

# COVID-19 and its effect on CSR

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## **Abstract**

The purpose of this study is to analyze if and how COVID-19 has affected Corporate Social responsibility (CSR) and focus on if the size of the organization is relevant when engaging with CSR during COVID-19. This is important to investigate because CSR is becoming more and more important to organizations and is seen as a key business area in today's world. Therefore it is significant for organizations to be aware of potential changes in CSR during COVID-19 and how to adapt their CSR strategy to the crisis. This study will contain a literature review where different academic literature is presented with a focus on four different aspects. The aspects are CSR in general, CSR in times of crisis, Organizations in times of crisis, and crisis communication, and they are deemed to be relevant due to the knowledge they will provide in understanding the complexity of how CSR is affected by COVID-19. The essential aspect when focusing on organizations in times of crisis in relation to CSR is that they feel pressured to pursue the short-term gains when fighting for survival which therefore affects the CSR efforts negatively. Furthermore, it is possible for organizations to connect with the consumers and public in a stronger way during a crisis through its CSR activities where transparent communication is extremely important.

In this study, there will be analyzed five different interviews. Three of the interviews are with people who are seen as CSR experts due to their knowledge about the subject and are used to gain insight into how CSR has been affected during COVID-19. Two of the interviews are with two people, one that represents a larger organization and one that represents a small and medium-sized organization (SME) to gain insight into whether or not size matters when engaging with CSR during COVID-19. The analysis concluded that CSR has been affected during COVID-19 especially in the first 3-4 months of COVID-19 where a lot of organizations focused on survival rather than investing in CSR. CSR activities with a focus on sustainability/climate are not affected to the same degree as other CSR activities during COVID-19. Furthermore, the size of an organization is not as important when engaging with CSR as first assumed. Instead, it is more relevant what industry an organization works within and thereby how restricted they have been during COVID-19 by the restrictions because this influences whether or not the organizations focus on survival. Lastly, it is discussed how the findings matter to the academic literature and in addition to this also discussed how the findings matter to organizations. The findings matter to the academic literature because they give a new perspective that focuses more on the industry than the size of an organization. Furthermore, the findings matter to organizations because the findings have emerged into recommendations on how to engage with CSR during COVID-19.

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## 1.0 Introduction

The COVID-19 pandemic has influenced the entire world in different ways. Both the economy and the society have been influenced already. This makes it an interesting perspective to investigate further because if the economy and society are influenced other subjects might also be affected. Bartik et. al. (2020) argues that the COVID-19 pandemic is as severe as the 1930's Great Depression when looking at the economic influence of the crisis. According to Seetharaman (2020) society has changed because of the new type of way people have to interfere with each other because of the current restrictions. Some of these restrictions force organizations to be closed or have limited consumers versus what they could before COVID-19. This has of course influenced organizations financially because they can not operate in the way they are used to. He believes that organizations have to rethink their product, services, and business model in order to have a successful transition through the COVID-19 crisis which therefore makes it disruptive (2020).

According to Chintrakarn et. al. (2020) corporate social responsibility (abbreviated CSR) is a crucial area for an organization and the importance of it can not be overemphasized. CSR will in this thesis have the same definition as created by the Commission of the European Communities in 2011 where CSR is defined as:

The responsibility of enterprises and their impact on society and, therefore, it should be company led. Companies can become socially responsible by: integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations. (European Commission, 2021).

According to Kang et. al. (2016), CSR has become a factor that consumers believe organizations should engage in. 77% of consumers believe organizations should contribute more and 73% would recommend an organization on behalf of their CSR activities. Montiel (2008) backs this and further adds that CSR has emerged into an important business area and is likely to become a core business area for organizations. Bhardwaj et. al. (2018) states that 50% of the consumers in 58 countries were willing to pay a higher price for a product/service from an organization that has invested in CSR. According to Chintrakarn et. al. (2020), CSR activi-

ties lead to significantly lower risk in an organization. All these different factors regarding CSR show just how important and meaningful it is for an organization as an activity.

Foss (2020) argues that COVID-19 has forced a significant disruption of the world because the pandemic is international and therefore that forced people and organizations to react. Popkova et. al. (2021) also shares this belief about a disruption of the world and caused a shock to the global economy. This is especially due to the restrictions and closures that COVID-19 has entailed. They further argue that this is the worst crisis since the 2008 financial crisis and innovation can be the long-term plan of relief. Ebersberger and Kuckertz (2021) also view innovation to be decisive for organizations when operating in a pandemic. They too see COVID-19 as a crisis that is not only economic but will also be a factor in how individuals think, behave and consume. This is interesting to investigate because this possible change in how individuals think could be a factor that affects CSR and the way it is used by organizations.

Harris and He (2020) believed it to be likely that organizations also will have to change how they behave because of the impact COVID-19 will have on organizations. They argue that after COVID-19 the world will not be the same. There will be significant changes to modern marketing which of course therefore also is likely to impact CSR then.

Gautam and Hens (2020) forecast COVID-19 to be the most tempting challenge since the Second World War. This also indicates that COVID-19 is considered to be a major crisis which then is likely to influence organizations in some sort of way. One way that is almost certain to influence organizations is according to Zhang (2020) the economic impact COVID-19 entails. Zhang argues that especially small and medium-sized enterprises (abbreviated SMEs) are the organizations that are most vulnerable and threatened by COVID-19 and they will have to rely on the government to support them throughout this crisis. It is interesting to deal with SMEs because they stand for approximately 90% of organizations on a global scale according to the World Bank (World Bank, 2019). SMEs are defined as “organizations with 1-249 employees”. They are further narrowed down into micro (1-9 employees), small (10-49 employees) and medium (50-249 employees) (OECD, 2017). In addition to this SMEs are interesting to focus on because they are unique when dealing with CSR due to their usual struggle with this sub-

ject as opposed to larger organizations that tend to have fewer difficulties when engaging with CSR.

The economic impact of COVID-19 is highlighted by Danmarks Statistik which showed the economy in the EU to have negative growth of 3,5% in the year 2020. However, this is better than in the United States where they experienced negative growth of 6,4% in 2020. Denmark had a negative growth of 3,3% which shows they lie close to the negative growth in the EU (Danmarks Radio, 2021). This again shows that some organizations could be pressured on their financial resources which therefore could affect their choices of investments which could influence the CSR strategy in an organization.

However, COVID-19 might not differ from other types of crisis like the financial crisis in 2008 when looking at its impact on organizations' use of CSR. It could turn out to be that COVID-19 has the same impact as the financial crisis and CSR is affected in the same way. However, the aim of this paper is to provide a perspective on if and how CSR has been affected by the COVID-19 pandemic. By investigating the before mentioned will also give a perspective to see if the COVID-19 pandemic differs from the financial crisis and if so in what kind of ways.

The pandemic could be an entrance for organizations who do not engage with CSR at the moment to rethink their business model and see COVID-19 as an opportunity to do it. However, it could also have the opposite reaction where organizations who do engage with CSR rethink their business model and if CSR should be a part of that in the COVID-19 crisis. Another interesting aspect is whether or not CSR also has to be rethought and innovated during COVID-19 like the business model would have to or if it works as usual. It is also interesting because engaging with CSR could be a financial incentive for organizations during the COVID-19 pandemic to be able to get a higher price for their services/products and thereby limit their losses. This could then also be seen as a financial incentive for an organization and could make them engage with CSR despite being in a crisis.

This thesis aims to explore the complexity of CSR in relation to COVID-19 and to focus on the challenges of the pandemic for organizations and whether it has had more or less impact on SMEs versus larger organizations.

Therefore this thesis will have the following research question:

How is CSR affected by the COVID-19 pandemic and how does it affect SMEs' use of CSR versus larger organizations?

## **2.0 Literature review**

This literature review will consist of four scopes which are: "CSR in general", "CSR in times of crisis", "Organizations in times of crisis" and "crisis communication". These four different scopes are relevant for this study because they will be helpful for understanding the complexity of the problem. It is important to review literature about CSR in general to gain an understanding of the different aspects of CSR and how it is different for SMEs versus larger organizations. It is also important to review literature about CSR in times of crisis because it will give an understanding of how it has developed in similar conditions as COVID-19. Organizations in times of crisis are also interesting when looking at the research question because the way organizations act in a crisis could indicate how they deal with matters such as CSR in those times. Lastly, literature about crisis communication is reviewed to understand how CSR should be communicated during COVID-19.

### **2.1 Collection of literature**

The literature used in the literature review has a timeframe from 2008 to 2021. This was used to gain an in-depth understanding of the reality and the past findings of CSR, times of crisis, and crisis communication. The timeframe from 2008-2021 had the purpose of getting the newest possible knowledge about the areas in the literature review. There could have been articles from 2007 which was the cutting year in the search for literature because of its relevance as being the first year of the financial crisis. However, none were found to be of any interest for this study which was conducted in 2007. Following keywords were used to find scientific articles and literature: "CSR, COVID-19, Crisis, Organization, SMEs, Greenwashing, Innovation and sustainability". These keywords had then been combined in different combinations and the literature was afterward selected based on the following criteria: relevance to the research question, citations of the used keyword, and lastly date of publication. The literature used for the philosophy of science section and methodology as well did not have the same time frame as the literature review. The time frame was not deemed to be as relevant to



these sections when choosing literature but did instead focus on finding methods that could suit this study.

This section will concern CSR in general with a historic view as well as different perspectives such as greenwashing and CSR in big organizations versus SMEs and lastly a focus on the potential financial benefits of CSR.

These perspectives are deemed to be relevant for this thesis because to be able to investigate if and how COVID-19 has affected organizations' use/engagement in CSR it is important to obtain different literature about it to be able to understand CSR.

## **2.2 CSR in general**

### **2.2.1 Evolution of CSR**

CSR is not a new phenomenon and first began to appear in literature in the 1930s where organizations' social performances were described according to Agudelo et. al. (2019). CSR is a changing concept which is clearly shown in the use of it during the different decades. It has gone from something only larger organizations engage into an aspect almost every organization has to deal with independent of their size. According to Agudelo et. al., this is caused by the rising globalization during the 1990s where international events influenced the international perspective to a more sustainable development. In the 2000s CSR was dealt with in a strategic approach which means that CSR is a part of the organization's plan for creating profit. This then differs from a former philanthropic approach where organizations engage in CSR because they want to do something good. It was also in this time period where there according to Agudelo et. al. (2019) became a belief that organizations could achieve competitive advantages through a strategic CSR approach.

This form of strategic approach is linked to Porter's Generic Competitive Strategies (1985) where he sees it as a differentiation strategy. Yadav et. al. (2016) argues that organizations also can keep such a competitive advantage but mainly if the CSR strategy has a strategic approach that ensures the organization differs them from their competitors.

According to Hastings (2016) who has a very critical view of CSR believes that the first word "corporate" in CSR explains the motives behind it. He argues that CSR is another way of max-

imizing the profit and should be seen in the same way as a marketing tool. Hastings further elaborated that CSR within the business sector could be seen as a selfish act because it is done with the purpose of benefiting the organization. Kang et. al. (2016) states that CSR has an opposite side which they refer to as Corporate Social Irresponsibility (abbreviated CSI). They define CSI as “firm-induced incidents that appear to hurt the social good” (2016, p. 60). This could for instance be an organization that spilled oil in the sea and by that having an irresponsible action.

