COVID-19 and the Future of CSR Research

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Research on corporate social responsibility (CSR) flourished pre-COVID-19 and could reasonably claim to be one of the most widely read and cited sub-fields of management. However, the pandemic has clearly challenged a number of existing CSR assumptions, concepts, and practices. We aim to identify four key areas where CSR research has been challenged by COVID-19 – stakeholders, societal risk, supply chain responsibility, and the political economy of CSR – and propose how future CSR research should be re-aligned to tackle them.

\section*{STAKEHOLDERS}

COVID-19 has clearly illustrated who should be regarded as the most ‘essential’ stakeholders of business. Frontline workers in healthcare, food service, delivery, and public transportation, for example, have been widely recognized as critical for delivering healthcare and keeping the economy going during the pandemic. Despite being widely applauded, however, such workers have also often been exposed to infection without necessary protections (Lancet, 2020), and remain poorly paid and economically vulnerable (Lowrey, 2020). It is predicted that COVID-19 will exacerbate inequalities and lead to continued growth in precarious work even among ostensibly ‘essential’ workers (Kniffin et al., 2020). Also, with huge swathes of the labour force working from home there has been greater recognition of how much economic value creation relies on overlooked and unrewarded labour in the home and in schools, such as teaching, childcare and elder care. As such, it is incumbent upon CSR researchers to reassess our theories of value creation and stakeholder identification and prioritization.

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In the case of the former, we need to reconsider how value is assessed and allocated in models of value creation if those deemed most essential are receiving such a small slice of the economic pie. We also need to re-examine why our models should continue to exclude what feminist researchers would call ‘social reproduction’ in the home (Ferguson, 2020) from what is considered within the remit of economic value creation – even from models recognizing the importance of creating mutually beneficial value for stakeholders (e.g., Freeman, 2010; Tantalo and Priem, 2016). As we look forward, we need new ways of thinking about the value that different stakeholders generate and how those perspectives affect our theories of social responsibility.

With respect to stakeholder identification and prioritization, despite calls for an opening up of consideration of ‘who and what really counts’ (Hall et al., 2015; Neville et al., 2011) we remain wedded to a view that power, legitimacy and urgency can effectively explain stakeholder salience (Wood et al., 2018). However, if so-called essential workers are classified as ‘dependent stakeholders’ because their claims have legitimacy and urgency, but they lack power, we need better ways of capturing their indispensability to society. In our view, future CSR research should take seriously the need to model how and why certain key stakeholders get to be under-appreciated and develop new models of stakeholder identification and salience to take account of them.

CSR AND SOCIETAL RISK

A second key issue is that of societal risk and uncertainty. Remarkably there has been scant attention in the CSR literature to pandemics and similar global societal risks. However, COVID-19 has highlighted the role of business both as: (i) a source of such risks; and (ii) an actor that is highly exposed to such new risks and needs to play a role in addressing them.

As to the first aspect, it is reasonably well-established that the virus originated from so-called ‘wet markets’ in China, and so the question arises as to the role of business responsibility in preventing such pandemics in the first place. The second aspect embeds business in a diffuse and multi-layered quagmire of management challenges. This includes, first of all, the effect COVID-19 has on the social obligations of businesses to retain or lay off employees, to serve customers with ‘essential services’, and other immediate impacts. It also puts companies at the core of solving – or at least containing – the problem. Face masks, ventilators – and of course, vaccines – are all produced by businesses. Thus, the core function of business to produce goods and services that address social needs and demands is highlighted by the pandemic.

This contrasts quite significantly with the way risk has been conceptualized in the existing mainstream CSR literature. CSR has been presented as a tool to manage risk for the company, and to fend off risks such as future legislation (Smith, 2003). This focus on risk centred on individual company risks to the bottom line. However, the risks that connect companies to COVID-19 are of a far broader scope. These are societal risks to which the company contributes, and at the same time to which it is exposed.

