contributions have
gone. Many earlier studies concentrated more on general giving without mentioning exactly where the donations have gone (Amato and Amato, 2007) or the mechanisms practiced to achieve these responses.

Theoretically, this research manifests the business duty towards society and the multi-lateral relationships arising from these responsible practices. Researchers and professionals are more attentive to the social role of organizations (Gardberg et al, 2019) given the more frequency and intensity of crises in an interdependent, volatile and complex world.

This research is based on the disclosures of the companies themselves, so it did not reveal much about the failed or delayed responses. A longitudinal research might better show variations among earlier and later responses during the pandemic. A comparative research might better show variations in responses across various regions. Future research might benefit from interviewing managers from these corporations to pinpoint real challenges, struggles and lessons learnt. Further research might also be carried on from the perspective of the beneficiaries themselves to see their side of the story. One thing for sure, this pandemic has proven that the priorities of the corporations can no longer be strictly financial. The sustainability of the firms in the long run is equally dependent on the employees’ commitment and citizenship, the customers’ trust and loyalty, and the social legitimacy granted to these firms. Stakeholders are gaining more voice and corporate social responsibility shall be more practiced.
REFERENCES


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