In the 2010s the focus in CSR has been on the creation of shared value which according to Porter and Kramer focuses on “identifying and expanding the connections between societal and economic progress” (2011, p. 2). Agudelo et. al. (2019) also argues that this decade's CSR has been heavily influenced by the United Nations Sustainable development Goals (abbreviated UN SDGs) which were adopted in 2015. They are in the belief that since then the literature about CSR has focused on how it can be linked to the UN SDGs and how it impacts them. Agudelo et. al. (2019) further addresses Sustainability as the main objective of CSR in this generation.

The United Nations Guiding Principles (abbreviated UNGPs) on business and human rights refers to the corporate responsibility to respect human rights. They state that organizations have a responsibility to respect the internationally recognized humans rights. For instance the Human Rights at Work and the Human Rights for a standard of living and health (UNGP's, 2011). These rights are extra important during the COVID-19 pandemic because these can be challenged due to being instructed to work from home or working at a place where your health and standard of living are threatened by the risk of getting COVID-19. This also indicates how big a subject CSR is and that it is not only a matter of environmental focus and that organizations, therefore, are likely to have to deal with CSR in some sort of way. The UNGPs also state that all organizations regardless of their size have to meet these responsibilities about human rights. They guide organizations to doing this by having a policy that commits to human rights and acts due diligence. This strategy/policy should according to UNGP (2011) be publicly available and communicated internally and externally.

Bhardwaj et. al. (2018) is in believe that there are two types of doing CSR. The first one is “company ability relevant” (abbreviated CSR-CA) which refers to doing CSR that can improve the organization's abilities for example in the production. The other type of CSR is “company ability irrelevant” (abbreviated CSR-NCA) which refers to the organization doing CSR that does not improve the organization's abilities. An example could be donating money to the homeless which would not improve the organization's abilities in for instance their production. They further address that organizations should choose which type to deal with when choosing to invest in CSR and that for most cases CSR-CA is the best choice. Bhardwaj et. al. (2018) concludes that organizations should choose CSR-CA if their consumers have a high appreciation of CSR but if it is low they should instead choose CSR-NCA.

In summation, CSR is a constantly changing concept according to the literature which therefore makes it likely to change/adapt during the COVID-19 pandemic. CSR has gone from being something big organizations engaged into a common ground for all organizations. Furthermore, it has become a crucial business area for organizations and can even be used to improve the organization's abilities. Furthermore, CSR has emerged over time and has been heavily critiqued in the past years especially concerning greenwashing.

### **2.2.2 Greenwashing**

When dealing with CSR in 2021 it is almost impossible to say CSR without someone saying greenwashing. There has been a rising number of cases where organizations have been accused of doing greenwashing in their CSR activities such as the big dairy organization Arla was. Arla had communicated in their CSR strategy that 21,5 million of their cheeses would be climate-friendly. However, the problem was that they were not as climate-friendly as Arla had communicated. They were actually the same which Arla then had to apologize for (Information, 2020). This shows that Arla misled their consumers regarding their environmental/sustainability performances which according to Delmas and Burbano (2011) is the very definition of greenwashing. Earlier studies done about greenwashing have found it hard to define the concept because there has not been an agreed definition for exactly when and when not an organization is green (Becker-Olsen et. al. 2013, p. 1318). However, there is a contrast to Delmas and Burbano which comes from Seele and Gatti (2017) who are more concerned about the intent of the communication. By this meaning in the case mentioned earlier about Arla, Seele and Gatti would not deem it as greenwashing if their intent was pure and not

to mislead the consumers. Back in 2010, Furlow (2010) argued that the consumers would easily be able to see when an organization did greenwashing. There could be different opinions as to if Furlow was right in her case in 2010 and the years to come but the fact in 2021 is that there is an increasing focus on greenwashing by the mainstream media and consumers could therefore more easily spot the greenwashing now. These different aspects about greenwashing are important to have in mind for an organization because it could turn out to create a whole new type of crisis than the one they are already experiencing (red. COVID-19 crisis).

To summarize, greenwashing is an important aspect when dealing with CSR in 2021 because of the potential damage/crisis it can cause when CSR is used as greenwashing. Therefore organizations should be extra careful in the communication of their CSR strategy if it focuses on environmental/sustainability to avoid a crisis in an already time of crisis.

### **2.2.3 Financial benefits of CSR**

As mentioned in the introduction CSR could turn out to be a financial incentive for organizations during COVID-19 in order to maximize their profit and according to Bernal-Conesa et. al. (2016), there is a correlation between having a CSR strategy and a positive economic performance. They further specify that the CSR strategy with a focus on sustainability is the one that has the best impact on the economic performance. Aguinis et. al. (2012) shares the belief about CSR having a positive financial outcome with the statement of 59% of their investigated cases having a positive financial outcome. 27% had a mixed or neutral outcome and lastly 14% had a negative financial outcome. Furthermore, according to Aguinis et. al. (2012) financial resources in the organizations themselves also play a role as organizations with more available financial resources have a stronger outcome of CSR. This could again indicate that SMEs tend to struggle with CSR because as mentioned earlier they do not have the same financial resources as larger organizations. Aguinis et. al. (2012) have also investigated whether or not an organization's size impacts the financial outcome and there it is clear as the organization's size increases it impacts the positive relationship with CSR.

Kang et. al. (2016) argue that if organizations should profit maximize and get the optimal impact of CSR they need to avoid CSI because it can damage the firm value. According to Bhardwaj et. al. (2018), it is significant to be the first mover when dealing with CSR because the first

mover's profit tends to be higher. Chintrakarn et. al. (2021) states there to be two perspectives on why to invest in CSR. The first one refers to improving an organization's firm value and by that having financial benefits. The other perspective is where the management is trying to gain private benefits that do not necessarily benefit the organization.

To summarize there are multiple scholars who agree that the majority of organizations who engage in CSR benefit financially from it. A CSR strategy with a sustainable focus is referred to as being the strategy that performs best financially. As mentioned earlier in the paper greenwashing could be a potential problem when having such a strategy which therefore is relevant for the organizations. Furthermore, it is important to be a first-mover when doing CSR if the goal is financial benefits.

#### **2.2.4 CSR in larger organizations versus SMEs**

When investigating CSR it is relevant to address the difference in how it is used in larger organizations and in SMEs because a successful CSR strategy is often linked to an organization's size. Different scholars have found various barriers for SMEs when they have to engage in CSR. The most mentioned barriers for SMEs are according to Verboven and Vanherck (2016) the financial limits they face when having to implement CSR. Especially the SMEs have suffered during the lockdown where they have experienced large revenue losses (Berlingske, 2020). This could have resulted in the financial barrier to engage with CSR being even bigger than before and therefore might have made the SMEs less willing to engage in it.

Another barrier that many SMEs face when having to engage with CSR is according to Kechiche and Soparnot (2012) the lack of knowledge about CSR in the SMEs. The lack of knowledge concerns multiple areas such as how to implement CSR in the organization to in general lacking knowledge about what CSR is in fact. COVID-19 could have had an impact on this lack of knowledge. This could be the case if the organizations who lacked knowledge about CSR had gained this knowledge when they were locked down. It could be the case that some organizations used this period to strengthen themselves in areas where they might consider themselves weak.

In summation, SMEs face different barriers when dealing with CSR which larger organizations do not face such as lack of financial resources and knowledge. The interesting aspect here is

how and if COVID-19 has affected these barriers in some sort of way during the pandemic. The next section will then discuss crisis communication and the pandemic.

### **2.3 Crisis communication**

This section will deal with typical crisis communication to get an in-depth understanding of how organizations communicate in times of crisis. This is deemed to be relevant for this thesis because the COVID-19 pandemic is considered a crisis and therefore it is interesting to get a perspective of how a CSR strategy could be communicated during a pandemic.

According to Coombs et. al. (2019), effective crisis communication can be helpful in times of crisis but a failed type of communication can force new types of crises for the organization.

They claim there to be 3 factors when communicating in a crisis;

1. The stakeholder's expectations
2. The perceived violation that can damage the organization
3. The damage the stakeholders might get from the crisis.

Coombs et. al. (2019) argue that the most effective strategy is to acknowledge if there is a crisis.

Frandsen and Johansen (2017, pp. 33-35) label today's society as a "crisis society" and therefore deems crisis communication to be extremely important for organizations. Furthermore, Frandsen and Johansen argue (2017) that an organization needs to know what a crisis is and by that be able to communicate in times of crisis. This is interesting in regards to COVID-19 because it could turn out to be difficult for organizations to define what type of crisis COVID-19 is because it may differ from for example a financial crisis. This could mean that when looking at Coombs et. al. (2019) 3 factors that could behave differently than in a "normal" type of crisis. The stakeholders could have different expectations than normal - they could expect the organization to behave in a certain way during COVID-19. The perceived violation could also differ from normal because COVID-19 could both damage the organization financially by revenue losses. It could also damage them in their human resources if some of their employees got sick from COVID-19 and experienced late sequelae from it. According to Statens Serum Institut 2,2% still have late sequelae after 12 weeks and some of them experience difficulties in concentration which is likely to influence their workability (Sundhedsstyrelsen,

2020, p. 7). However, this could then also be seen as an opportunity as a way of doing CSR. The organization could do this by donating money to research in late sequelae from COVID-19 and thereby doing CSR. This could as mentioned earlier be seen as CSR-CA if the organization themselves had employees who had late sequelae from COVID-19. However, if the organization did not have any employees with late sequelae it could be categorized as CSR-NCA because it would not help the companies abilities. Another aspect that could also damage an organization was if some of the organizations who deliver products/services to their supply chain got locked down which then would influence them as well.

According to Aoyama et. al. (2020), it is significant that the organization's crisis communication is first and foremost transparent. They argue that it is the best way to communicate because the consumers and the society would feel included by such a strategy. The only thing to be aware of is to be too transparent. By that meaning communicating without revealing some important information that was not meant to be shared. In relation to CSR, this could mean an organization would be open about how and why they are donating money to research in late sequelae from COVID-19 (same example as earlier). However, as mentioned they should be aware of not sharing some information that was not meant to be shared which could be if some of their employees had experienced late sequelae and they did not want the organization to communicate that to the public. If this was done there would also be some legal issues regarding General Data Protection Regulation (abbreviated GDPR). This can be severe and the fines have a maximum of 150 million DKK or up to 2-4% of the annual revenue, which shows the importance of being careful in this area (PWC, 2021). Lastly, Jin et. al. (2014) claim the most important aspect of crisis communication is to be proactive as an organization. They are in the belief that if that is done correctly it will result in fewer negative outcomes of the crisis. As mentioned earlier in the paper it is important to be a first-mover when doing CSR which then could be seen as being proactive and not reactive. Therefore this is well related to communicating in crisis and indicates that CSR could thrive in crisis if it is done proactively.

In summation, crisis communication is an important tool when operating in a crisis as an organization. A crisis like COVID-19 could potentially be used to communicate a CSR strategy in a new innovative way that focuses on different aspects which the organization did not do before. This crisis communication has to be transparent but however not spilling some infor-



mation that was not meant to be shared which could cause a whole new crisis for the organization. This shows that crisis communication can both have positive effects but also be damaging if used wrongly.