As such, COVID-19 should give renewed attention in the CSR literature to the debate around ‘risk society’ (Beck, 1992), the central point of which is that modern societies are exposed to risks for which there are no mechanisms to adequately cope with them.
risks are beyond individual decisions and the protection of insurance but are an inherent part of modern society. Government inability to fully manage such risks focuses attention on an arena of ‘subpolitics’ (Beck, 1997) where next to traditional political actors, civil society organisations, companies, and other actors enter the space where solutions are negotiated and executed and thus firms become ‘responsibilized’ (Reinecke and Ansari, 2016). The key conclusion here is that CSR research needs to shift from an individual to a societal conception of risk and examine how this plays out in CSR theory and practice.

RESPONSIBILITY IN SUPPLY CHAINS

A third area of challenge for CSR research concerns the issue of responsibility in supply chains. Surges in demand for medical products such as personal protective equipment and ventilators, as well as shortages caused by stockpiling have demonstrated the fragility of some of our global supply chains, especially when lockdowns have severely disrupted production. In addition, low wage workers in these supply chains have clearly borne a great deal of the brunt of these shocks with many workers left without pay, employment, or social protections (Clean Clothes Campaign, 2020; Leitheiser et al., 2020). Supplier factories too have been faced with cancelled orders, delayed payments, and demands for deep discounting in industries relying on low cost sourcing such as the global garment industry (Leitheiser et al., 2020).

Such developments have highlighted the vulnerability of global supply chains to external shocks and the precariousness of workers and suppliers in these chains. This challenges some of the existing assumptions in the CSR literature about the nature of supply chain responsibility, and the inevitability of disintermediation and offshoring. For instance, if one response to the pandemic is a reorganization of supply chains to prioritise integration and localness to ensure greater resilience, what would this mean for supply chain responsibility? Or, will sourcing companies see COVID-19 as proof that outsourcing helps immunize them from severe risks since so much of their operations are outsourced and therefore beyond their direct economic and social responsibility? Future CSR research will need to become more adept at conceptualizing and evaluating these configurations of risk-resilience-responsibility in supply chains.

More fundamentally, if corporate-led responsible sourcing programmes are largely unable to protect those most at risk in global supply chains when they most need it during a global pandemic, we have to question whether they are really worth our continued attention as management researchers. Rather, future research should focus on exploring alternative ways of ensuring that the rights and livelihoods of precarious workers in the supply chain are protected, for example through worker-driven social responsibility or extra-territorial regulation of business responsibility for human rights. CSR as conventionally understood appears to be a dead-end.

THE POLITICAL ECONOMY OF CSR

This brings us to our final challenge in that COVID-19 has exposed the new political economy of CSR. On the one hand, COVID-19 has re-centred governments as the key
actors in tackling grand challenges rather than being seen as increasingly ineffective in this space, as they are often portrayed in the CSR literature. On the other, it is clear that the social responsibility of companies in the pandemic has been to act along with governments (and other actors) to address the pandemic – not so much by voluntary, charitable good deeds (although these have also played their role) but by employing (and safeguarding) workers, producing socially useful products, and protecting their stakeholders. As such, COVID-19 questions the core purpose of what a firm is about and what role it should play in society.

One could argue therefore that, going forward, the instrumental version of CSR that dominated management scholarship is largely unfit for purpose (Scherer and Palazzo, 2011), or even dead (Fleming and Jones, 2012). COVID-19 rather points to the fact that we need to explore how different systems of capitalism across the globe have prepared for and dealt with the challenges of the pandemic, and what role for business responsibility is allocated in these systems to address social demands and the needs of wider society.

Ultimately, COVID-19 could point us to a different way of conceptualizing private enterprise. Rather than being boxed into some ‘CSR’ concept that does not transcend the self-interest of the firm, research in this field needs to better theorize how business is a part of societal governance, and how the social and political responsibilities of business can be redefined from a systemic perspective (Rhodes and Fleming, 2020).

The point is we need to move beyond CSR and think about different modes of organizing or new models of the firm that repurpose business to truly attend to social needs and goals. Such research in the scholarly community, however, is still at a nascent stage (De Bakker et al., 2020).

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