## **2.4 Organization in times of crisis**

This section will focus on organizations and how they act in times of a crisis. The previous section dealt with how the communication should be during a crisis where this section will focus more on organizations' actions such as if they invest or not in times of a crisis. It will also focus on the best possible way to deal with a crisis as an organization. The literature that is used will be with a focus on the financial crisis but also having a COVID-19 perspective.

According to Ebersberger and Kuckertz (2021), it is important for organizations to be innovative in times of crisis. Furthermore, it is also relevant how fast and slow the organizations are in their innovative management. They argue that business models could be adjusted in innovative ways as well. The financial crisis had a negative influence on organizations' overall innovation activity and Ebersberger and Kuckertz (2021), therefore, think it is likely to be the same case during the COVID-19 pandemic. They deem innovation to be an essential driver for an organization's success in a crisis. However, organizations often choose to cut down on innovation activities in times of crisis which according to Ebersberger and Kuckertz (2021) is dangerous because as mentioned innovation is the way to handle the crisis. Furthermore, they claim start-up organizations do good in general in times of crisis because of their ability to be agile and having rapid innovation. However, even start-ups seem to be affected by the COVID-19 pandemic which is seen in a decrease of 12% in 2020 of new start-up organizations compared to 2019. There were 32.611 new start-ups in Denmark in 2020 which is the lowest amount since the financial crisis (Berlingske, 2021). This shows the severity of the COVID-19 pandemic and that it can have a serious impact on organizations.

Zubair et. al. (2020) states that SMEs had difficulties during the financial crisis and declined both during and after the crisis. This is important according to Zubair et. al. (2020) because SMEs are a significant source of innovation and by that economic growth. One of the difficulties SMEs face during a crisis is their financial resources which could be seen in their ability to get external funding. This ability to get external funding declined during the crisis with ap-



proximately 10% of the amount. Zubair et. al. (2020) claim that this affects the SME's investments which declined by 1,8% during the crisis and 2,3% afterward. CSR is seen as an investment for organizations which could therefore indicate that SMEs would lower their investments in CSR during the COVID-19 pandemic if it correlates with the results from the financial crisis. It is interesting to investigate whether or not CSR is a part of the investments which are declined or if organizations still see them as too valuable to decline. Lastly, Zubair et. al. (2020) suggest that the government should ensure that SMEs could lend the money they need during a crisis to decrease the potential damaging effect it else can have on the organization's ability to invest.

## **2.5 CSR in times of crisis**

This section will deal with CSR in different times of crisis to get an understanding of how it usually is affected which therefore is deemed to be relevant for this thesis. There will be literature from the financial crisis as well as some literature with COVID-19 as the crisis.

Harris and He (2020) are in the belief that CSR will have different challenges during the COVID-19 pandemic. One of the challenges is the financial difficulties organizations find themselves in which forces organizations to pursue short-term gains and not focus on long-term gains like CSR investments. However, there are also many organizations that have engaged in various CSR activities during COVID-19. This is according to Harris and He (2020) because of the many opportunities for doing CSR during COVID-19. One example of this is in the UK some of the supermarkets have changed their opening hours where it is made specifically for the elder and national health service workers. This indicates that COVID-19 is different from for example the financial crisis because CSR during COVID-19 can be done simply by a change of opening hours. It is unlikely to believe that this same action (change of opening hours) would have been categorized as CSR during the financial crisis in 2007-2009. This could be an indication of CSR being innovated during COVID-19 in order to succeed. Another example of this innovative CSR in the UK during COVID-19's first lockdown was organizations that donated their commercial campaign airtime to instead promote good causes.

Harris and He (2020) claim that CSR can be extra powerful during times of crisis because it can lead to the consumers feeling proud of the brand/organization. This bond can, according

to Harris and He (2020) be more meaningful and therefore lasts longer than the bond which is created in times where there is not a crisis. However, they do acknowledge that it is a difficult time as an SME because they might focus on their short-term survival but Harris and He (2020) are still in the belief that the SMEs should keep engaging in CSR. This is according to Harris and He (2020) the case because every time there is a shift like for example the oil crisis in the 1970's it facilitates the development of CSR. Harris and He (2020) are optimistic about CSR during COVID-19 because they believe organizations have realized that their long-term survival also is affected by CSR. They argue that it is not the question of whether or not to invest in CSR but instead how to invest to achieve the financial benefits from it. An interesting view Harris and He (2020) has is that greenwashing will not survive COVID-19 because of the closer engagement from consumers and the public scrutiny. By this meaning that there might still be greenwashing but organizations who do it will not be successful with it because the consumers will be able to spot it and be judgmental of it. According to Harris and He (2020), one of the opportunities in CSR during this COVID-19 pandemic is for organizations to focus more on social issues like health and wealth.

Chintrakarn et. al. (2021) argues that independent boards in organizations reduce their investments in CSR by 8,22% in times of crisis. They further claim that if a crisis comes unexpectedly the organizations could find it difficult to adopt which could explain the reduction of investment in CSR. Chintrakarn et. al. (2021) is in the belief that the board has this perspective because they view CSR as only being beneficial long-term and that the focus is on survival short-term in times of a crisis. However, there is a difference in the willingness to do CSR within an organization. The managers are according to Chintrakarn et. al. (2021) eager to invest in CSR during a crisis. This is the case because the managers use CSR to reduce their risk exposure. Chintrakarn et. al. (2021) further claim that CSR activities can generate goodwill that can work as insurance for the organization in times of crisis. In summation, the managers in an organization want to over-invest in CSR in a crisis like the financial crisis (2007-2009) but that clinches if there is a strong independent board that is likely to view CSR investments as a negative action during a crisis. Another interesting aspect from Chintrakarn et. al. (2021) is that independent boards rate environmentally-related CSR as the least necessary activity. However, they are willing to do employee-related CSR because they believe this can support them in times of crisis.

According to Qiu et. al. (2021), CSR can affect an organization positively during a crisis. This is shown where organization stocks increased after the organization had engaged in CSR. Qiu et. al. (2021) argue that the consumers expect more of organizations in times of crisis and therefore also expect organizations to continue their CSR strategy and not reduce it. Qiu et. al. (2021) claim that CSR activities can help organizations in the COVID-19 pandemic because investors react positively to CSR which focuses on communities, employees, or customers. The positive effects of CSR are measured on the stock of the organization. The stock is positively affected after 5 days and the effect can last up to 50 days. Qiu et. al. (2021) argue that CSR activities that focus on communities such as donations towards charity are the strongest influence on stock improvement. The effect that can occur up to 50 days after the CSR activity also indicates that it is more long-term investment than other managerial tools which are more short-term focused. An important aspect according to Qiu et. al. (2021) is to get higher attention from stakeholders when engaging in CSR - if not then the organization might not benefit financially from the activity.

According to Popkova et. al. (2021), COVID-19 is going to affect large organizations' management of CSR in both negative and positive ways. One of the positive ways is that they are in the belief that CSR will be innovated. Popkova et. al. (2021) claims that CSR will rise to a new level in both developing and developed countries because of the innovation and entrepreneurship that will allow the transition of CSR activities.

To summarize, organizations feel forced to pursue short-term gains in times of crisis which is especially the case for SMEs who fight for their survival. CSR is innovated in times of crisis and there is an opportunity to create a stronger bond to the consumers through the organization's CSR activities than in a time with no crisis. It is argued that it is not a question of whether or not to invest in CSR but more how to invest in it. Furthermore greenwashing is a concept that could vanish because the consumers will easily spot it and the organizations therefore would stop doing it. In times of crisis, there is also a different view on how to engage in CSR within organizations. Managers want to do CSR more than ever because they see it as a form of insurance. However, organizations with strong independent boards are not that willing to do CSR within times of crisis. Lastly, the consumers expect more of organizations during crisis

and CSR can be helpful in this which is also seen in an increase in the organization's stock when doing CSR. Therefore this study is interesting because it will shed light on if SMEs also feel forced to pursue these short-term gains with the purpose of survival or if they keep their focus on their CSR strategy and by that focus on the long-term gains.

If CSR is a crucial business area in the global world - then I need to explore how the COVID-19 pandemic has impacted organizations and have a focus on SMEs because they tend to have more difficulties in times of a crisis.

### **3.0 Philosophy of science**

The following section will assess the philosophy of science of this paper and the chosen ontology and epistemology of the thesis will be presented. This is an important section for this study because these choices will be the backbone of the thesis.

#### **3.1 Ontology**

I as a researcher will have a constructionist ontology approach and by that stating that the social world will be seen as part of a bigger context (Porta, et. al., 2008). This is deemed to be a good match for this paper because in a constructionist ontology the social world is constantly being shaped and changed by the social actors in that world (Bryman, 2012). As mentioned earlier CSR is a concept that has been changed and shaped various times which makes it a good fit for the constructionist ontology. Therefore this thesis will investigate how the COVID-19 pandemic has affected CSR and that it should be seen as part of a context in the social world.

#### **3.2 Epistemology**

Furthermore, the approach will be interpretive as the main epistemological stance (Porta et. al., 2008). By this meaning that this thesis will be trying to get an understanding of the subjective meaning of how CSR is affected by the COVID-19 pandemic. Furthermore, this will be used to gain knowledge about if the COVID-19 pandemic differs from the financial crisis and if so, in what kind of way. This knowledge will then be a part of a context and this exact context is important to have in mind if this study had to be reproduced. The contextual knowledge can be understood differently depending on various variables and by that the context. Therefore

this study of how CSR has been affected by the COVID-19 pandemic could be understood differently depending on the context and because CSR is a changing concept. The social world will therefore be changing when there is gained new knowledge about the world (Brooks, 2013).

#### **4.0 Methodology**

This section will present the thesis structure and by that presenting an overview of how the research was conducted. The approach to the methodology will be discussed as well as the data collection. Furthermore, there will be discussed the participants of the interviews, the type of interview, and the method of them. Lastly, the transcription and coding of the interviews will be presented following examples of some of the questions used in the interviews.

#### **4.1 Research approach and strategy**

This will be a qualitative and interpretive study with the purpose of gaining a deeper and richer understanding of how the COVID-19 pandemic has affected CSR. This qualitative approach is important when trying to get an in-depth understanding (Porta, et. al., 2008) of how COVID-19 could differ from the financial crisis in the way it has affected CSR. Qualitative studies also have a tendency in trying to answer the “why” and “how” questions (Brooks, 2013) which makes it a good fit for the problem formulation because it seeks an understanding rather than an explanation. As mentioned the study will have an interpretivistic epistemological stance which is often linked to qualitative research because it emphasizes the significance of understanding the social world and that the social world is being created through interactions between the social actors within that world (Bryman, 2012). By this meaning, this study will try to understand how CSR is affected by the COVID-19 pandemic by interpreting different CSR experts and organization's interactions with CSR in this time of crisis. Furthermore, this study will have an iterative approach which means it will be going back and forth between the problem formulation, the theory gained from the literature review, and the collected data (Bryman, 2012). By this meaning, the theory about how to communicate in times of crisis will be used to create questions for the interview guide. Afterward the data collection this theory would then be revised if it was contradictory.

#### **4.2 Research design**

There will be several in-depth semi-structured interviews with the purpose of gaining an insight into the participants' subjective meanings to if CSR has been affected by the COVID-19 pandemic. Interviews are the chosen method of this study because they are deemed to be useful when having to understand and explore the opinions of the participants. As mentioned the interviews will be done semi-structured and by this meaning, they can deviate if something interesting comes up but they are still structured (Carter et. al., 2005). In addition to this, there is no strict order of the questions. By this meaning in one of the interviews, it might make more sense to ask the questions in a different order depending on the answers from the participant. The semi-structured interview is chosen because of its flexibility and because it encourages ad two-way communication where a complete structured interview would be more one-way communication.

Furthermore, the questions in the interviews will be primarily open-ended questions with the purpose of allowing the participants to share their subjective opinion. The questions will also be really broad at the beginning such as *"What do you do for a living?"*. This has the purpose of letting them talk about things they find interesting - it could be that they talk about CSR or COVID-19 without me even asking about the topic at first. The questions in the interview guide will be created based on the topics from the literature review. By this meaning, the literature review states that CSR activities will change in times of crisis which will then lead to the following question: *"Has CSR changed during COVID-19?"*. A follow-up question if the participant did not answer anything about innovated CSR could then be: *"Have CSR been innovated during COVID-19 - and if so in what kind of way?"* with the purpose of testing the literature. There will be a slight difference in the interview guide depending on the participant.

Below is a list of other examples of open-ended questions with follow-up questions from the interview guide:

*How important is CSR these days?*

- *Has CSR changed?*

*How do you view COVID-19?*

- *As a crisis? What type of crisis? Does it differ from the financial crisis? In what way?*

*How does COVID-19 impact larger organizations versus SMEs?*

- *Does it affect their CSR strategy differently?*

*How do organizations view CSR?*

- *As an investment? Financial opportunity?*

*What has been the worst about COVID-19 in relation to CSR?*

- *Why?*

### **4.3 Who are the participants?**

The participants in the interviews will be different experts in CSR with the purpose of getting their subjective meaning about how CSR has been affected by COVID-19. There will be 3 people interviewed who work with CSR and have years of experience in dealing with it and these people will therefore be seen as CSR experts. In addition to this, there will be two different people interviewed. One who represents an SME and one who represents a larger organization. In summation, 5 different people will be interviewed. 3 of the 5 are labeled CSR experts and the remaining 2 people represent an SME and a larger organization.

One of the experts is a CEO/founder of an organization who is a leading international CSR consultancy and has offered CSR solutions to organizations for more than 20 years. In this study, this expert will be referred to as “expert 1”. Another CSR expert that will be interviewed in this study is an editor from a CSR forum for sustainable business that has a dedicated focus on business-driven CSR. This expert will be referred to as “expert 2”. The last CSR expert in this study is a CSR manager at a big organization that represents business- and employers' interests in Denmark. The person will be referred to as “expert 3” in this study. These experts are deemed to be relevant as participants for this study because of their knowledge about the subject of CSR. Furthermore interviewing expert 3 might give an insight into whether or not organizations' use of CSR has been affected by COVID-19. These experts were chosen in an information-orientated way. This was done on google and LinkedIn where search words as “CSR and CSR expert” were the main ones. Another criterion for being an expert was to look at how many years of experience in dealing with CSR they had. An example of this process could be that this search led to the CSR consultancy where the organization was contacted by email if they wanted to participate in this study. Expert 1 then replied that he was interested and willing to do an interview.

As mentioned above, one SME and a larger organization will be interviewed in this study with the purpose of gaining an insight into how COVID-19 has affected their use of CSR as well as



their opinion on how COVID-19 has affected CSR in general. The focus in the interviews with the organizations would be more specific on them and the issues they have faced during COVID-19. There will be interviewed one larger organization and one SME to gain an insight into if they are affected in different ways by COVID-19 and thereby also their CSR strategy. This is also done with the purpose of doing a comparative case study where these two organizations would be compared in how they are affected by COVID-19 and in their use of CSR.

The participant from the SME is their manager for branding and sustainability which therefore makes her relevant because of her knowledge about sustainability and therefore presumably also has knowledge about CSR. This makes the person able to discuss the actions they have done within CSR and also their experiences during COVID-19. This person will be referred to as “sustainability manager at SME” in this study. The SME in this study operates in professional sport in Denmark. This organization is deemed to be relevant for this study because they are an SME and furthermore a first-mover when looking at sports organizations in Denmark who have a vision for their sustainability which makes them interesting to investigate.

The interviewed person from the larger organization is their Communications and CSR Director and is therefore interesting to interview because of his expected knowledge about the organization's experiences with CSR during COVID-19. The person is therefore expected to be able to discuss their actions within CSR and how they have dealt with it during COVID-19. In this study, this person will be referred to as “CSR director at the larger organization”. The larger organization offers products within sleeping and living and operates in international markets. They are deemed to be relevant for this study because interviewing them emphasizes the international dimension of this thesis because of their presence internationally.

These two organizations were chosen in an information-orientated way. This process was similar to when the experts were found where a google and LinkedIn search was done which led to the two persons and their respective organizations. Following this, they were contacted by email if they would like to be interviewed to get their perspective on how COVID-19 had affected their organization's CSR strategy/focus on sustainability which they both were willing to do.



Furthermore, Arla was also contacted with the purpose of interviewing them as well as the other organizations in this study. This could have given an interesting aspect about dealing with greenwashing during COVID-19 which Arla did in 2020 as mentioned in the literature review. However, Arla did not want to participate because of a lack of resources (Arla, 2021).

#### **4.4 Method of the interviews**

The interviews will be done over the phone and not in person due to the COVID-19 pandemic. This was chosen due to a presumption about people and organizations being more willing to participate in interviews during COVID-19 if they are conducted without meeting. It could be argued that the interviews could have been done via tools such as skype, zoom, or Microsoft teams. However, this was deemed not to be crucial as this study would not focus on body language, etc. anyways which makes a phone interview a decent option.

These interviews will be recorded with the participants being made aware of this at the beginning of the interview to avoid any ethical issues. The interview with expert 3 will be by email correspondence due to the expert being contacted by many thesis writers and therefore being very busy. The perspective expert 3 could bring to this study is deemed to be very relevant which therefore still makes the interview attractive despite it being by email.

#### **4.5 Reflection about biases**

In this study, bias is defined as systematic deviation from rational thinking (Brinkmanns, 2020). There could be potential biases for the participants. For instance, expert 1 who is CEO/founder at the consultancy organization could have certain biases that should be taken into consideration when analyzing the statements. One potential bias could be that the experts, in general, are overly in advance of CSR and see its future brighter than it might be. This systematic deviation from rational thinking could be caused by them having it as work and therefore being extra positive about it or at least not being over critical about it because they could have an interest in CSR being an important area in the future. There could also occur potential biases with the participants from the two organizations with them wanting to portray their organizations in the best possible way. This could result in the participants answering the questions in a way that makes their organization look better.

However, it is not suspected that the experts' or the organization's possible interest have clouded their judgment but it is important for the trustworthiness of this study to have declared the potential biases of the participants.

Furthermore, I want to address my own potential biases as a researcher. I have a huge interest in the subject of CSR and would like to work with this one day and therefore I could have a bias similar to the experts being overly positive about CSR. However, this is dealt with by being aware of the potential bias and therefore being extra critical and careful in the interpretation of the interviews towards questions regarding CSR.

#### 4.6 Transcription/coding

5 different people were interviewed which resulted in 5 different transcripts being made with a total number of 15 pages that had to be coded and analyzed. In order to be able to interpret and understand the collected data, a thematic coding was done with the purpose of creating an overview of what they are all saying in these interviews. Thematic coding is deemed to be the best choice for analyzing the data because it allows flexibility when interpreting the data by sorting the data into more broad themes. The first theme would be “agreements” and by that meaning what are all the participants agreeing on in this study. The next theme would be “disagreements” and by that meaning what are the differences between what they are saying and disagreeing on. The next theme would be “interesting and meaningful”. Here the data would be coded into if there is said anything particularly interesting and meaningful in relation to the problem formulation. After this, the data would be coded further into more narrow themes. These would be some of the themes in the more narrow coding:

*“COVID-19”, “Importance of CSR”, “CSR in the future”, “SMEs versus larger organization”, “Greenwashing”, “CSR during COVID-19”.*

An example of this thematic coding would look like the following:

COVID-19	Etc...	CSR during COVID-19
<i>In the first 3-4 months of the crisis, at least the vast majori-</i>		<i>Solutions are found to best prevent the negative impact</i>

<p><i>ty of companies focused on something other than working with social responsibility. Although working with COVID-19 and the risks it entails is also working with social responsibility. This process of implementing the standard and making sure that you can exhibit responsible business behavior and maybe look at some strategic areas you can best possible can contribute to sustainable development - it stopped for most companies for 3-4 months and then it came again. For many companies, the crisis also freed up time for reflection and time to start work on some projects they had had in the drawer. (Appendix 1, Q.3).</i></p>		<p><i>of the context. Here it becomes the right to health. You innovate - you can call it innovation to come up with good solutions to deal with specific challenges in relation to human rights. (Appendix 1, Q.7).</i></p>
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The purpose of this thematic coding is to code the data collected in the different semi-structured interviews into fragments. However, it is important not losing the context of what is being said which is a common problem during coding (Bryman, 2012). To prevent this from happening the data was transcribed right after the interviews and thereby coded with the purpose of not losing the context. The thematic coding is furthermore based on theoretical assumptions and topics that will help to answer the research question. The purpose of it is to find if there are any patterns across the different transcripts that could be helpful for answering the research question. This could for instance be a pattern that indicates across the tran-

scripts that SMEs do not have more difficulties when engaging with CSR than larger organizations during COVID-19. This will then be used in the analysis where for instance there will be introduced the idea of SMEs not having more difficulties with CSR than larger organizations during COVID-19. After this introduction, it would be shown with quotes and statements from the different transcripts. Lastly, it would be explained why it is important for the study.

As mentioned earlier in this section two different organizations will be interviewed - a larger organization and an SME with the purpose of comparing how their CSR strategy and activities have been affected by COVID-19. This also has the purpose of creating context-relevant knowledge which could be generalized to other organizations in the same context as the two interviewed organizations (Flyvbjerg, 2006). By this meaning, this knowledge could be used to generalize about how other organizations' CSR strategies in the same context have been affected by COVID-19. This refers to the studying being able to be based on analytical generalization where the potential findings and results can be generalized to other organizations in the same context where the same theory is used (Yin, 2014). The comparative case study is also a good match for this study because it is more reliable and can be helpful for gaining a deeper insight than a single case study according to De Vaus (2001). This will be done by comparing responses from the larger organization and the SME in for example how they have engaged with CSR during COVID-19.

#### **4.7 Trustworthiness**

In this study, Guba and Lincoln (1985) will be used when addressing the trustworthiness of this thesis and will include: credibility, transferability, dependability, and confirmability. The credibility of this study refers to the truthfulness of the findings and results of the research and is used by Guba and Lincoln as a substitute for internal validity in qualitative studies (1985). Different aspects were used in this study to ensure the credibility being as good as possible. This is seen in using several different authors scholars in the literature review to get a broader perspective of the matter instead of only using few scholars and thereby being depending solely on their findings. Furthermore as mentioned earlier in the methodology section quotes from the interview would be sent to the participant to ensure that the collected data was interpreted in the meaning that the participant meant it.

The next aspect is transferability which deals with if the results and findings from this study can be transferred into other contexts. This is thereby equivalent to external validity. To ensure the transferability being as high as possible the philosophy of science and methodology section has been explained in-depth specifically about how this study will be conducted with the purpose of other scholars being able to reproduce this study by having these sections as an instruction book. As mentioned earlier in this section this study can be generalized if the same theory is used and the context similar to this.

Dependability in this study deals with how consistent the results and findings are and if they could be repeated over time. This was coped with by having a supervisor examine the process and discussing the findings and methods of the study. The purpose of this was to have the findings and methods evaluated whether or not the interpretations and conclusions were supported by data.

The last aspect is confirmability which refers to whether or not the findings and results are affected by the data and not my biases or interest. To achieve as high a confirmability as possible there is a section within the methodology that concerns potential biases and mine as a researcher as well. This has the purpose of showing that I could have potential biases concerning CSR but that I am aware of it and acts upon it which results in it not influencing the results and findings of this study.

## **5.0 Findings**

In this section, different findings are presented that emerged after analyzing the transcripts. There will be presented several intriguing findings on different areas. The findings are organized into three sections. The first section will focus on CSR with findings on the definition of it and the importance of it in today's world. The second section focuses on COVID-19 and the findings about how it is seen. The third and final section concerns the relationship between COVID-19 and CSR.

### **5.1 CSR**

### 5.1.1 Disagreements in the definition of CSR

After conducting the interviews it became clear that CSR in fact is a changing concept and by that depends on a subjective meaning about what is most important when dealing with CSR. The first finding is that the participants of this study define CSR in different ways and by that disagreeing with each other. Expert 1 defines CSR as follows “*CSR is defined through the international principles of sustainability, where there are agreed principles called human rights.*” (Appendix 1, Q.6).

In this statement, it is clear that expert 1 focuses especially on human rights when dealing with CSR. This is in contrast to Expert 2 who does not mention human rights when defining CSR as following “*When I say CSR, I might as well say sustainability or social responsibility.*” (Appendix 4, Q.1).

This could have been influenced by their work with CSR in general where Expert 1 might deal more with human rights than Expert 2 and therefore has a different definition of CSR. The sustainability manager at the SME uses a similar definition as Expert 2 with a focus on sustainability. The following statement also shows that the manager believes CSR is outdated when being an organization that primarily deals with focusing on climate in their CSR strategy:

*To me, CSR has been used so much for so many years and therefore sounds a bit outdated. I do not think it covers the whole palette anymore when we also talk about primarily climate. CSR is where I want to place our social sustainability and social activities. CSR sometimes has a bit of a sound of something to live up to and therefore I think it sounds a bit old-fashioned because today we go further than what we have to live up to. We are talking about sustainability and it is also a word that has been used in many different ways. (Appendix 3, Q.1.2)*

The statement from the CSR director at the larger organization portrays the changing shift in CSR throughout the years according to him:

*It is also important to divide CSR into 3 things. There is completely old-fashioned CSR, which is basically the same as philanthropy, which we have some of, where we donate every year to Denmark's collection and other things. If you go back 15 years, it's CSR. You gave something to someone and then you had a good conscience. Then it became a lot with a focus on social. We joined BSCI - the business social compliance initiative in 2006 and a markedly greater focus began on human rights in the supply chain as well as child labor, so we have been working on this for many years. Within the last maybe 10 years but especially within the last 5, there has been a much much greater focus on the environmental part. When I say CSR, it's the environmental part that takes 90% of my time. (Appendix 5, Q.1.2).*

An important note from this statement is that the environmental and by that climate aspect takes 90% of the director's time. This shows that both the SME and the larger organizations focus heavily on climate. This is in contrast to Expert 1 who is more focused on human rights than mainly on environmental issues. However, the CSR director mentions human rights as a focus that became stronger in 2006 and that it is still something they are working with. These differences in the definitions of CSR is an important finding because it shows how differently CSR can be understood and thereby also how broad a concept it is.

### **5.1.2 Agreements on the importance of CSR**

Even though the findings showed differences in the definition of CSR all the participants believed CSR to be extremely important in today's world. Therefore, the second key finding of this study is that there is an agreement among the participants of this study that CSR is important. This importance is especially seen from the CSR director at the larger organization with the following quote *"It's insanely important. Our customers have an expectation that we work a lot with this. Our employees and not least the future employees have an enormous expectation that we as a company take responsibility."* (Appendix 5, Q.2).

The sustainability manager at the SME has a similar statement about CSR and by that agreeing to its importance. Expert 3 also perceives CSR to only becoming more important which is shown in the statement:

*CSR is becoming more important and more important for companies - new legislative initiatives from the EU include a focus on companies' work with sustainability. We are also seeing public authorities begin to incorporate CSR more rigorously into public procurement. Last but not least, there is a generation of new employees who would rather work for companies with a clear profile on CSR. (Appendix 2, Q.1).*

Therefore according to the CSR director at the larger organization and Expert 3 an organization's employees expect their company to be socially responsible and they would rather work for organizations that have a CSR strategy than one that does not engage in it.

Expert 2 is in the belief that CSR is the most important agenda for organizations. Furthermore, the last year has been extreme because of the exploding interest in CSR from various actors which is seen in the quote from Expert 2:

*Currently, much of CSR is driven by a climate agenda, which then drags other agendas with it. We realize that we need to make a fundamental transformation of our society in the direction of how we produce and how we consume so that we emit insanely much less CO2. It affects everyone. In this way, there is almost no more important agenda than CSR and sustainability work in relation to companies. I have been in this field for 20 years and in the last year, it has completely exploded everything from legislation to the interest of the financial sector in it. We have never seen anything like it in my industry. It is at once really interesting but also unmanageable. (Appendix 4, Q.3).*

These findings about the importance of CSR is important because it shows why organizations are forced to deal with CSR if not now then in the near future because it is also something employees value highly which is portrayed by Expert 2 in the following quote:

*All companies need to find their way to be a part of it because they expect it of themselves and their financial partners expect it. Their customers also expect it to a higher and higher degree and the same with current and future employees. If you do not focus on how your business should be here and compete in the other world, you do not have much to stand on in the long run. (Appendix 4, Q.3.1).*



### 5.1.3 View of CSR

After having found out that CSR is becoming more and more important in today's world it is therefore interesting to find out how experts and companies see CSR. The third finding of this study is that CSR is viewed as an investment that could be beneficial in financial ways. The sustainability manager at the SME views CSR as an investment if the organization focus on sustainability in their CSR strategy which is seen in the following statement:

*At least when we talk about sustainability, it is. Hiring me was an investment in itself. It was beyond what one had seen as its core business and not a post that had in any way been counted on just years earlier. It's a long-term investment because I'm not making any money yet. When it has to become profitable it is on branding aspect. (Appendix 3, Q.5).*

The interesting aspect of this quote is that CSR/sustainability is described as a long-term investment because focusing on the short-term is not profitable. The CSR director at the larger organization also sees CSR as an investment and as a pillar in their overall strategy as an organization which is shown in the following statement:

*We have a very sound foundation and a record profit last year and as I said, CSR is one of the mainstays of our strategy and is one of those that have the greatest need to do even more. We have a strategic goal of increasing efforts in this area. We invest a lot in it - both in employees and technology. (Appendix 5, Q.3.1).*

Expert 2 is in the belief that the majority of organizations engage in CSR because they see it as an opportunity to benefit from. Furthermore, CSR is a lot more interesting for organizations when they can benefit according to Expert 2 which is shown in this statement:

*I think being afraid of getting slapped in the media is a far smaller part of the narrative than it has been. The World Goals have been sold in by the entire world community as an opportunity agenda. I think that helps to drive some interest. I do not think companies do it because they are afraid of getting bad publicity, but I*

*think they do find ways in which it can at the same time bring benefits to them because it is the only way where it is really interesting to them. (Appendix 4, Q.4).*

An interesting perspective from this quote is that Expert 2 does not believe organizations engage in CSR because they are scared of the possible negative consequences if they chose to not have a CSR strategy but they are instead focusing on the benefits from engaging with it. However, the view on CSR and sustainability is not only an investment. CSR is also seen as a potentially damaging activity for the organization because of potentially being seen as greenwashers which will be presented in the next section.

#### **5.1.4 Greenwashing**

Throughout the analysis of the transcripts, the focus on the term sustainability became an important area when talking about CSR. The fourth key finding of this study is that sustainability is hard to live up to and it can easily be seen as doing greenwashing if not being careful in the communication. Furthermore, the finding also indicated that there is a problem with trust from the public towards an organization that is focusing on sustainability. Especially Expert 1 questions how organizations dare to label themselves as sustainable without making sure they live up to it:

*You see a lot of companies go out and say that they contribute to elements of the environment, and yet still have other negative effects on it. It does not hold. We have seen the first legislation from the EU that explains what is needed before one can call something a sustainable investment. (Appendix 1, Q.9).*

*Since 2011, it is a dangerous strategy to define CSR as you want it, because there are now so many who know the standard and therefore can call them out for what they do. You call yourself sustainable but you do not even have control over the impact on human rights, the environment or anti-corruption - at least you can not document it. How dare you then call yourself sustainable. (Appendix 1, Q.8).*

Expert 2 views greenwashing as a problem in today's world but is in the belief that it will be more difficult to greenwash in the future because of better definitions of when something is CO2 neutral for instance:

*This is a problem because consumers do not know what and who they can trust. On the one hand, I think there will be more of it in the sense that everyone will try to be able to tell something. On the other hand, it will be much more difficult because definitions are emerging of how to communicate, how to be CO2 neutral and carbon free, for example. In the future, companies will need to report on the level of their various investments. In order for them to do so, a taxonomy has been developed with different categories with specific criteria for what different types of investments must live up to in order to be called one or the other. (Appendix 4, Q.7).*

The sustainability manager at the SME claims that consumers have a problem with trusting organizations when they talk about their sustainable actions. Furthermore, she believes that it is up to the organizations to deal with this by communicating properly which is seen in the following quotes:

*In general, it is a problem that as many people as you can see in various studies are skeptical or at least think that there is someone as a greenwasher. It is a problem in itself and indicates that there is a problem with trust. (Appendix 3, Q.7)*

*Finally, it must not happen that we do not want to tell about what we do for fear of being accused of greenwashing. It will be terrible, if you do not dare to do anything for fear of appearing unbelievable, then you must at least work with your way of communicating. (Appendix 3, Q.7)*

Lastly, the CSR director at the larger organization mentions that greenwashing affects how much they communicate their CSR activities and how carefully it is done. He further addresses that the word sustainability is used too often and that it only should be used when something is sustainable which is shown in the following statement:

*Yes, we are clearly aware of that and that is also why we communicate relatively little. However, we have also come to the conclusion that we need to communicate a little more than we do. I see several companies communicating initiatives they will*

*soon do, where I can see that we have been doing this for years. You have to be extremely careful and that is also why I do not use the word sustainability because it could fast become greenwashing. One should only call something sustainable if it actually is. (Appendix 5, Q.5).*

These findings about greenwashing being a problem for organizations in today's world is important because it clearly affects how the organizations communicate their CSR strategy. In the case of the larger organization, it made them communicate less and by that also less transparent which could turn out to be significant when being in a crisis.

In summation, the findings about CSR show that there are disagreements or at least differences in how CSR is defined with a focus on climate/sustainability contra human rights. However, there is an agreement on the importance of CSR and it has become a factor that employees value when having to choose where to work. Furthermore, CSR is viewed as a long-term investment because it is seen as an activity that can benefit an organization financially. Lastly, greenwashing and the term sustainability is seen as a problem because it hinders organizations' way of communicating because of the fear of being called out for doing greenwashing. This is caused by the public not trusting organizations fully when they are doing sustainable work and the communication therefore often has to be carefully done.

## **5.2 COVID-19**

### **5.2.1 Different perceptions of COVID-19**

After analyzing the transcripts it became clear that there are different opinions on how COVID-19 is seen by the interviewed participants. Expert 3 views COVID-19 as a health crisis but one that also affects the economy which is seen in these quotes:

*Covid-19 is a health crisis, but it also shows us how things are connected, as illustrated in the World Goals. The health crisis is affecting economic goals and exacerbating inequality in society. (Appendix 2, Q.2).*

*The financial consequences are worrying - both those we know and those on the way. 16 pct. of the companies have laid off employees. Revenue has fallen for two out of three of the companies. (Appendix 2, Q.5).*

Expert 2 however does not mention health but instead sees it as a challenge that has dominated everything at the beginning of it which is shown in the following statement:

*I see it as a crisis in the sense that it is a huge challenge that the whole world has stood in and dealt with in different ways. I think at the beginning of COVID-19 we expected it to dominate everything until it was over. I think we had a hard time imagining at first how long it was going to last. (Appendix 4, Q.2.1).*

The CSR director at the larger organization has a more corporate view and focuses on how it has influenced their business and mentions they have developed a strategy to cope with the crisis:

*COVID-19 is a crisis in the sense that our stores have been closed and people have been sent home. It is an ongoing crisis and exactly what is coming out on the other side is therefore also difficult to say exactly. In our strategy, we also have a strategy called "the world after COVID-19". (Appendix 5, Q.3).*

The sustainability manager at the SME was, in the beginning, scared that COVID-19 would be a crisis for the climate agenda and by that also a sustainability crisis. However, this view has changed during COVID-19 to a more optimistic view where COVID-19 is seen as an opportunity to change things radically in society which could be helpful for CSR:

*From the start, we were afraid that now we would lose focus on the climate agenda because we are all talking COVID-19. I have a feeling that it has given us the impression that we can move quickly. We can actually change some things radically if we just want to. I have a feeling that we have seen we can make big systemic changes in our society pretty quickly if we just decide on it. These are the kind of*

*changes that are needed if we are also to be able to move in the climate area. (Appendix 3, Q.2).*

These differences in perceptions of COVID-19 are an important finding because they could influence the way CSR is affected by COVID-19. By this meaning that the approach to the crisis will be different depending on which perception there is. For instance, when COVID-19 is only perceived as a health crisis it might not influence the way organizations work with CSR. However, when COVID-19 is viewed as a potential crisis for sustainability as by the SME manager it would be likely that their CSR strategy also would be affected by the fact that they are trying to cope with a sustainability crisis. There is also a perception of COVID-19 being an opportunity. To sum this up the perception of COVID-19 could influence the approach to CSR in an organization because it will be important to the CSR strategy if COVID-19 is seen as an opportunity which then could lead to more investment or a crisis where survival is most important which could lead to less investment.

### **5.2.2 Transparent communication**

Another finding that emerged from the data was that organizations should be even more transparent in their communication during COVID-19 than normal to get through the crisis in the best possible way. Being transparent refers to being open and clear in the communication so it is easy for the public and consumers to see through it and understand it.

Expert 2 is in the belief that organizations should focus on having a transparent form of communication to a higher degree than normal because of the public's expectations when being in a crisis *"You have to be even more transparent during COVID-19 because people expect community spirit and will therefore become even angrier about being cheated by companies."* (Appendix 4, Q.8).

The sustainability manager at the SME is also in the belief that transparency in the communication is significant and something they need to do because of the earlier mentioned low trust among the public towards organizations that focus on sustainability:

*I relate to it in the way that we must be transparent about what we do and as long as we are transparent and tell what we do and also what we do not do. As long as*

*we stick to that transparency, I'm not nervous about it because I think people can keep up with it. (Appendix 3, Q.7).*

The CSR director at the larger organization argues that their communication should be even more transparent during COVID-19. He further elaborates that he expects CSR to be an area you do not have to communicate as much in the future because it becomes a matter of course:

*More transparent. In 10 years, CSR is not a competitive parameter, because then all companies are so far on that journey. There are also no companies that write they do not have child labor because it is a matter of course. I expect the same with the environment. On the other hand, you will be hung out if you do not have control over it and that is very good. (Appendix 5, Q.6).*

Furthermore, the CSR director explains that they are striving toward being transparent through having information about their CSR on many different channels to make sure the consumer can get the information in different ways. However, this communication is in the early stages because they wanted to make sure they did the CSR correctly before communicating anything which is seen in the following statement:

*Basically, we are starting to do a lot more. It has been the first step. We want to start doing that before we communicate it. Now we have started working on how it should actually be communicated. We have a larger section on our website which explains about our work in CSR. We also communicate in campaign newspapers. If you choose a product on our website, you can also see which environmental certificates it has. But how exactly we choose to communicate in the long run is what we are working on right now. (Appendix 5, Q.4)*

This finding about having to communicate even more transparently during COVID-19 is important because this could be a way for organizations to still engage with CSR despite being in a crisis. This is the case because transparency in the communication relates to CSR when having to avoid being seen as greenwashing. Furthermore, it is interesting that the public expects more of organizations in times of crisis in regards to community spirit. It is also important

because if the communication is not transparent it could end up being meaningless for the organization if the communication then does not have any effect.

To summarize the findings showed that COVID-19 is viewed both as a health crisis and as a corporate crisis that can affect CSR which the larger organization has developed a strategy to deal with. There are agreements regarding that the communication should be extra transparent during COVID-19 because the public expects extra transparency in times of crisis. The participants felt this extra transparency is needed because it could end up damaging the organization if the public's expectations are not fulfilled.

### **5.3 CSR during COVID-19**

#### **5.3.1 Different impacts depending on the activity**

Throughout analyzing the transcript it became clear that there are different perspectives on how CSR has been affected during COVID-19. According to Expert 1 the first period of COVID-19 had a huge impact on CSR which is seen in the following quotes:

*In the first 3-4 months of the crisis, at least the vast majority of companies focused on something other than working with social responsibility. Although working with COVID-19 and the risks it entails is also working with social responsibility. This process of implementing the standard and making sure that you can exhibit responsible business behavior and maybe look at some strategic areas you can best possible can contribute to sustainable development - it stopped for most companies for 3-4 months and then it came again. For many companies, the crisis also freed up time for reflection and time to start work on some projects they had had in the drawer. (Appendix 1, Q.3).*

In this statement, it is clear that organizations chose to focus on other subjects than CSR in the first 3-4 months. After this period organizations again started dealing with CSR which could be caused by them having time to reflect on new projects within CSR.



The SME's use of CSR was also affected by COVID-19. The sustainability manager explains that a lot of their activities has not been possible to do because of restrictions which are portrayed in the following quote:

*Yes, definitely. I was first hired last spring just before COVID-19 hit and started being sent home, so we first came out with our vision for sustainability in May last year. We have moved forward with this agenda despite COVID-19, which I see as a strength that we did not wait until we were done with this crisis. On the CSR part and the social part, we have not been able to do as much as we usually do. A lot of what we usually work with is something where you meet in one way or another. We have worked to support sports for vulnerable children or created a football team for the homeless. All of those activities have typically been around matches or have been about some being able to meet. So it has been more difficult and has therefore been very much affected by the COVID-19 situation. (Appendix 3, Q.3)*

Expert 2 is in contrast to Expert 1 and the SME's statement because she mentions that her business was not affected by COVID-19 which is shown in this statement "My business has not been affected. CSR.dk is there and runs no matter what. However, I lost a colleague, but it was not exclusively caused by COVID-19." (Appendix 4, Q.2).

The CSR director at the larger organization mentions that their CSR strategy has not been affected because their CSR strategy focuses on environmental activities. Furthermore, they have invested more in their CSR efforts despite being in a crisis which is shown in the following statements:

*No, I don't think it has that much. COVID-19 has taken a lot of external attention, but it has not shifted much focus internally. (Appendix 5, Q.1.2).*

*I work a lot with the environmental part and it is not greatly affected by COVID-19 (...) In relation to our CSR work, it does not matter so much because it is mostly environmental. 95% of our CO2 emissions are with our subcontractors in the supply chain and in relation to the climate footprint of a chair, it does not mat-*

*ter whether it is sold in a store or online roughly speaking. The things we really need to work on are not being changed by COVID-19 (Appendix 5, Q.3).*

*No, on the contrary. We have 4 more now who sit and work hardcore with CSR than at the same time last year (Appendix 5, Q.3.1).*

These findings about the different impacts of COVID-19 are interesting because it indicates that the environmental activities are not affected in the same way as for instance social work activities with homeless people. This indicates that COVID-19 affects CSR but seemingly only some of the activities. This is an interesting finding because this could be helpful for organizations when having to choose which CSR activities to focus on during COVID-19 to be successful.

### **5.3.2 Innovation of CSR**

An interesting finding emerged when looking at CSR during COVID-19. According to the participants from this study CSR is constantly changing and have been innovated during the crisis into new ways of doing CSR. According to Expert 3, CSR has been innovated because organizations wanting to help and by that show community spirit *“Well definitely. I think many companies have shown great ingenuity in helping where they can.” (Appendix 2, Q.3).*

This is also backed up by Expert 2 who is more general and views CSR as a concept that constantly changes and therefore also innovates *“It is an agenda that is constantly evolving and thus the expectations of companies are also constantly rising.” (Appendix 4, Q.6).*

Lastly, Expert 1 argues that organizations find solutions when being in a context that can have consequences that can be damaging and he furthermore believes that these innovative CSR solutions would stay after the crisis which is shown in the following quotes:

*Solutions are found to best prevent the negative impact of the context. Here it becomes the right to health. You innovate - you can call it innovation to come up with good solutions to deal with specific challenges in relation to human rights. (Appendix 1, Q.7).*

*There are special solutions that emerge in a pandemic. Then we will become wiser and then perhaps better able to handle general health and a healthy and safe working environment. There will be some innovative solutions that can easily carry on beyond the crisis. (Appendix 1, Q.7.1).*

The sustainability manager at the SME claims that they have innovated their CSR all the time during COVID-19 but this is due to them not having worked with sustainability before. However, because they have not worked with sustainability before COVID-19 it is unsure whether or not the same thing would have occurred if COVID-19 had not been there “*Yes, we have not done anything else and we have not worked on sustainability before so that way it gives itself.*” (Appendix 3, Q.10).

These findings about CSR being innovated during COVID-19 are important to this study because it indicates that CSR has been affected by COVID-19 to adapt to new solutions that fit the crisis and situation the society is in. This new situation is as mentioned earlier the bigger expectations of community spirit from the public and consumers. Therefore CSR has been affected in the way it has to be communicated during COVID-19.

### **5.3.3 Does size matter or is it the industry?**

An important finding from this study was according to the participants that COVID-19 has impacted entire industries and therefore also their use of CSR. The focus in these restricted industries has been on survival rather than investing in CSR activities. Industries like restaurants have been affected by this because they have been restricted by the restrictions. This sheds light on the complexity of COVID-19 because usually, it is most important whether or not an organization is an SME or a larger when trying to be successful in engaging with CSR. However, during COVID-19 the most important thing in relation to CSR is which industry the organization is in because of the potential restriction the industry can be within. If the industry is restricted then organizations focus on survival rather than investment which therefore affects their CSR efforts. This is first portrayed in the statement from Expert 1:

*We advise restaurants and cafes, which is an entire industry that has been forced to its knees. Likewise, Transport and Passenger companies, where it has also had a*

*major impact on their finances. So depending on how strong they are financial, it will mean a great deal. (Appendix 1, Q.5.1).*

*There are many restaurateurs who have timed out CSR because it is all about survival. The focus is on whether you have enough money so that you do not have to declare your company bankrupt and this is the reality for many companies. They do not have an earthly chance to focus on spending money on social responsibility work. (Appendix 1, Q.13).*

Expert 2 agrees with this view about the industry being the major role in how organizations are affected during COVID-19 and by that also their CSR strategy. According to the expert, an SME could not experience any troubles with CSR during COVID-19 depending on which industry they are within. However, she does state that larger organizations, in general, have benefited from this crisis which is seen in the following quotes:

*In all crises, there are people who win at it and people who lose at it. It has happened here too. Large companies have benefited from it and have gotten a better business out of it and others have been hit really hard. (Appendix 4, Q.2.1).*

*It is more industry specific. Craftsman companies no matter how small and medium-sized they are have done well. However, It is super different whether they are from one or the other industry, but not so different whether it is a large or a small company. (Appendix 4, Q.2.1.1)*

The sustainability manager at the SME is in the belief that especially the culture industry has suffered a lot financially which has made it harder to invest which then often affects the CSR activities:

*I think that it is very industry specific. For those who have been completely laid off and have not known what the next few months will look like, it is clear that it has been difficult to invest for them. (Appendix 3, Q.12).*

*In the culture and experience industry, we have lost a lot of money. It may well be that you have not been hit as hard as some, because after all, we have been able to play football, we have just not been able to get fans in. (Appendix 3, Q.4).*

The key finding about some organizations changing their CSR strategy during COVID-19 because of the restrictions is an important finding because it indicates that the size of an organization is not as important as usually during COVID-19 in relation to CSR. The participant from the larger organization in this study work within an industry that is not affected to the same degree as others which could be the explanation to why they do not experience difficulties with CSR during COVID-19. By this meaning that there could be more to it than just choosing the “right” CSR activities during COVID-19 as these findings show that the industry is a factor. To summarize this key finding indicates that if an organization has to focus on survival during COVID-19 because they are affected by restrictions it does not matter if it is an SME or a larger organization. By this meaning that if an organization has to focus on survival they do not focus on efforts like CSR.

#### **5.3.4 Difference from the financial crisis**

This finding focuses on the connection between COVID-19 and CSR and how it differs from the way the financial crisis affected CSR. According to Expert 1, the financial crisis was tougher for CSR than COVID-19 has been. Organizations did not dare to invest and use the money on consultants that would help them with their CSR. Expert 1 argues that it could be the case that organizations worked with CSR but that was without guidance which is seen in the following quote:

*Yes, it differs. Back in 2008, when the financial crisis hit the Danish business community in November, we had all tasks canceled within 14 days. All tasks. There was no company that dared to spend money on consultants. It may be that they worked in-house with it (red. CSR), but at least they did not receive guidance to do so. It was more direct than what we have experienced with COVID-19 because COVID-19 in itself makes it clear how important it is that we deal with the negative impact on human rights, including the right to health and the right to a healthy and safe*

*working environment, which is what we deal with through our COVID-19 efforts. (Appendix 1, Q.4).*

Expert 2 is also in the belief that the financial crisis differs from COVID-19. She argues that there were no winners of the financial crisis which made it harder for all companies to invest in matters like CSR. This is shown in the following statement:

*It differs because the financial crisis was a long and sad regression. There was not this urgency and temporality, which after all has been under COVID-19. COVID-19 is here now, but it is not an internally created crisis, but instead, an external event that makes everything different, which at some point goes away again. The financial crisis came from within through all sorts of inappropriate decisions and in that way it was more of a crisis as we know them. There was not a single European recovery plan like there is this time. So I think those are two completely different things. The financial crisis hit everyone. You could not point to super winners of it, as you can easily here under COVID-19. (Appendix 4, Q.2.2).*

This finding about COVID-19 impacting CSR in a different way than the financial crisis is important for this study because this shows that it might have been easier working with CSR during COVID-19 than during the financial crisis. It also shows that COVID-19 has not only had losers but also winners which could make it easier for them to invest in their CSR strategy where during the financial crisis almost everyone if not everyone were affected financially in some sort of way.

### **5.3.5 Best and worst of COVID-19 in relation to CSR**

This finding refers to how COVID-19 both have affected CSR in positive and negative ways according to the participants of this study. The worst of COVID-19 is primarily focused on the financial aspects that will affect the use of CSR in the future years because some organizations would invest less in CSR if there is an economic regression in the society. The best of COVID-19 in relation to CSR is the global reflection there has been towards making radical changes in society and a mindset that is more focused on sustainability which could pave the way for more organizations engaging in CSR.

According to Expert 3, COVID-19 could have made it more difficult for organizations to invest in CSR because the budget for it is likely to have been reduced during COVID-19 *“It will certainly also have an impact on the CSR budget of the companies in question. It can be difficult to argue for implementing CSR measures if you have to lay off a lot of employees in parallel.” (Appendix 2, Q.5).*

Expert 2 believes the worst thing about COVID-19 in relation to CSR is that a lot of organizations have not started doing as much as they would have if there was not COVID-19 which is seen in the following statement:

*At the same time, there are companies that have not started as much as they would like. Then there are also parts of the agenda that suffer, climate does not. COVID-19 has hit women particularly hard in the global labor market and for the first time in 10 years, more poor people have arrived, where that number has otherwise been reduced. (Appendix 4, Q.10).*

Expert 1 argues that there will occur a financial regression because of COVID-19. This will influence CSR because some would rather not invest in it after being through an economic crisis according to Expert 1:

*It is as with everything else that there is an economic crisis in the wake of this and all economic regressions put a brake on, for example, regulation of companies. Now we are going to regulate companies so that they become socially responsible - we can see that there is a need for it and it is necessary but they have just been through a huge economic crisis so now might not be the time to do it. (Appendix 1, Q.12).*

The sustainability manager at the SME claims that the change in mentality is the worst thing COVID-19 has entailed. She argues that sustainability business like sharing cars has been heavily influenced during COVID-19 in fear for getting sick which is shown in the following quote:

*We all become more for ourselves because we are forced to be alone. I think togetherness and community can do quite a lot. When we do not get it, we can be dis-*

*tanced and take less responsibility for each other. Specifically, the whole thing is individualized, so many more materials are also used. The sharing economy has had a hard time, e.g. sharing cars, because no one wanted to get into the same cars that someone had used just before. Fear of community due to illness. Conversely, I think we are so hungry to come back, so I do not think it is lasting. (Appendix 3, Q.9).*

However, looking at the opposite of the positive impacts of COVID-19 then Expert 1 believes that COVID-19 has resulted in global reflection that affects the way we think about sustainability and how it could be done which is shown in the quote:

*It creates a common global reflection. We find that we need to think about sustainability. We also find that states can actually act very quickly. Businesses can also sit and watch and they also find that they have to bear responsibility. I clearly believe that COVID-19 has highlighted the need to think and act on sustainability. (Appendix 1, Q.11).*

This is backed up by Expert 3 who argues that COVID-19 has shed light on how important the supply chain is and especially focusing on CSR within this which is seen in the following statement:

*Voters have seen political action in an unprecedented way, and this may set a precedent for the action that is also needed in relation to the climate crisis. At company level, the crisis has led to a stronger focus on the strategic importance of the supply chain, including the sustainability of the supply chain. This is one of the areas where Danish companies can create the greatest impact. (Appendix 2, Q.4).*

The sustainability manager at the SME claims that COVID-19 has impacted people's mindset regarding climate action because they have seen that radical changes can be done quickly as well as new innovative ways of doing CSR:

*What I mentioned before is that we have seen that something radical can be done in a fairly short time. These goals we have on climate, which we have not yet seen*



*change very much or go for the better. There we may have got a feeling that if we do something radical all together, then we can change something that otherwise seems almost unattainable. That mindset can mean something. People are looking for new ways to do things. (Appendix 3, Q.8).*

The CSR director at the larger organization is more specific when referring to the best of COVID-19 which is traveling less and have more focus on online meetings and by that emit less CO2:

*If you have to look at the positive and of course you have to, then you have become better at using tools such as when to have a physical meeting and when not to. I have been used to traveling a lot by plane and that is not what matters much for our company's total emissions, but it is something you can look at in the future, as you can do a lot over a zoom connection. (Appendix 5, Q.10).*

These findings about COVID-19 having both positive and negative influences on CSR is important for this study because it shows that COVID-19 is not only an obstacle for CSR. In 10 years the COVID-19 pandemic could turn out to be a vital point in how CSR developed subsequently.

In summation, CSR has been affected during COVID-19 especially in the first 3-4 months of the crisis where a lot of organizations focused on survival rather than investing in CSR. A key finding from the data was that only some of the activities within CSR have been affected during COVID-19 where the sustainability/climate activities have not been affected. Therefore it is important which CSR activities organizations choose to focus on during COVID-19 because the activity will be affected in different ways. CSR has also been innovated during COVID-19 to adapt to this new reality. Furthermore, it is industry-specific when focusing on which types of organizations have been affected by COVID-19 and thereby also their CSR strategy. It is not specific SMEs that have difficulties with CSR during COVID-19 but instead the organizations who fight for their survival cut their CSR efforts. Larger organizations have increased their CSR efforts during COVID-19 but this is again dependent on the industry. COVID-19 has also had a different way of impacting CSR than the financial crisis because of the number of organ-

izations that were troubled by the financial crisis versus COVID-19 where it has been more specific industries that have been affected. Lastly, COVID-19 has resulted in a global reflection about areas such as sustainability which could be a crucial point for the future development of CSR.

## **6.0 Discussion**

This section will discuss how the findings matter to the academic literature and why they are meaningful. This will be done by relating back to the topics from the literature review especially concerning CSR and COVID-19. In addition to this, it will be discussed how the findings of this paper matters to organizations. This would emerge into recommendations based on the findings from the analysis. In the next sections, the used literature will be either confirmed or extended with a new perspective provided from the findings from the analysis of this study. This is important because the created knowledge from this study can be important in another crisis or pandemic where the same problems could occur. This means that some of the recommendations will be grounded in literature because the findings support them. However, some of the recommendations will be grounded in findings that are not supported by the literature and thereby providing a new perspective. These recommendations could therefore be more uncertain until further research could confirm these new perspectives on CSR during COVID-19.

### **6.1 Confirmation/support of the literature**

In the literature review, it is mentioned that CSR is a changing concept that has evolved throughout the decades. Agudelo et. al. (2019) argues that sustainability has been the main pillar of this generation's use of CSR. This is supported by the findings in this study as Expert 2 along with the sustainability manager and the CSR director uses sustainability as a definition for CSR with only Expert 1 having a different definition for CSR with a focus on human rights. The findings also showed different perceptions of COVID-19 and it was deemed to be a health crisis by some and a corporate crisis by others. This is an important aspect according to Frandsen and Johansen (2017) because in order to be able to create the best communication during COVID-19 an organization needs to know exactly what type of crisis it is. These different perceptions of COVID-19 could be the cause of why some organizations have difficulties

during COVID-19. These differences in the view of COVID-19 might not be the case in the future or in another pandemic because the situation would not be as disruptive again.

The academic literature views Greenwashing to be a very important subject when dealing with CSR because of the potential damage it can do to an organization. The findings support the literature about the importance of greenwashing because it showed that it even affects the way organizations choose to communicate their CSR strategy. It affects them to be more careful because the public and consumers do not have the same degree of trust as earlier to organizations that focus on sustainability. Therefore this could mean that organizations can not have a CSR strategy in the future without also having a strategy on how to cope with the different problems of greenwashing. Therefore the findings contradict the claims of Haris and He (2020) that states that greenwashing will not survive during COVID-19 because of the community spirit and the closer engagement with the consumers. Furthermore, Harris and He's (2020) claim about organizations pursuing short-term gains during a crisis is confirmed. This is the case because when talking about organizations that are affected during COVID-19 they tend to focus on survival and by that the short-term gains and not invest in long-term gains like CSR. An interesting finding from the analysis was that the larger organization had invested more in their CSR strategy during COVID-19 by hiring 4 new people to work with CSR. This confirms the literature about managers in organizations' desire to over-invest in CSR in times of a crisis because they see it as insurance for the organization.

## **6.2 A new perspective on the literature**

This section focuses on the findings from the study that provides a new perspective on the existing academic literature. As mentioned in the literature review various scholars are in the belief that SMEs have more difficulties when engaging with CSR. Especially the financial aspect is considered to be the biggest obstacle for SMEs versus larger organizations when having to work with CSR. In addition to this, the SMEs have specifically been more affected during COVID-19 with larger revenue losses. However, the findings showed that the SMEs in this study did not have problems doing their CSR strategy during COVID-19. This means that this is in contrast to the literature about SMEs having difficulties with CSR or at least it is not confirmed in this case and thereby provides a new perspective. However, this does not mean that

this necessarily is the case for all SMEs during COVID-19. It could be the case for SMEs in the same situation and context as the SME in this study.

As mentioned previous research has focused on SMEs having difficulties with CSR, these findings from the analysis opened up a discussion to whether it is more relevant what type of industry an organization is than the size of the organization when talking about having difficulties with CSR during COVID-19. For example, the findings showed it to be more important if the organization is a restaurant or a supermarket when experiencing difficulties during COVID-19 than whether it is an SME or a larger organization due to the restrictions the industry is affected by during COVID-19. This is interesting because the financial aspect is usually the obstacle for SMEs but during COVID-19 also larger organizations have had to deal with this aspect. In industries like restaurants and the big transport sector like the aircraft industry have had more focus on survival during COVID-19 which therefore makes it harder for them to invest in matters like CSR.

Furthermore, Aoyama et. al. (2020) stated that communication had to be transparent during a crisis, which was to some degree confirmed by the findings because they showed that being transparent was not enough. Instead, it is not enough only to be transparent according to the findings organizations have to be extra transparent because consumers and the public expect community spirit from organizations in times of crisis. This also confirms the literature about a crisis being an opportunity to create a stronger bond to the public and consumers through an organization's CSR activities. This could mean that a crisis similar to COVID-19 in the future could be seen as a possibility for organizations to connect with the public in a way that they are not able to in general.

According to Chintrakarn et. al. (2021), there could be problems if there is a strong independent board in the organization because they would not invest in CSR during a crisis - especially not CSR related to environmental and climate as they view it as the least necessary activity. The findings showed that this was not the case because as mentioned they invested in their CSR during COVID-19 and 90% of their strategy focuses on climate and environmental activities. Therefore it could be discussed if the environmental activity within CSR should be

viewed as being more important especially during COVID-19 because it is an activity that is not affected to the same degree as other activities according to the findings of this study.

To summarize the findings contribute to a clearer understanding of how CSR has been affected during COVID-19. The results build on existing evidence from the literature about CSR being a changing concept that has different definitions. One of the most important findings from this study was that SMEs, in general, do not find it more difficult to engage with CSR than larger organizations during COVID-19 which challenged existing literature. Instead, this study showed a relation between being in a specific industry that is restricted during COVID-19 and having difficulties in doing CSR. The findings suggest that crisis communication has to be extra transparent during COVID-19 which to some degree agrees and disagrees with previous research. Lastly, the finding about larger organizations investing more in CSR as insurance during a crisis builds on existing evidence and thereby supports the current literature. The next section will focus on how the findings can be transferred to other organizations in the same context and situation as the organizations in this study. This could then be transferred to recommendations on how to create a CSR strategy that could be beneficial during COVID-19 or a similar situation for an organization in the same context and situation as the ones in this study.

### **6.3 How do the findings matter to organizations?**

As mentioned in the introduction the COVID-19 pandemic has affected the economy and the society and thereby also organizations. Organizations have to rethink their business models and by that also their CSR strategy. Therefore the findings from the analysis will be translated into recommendations on how to do CSR in times of a crisis - or at least in times of COVID-19 with the purpose of an organization being successful in it. Based on the findings in the analysis there are multiple things to consider when engaging in CSR during COVID-19.

The first thing an organization should focus on during COVID-19 is how they view CSR. It is important that they see CSR as an investment that can benefit them long-term and as insurance throughout the crisis. If CSR is not seen like this in the organization it might be more difficult to succeed with the engagement during COVID-19 because if CSR is only seen as an expense then it will be easy to cut the efforts on it when fighting for survival. After all, organiza-

tions tend to cut expenses in times of crisis. However, if the organization views CSR as an investment that can benefit the organization financially then the organization would see it as insurance and as an activity that could help them through the financial struggles of the crisis. As shown in the findings there are many different definitions of CSR. However, during COVID-19 it would be wise to have a definition that tends to focus on sustainability because it is one of the activities within CSR that has not been affected by the pandemic. Therefore the CSR activity to focus on during COVID-19 should be sustainability and climate activities because they have not been affected and therefore is the obvious safe choice in this pandemic for organizations in the same situation and context as the ones in this study.

Another aspect an organization should consider is how heavily restricted the industry they work within are by the restrictions due to COVID-19. If the restrictions affect the organization to a degree where it is only about survival then it still makes sense to invest in CSR because it will help the organization in the long term. This is the case because CSR will benefit the organization financially in the long term which for instance could be stock improvements. An organization could also use CSR during COVID-19 to create a stronger bond to the public because the organization would still show community spirit by doing CSR despite fighting for survival or just the fact that they are in a crisis and as Winston Churchill said “Never let a good crisis go to waste”.

It is also important that the organization focus on innovative solutions in their chosen activities during COVID-19 to best fit the crisis. Furthermore, the COVID-19 pandemic should also be a matter that creates reflections about the entire organization's way of doing things. These reflections could lead to them conducting more meetings online rather than flying to another country to meet. This would then also be something the organization could use in their CSR strategy and communicate this to the public and consumers.

This strategy and choices should then be communicated extra transparently to the public and consumers because they expect this of the organization in times of crisis. This could be achieved by being explicit in the communications of all actions in relation to the CSR strategy and thereby being extra transparent in why they are engaging in these activities during COVID-19. Furthermore, this extra transparency is also important when trying to avoid being

seen as doing greenwashing. However, in order to be able to communicate extra transparently in times of a crisis then the organization needs to have defined what type of crisis COVID-19 is. If they fail to do this then the crisis communication will not work as intended.

## **7.0 Conclusion**

This study has investigated how CSR has been affected by COVID-19 and how it has affected SMEs' use of it versus larger organizations. In answering this research question this study has taken a point of departure in academic literature with a focus on CSR in general, CSR in times of crisis, organizations in times of crisis, and crisis communication. To summarize the literature states that CSR has become a crucial business area for all organizations. Greenwashing is important to have in mind when engaging in CSR and especially sustainability because it can potentially damage the organization. SMEs have more difficulties when engaging in CSR than larger organizations do. Crisis communication is significant when operating in times of crisis and the communication has to be transparent in order to be successful. Organizations focus on short-term gains in times of crisis if they have to fight for their survival. This affects their CSR efforts because they do not invest the same amount when fighting for survival. Furthermore, there are different views on how to engage with CSR during a crisis. Managers in organizations tend to invest more in CSR during a crisis because they see the activity as insurance that can benefit and help the organization. In times of crisis, there is a possibility to create a stronger bond to the public and consumers because the consumers expect more of organizations during a crisis.

After analyzing the five interviews different key findings emerged. The most important finding is that CSR has been affected by COVID-19 and especially in the first 3-4 months of the pandemic where many organizations focused on survival and thereby lowered their CSR investments. Another key finding was that CSR activities such as sustainability were not affected during COVID-19 because the restrictions did not influence them. The influence of the restrictions during COVID-19 is also important in another key finding. This finding showed that it is important which type of industry an organization is within because if the industry is heavily restricted by the COVID-19 restrictions then it is more likely that they will focus on survival and therefore affect their CSR efforts. Furthermore, the analysis showed that the communication during COVID-19 has to be even more transparent than usual because the



public and consumers expect community spirit from the organizations. Another key finding is that COVID-19 has resulted in a global reflection about sustainability which could influence the way CSR is used in the future. To summarize CSR has been affected during COVID-19 in various ways. One way is the use of it, which has been affected by some organizations lowering their CSR efforts when fighting for survival. The findings showed that CSR has been affected more heavily in certain industries. Industries where organizations fight for their survival have lowered their CSR efforts. Another way CSR has been affected is seen in the finding from this study some specific activities within CSR have been affected less than others during COVID-19.

Lastly, this study has discussed how the findings matter to the academic literature and to organizations. The findings contributed to an understanding of how CSR has been affected during COVID-19. One of the most important findings that matter to the literature was the fact that the industry was so important when investigating which organizations have had their CSR strategy and efforts affected during COVID-19. This provides a broader perspective than the usual perspective that focuses on SMEs and their difficulties with CSR. The findings showed that during COVID-19 the size of the organization is not as important as which industry the organization is within when talking about being affected by COVID-19.

The findings also matter to organizations in the same context and situation as the ones in this study because they have emerged into recommendations on how to engage with CSR during COVID-19. To summarize these recommendations it is firstly important as an organization to perceive CSR as an investment that will work as insurance during COVID-19 and thereby be financially beneficial. It would also be wise to have a CSR definition that focuses on sustainability and thereby also choosing activities that tie together with that definition. This would be wise because these activities have been affected less during COVID-19. The communication of the CSR strategy should be extra transparent because the public and consumers expect this and it will help them to avoid being seen as doing greenwashing. Next, an organization should evaluate if they lie within an industry that is so heavily restricted by the COVID-19 restrictions that they only feel they can focus on survival. However, if possible then the organization should still engage in CSR because this could be extra beneficial during COVID-19 be-



cause it could create a stronger bond to the public and consumers and thereby benefit the organization in a way that was not possible in a time without a crisis.

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