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**CORPORATE SOCIAL RESPONSIBILITY UNDER COVID-19  
CIRCUMSTANCES: BULGARIAN BUSINESS ATTITUDE**

*Corporate social responsibility is a topic of many research papers in which a consensus has been reached in terms of priorities for development of companies, society and households. In situation of the Covid-19 pandemic the CSR policies applied by the companies acquire a new content. Volunteering, helping victims of the disease, providing scarce medical supplies are just some of examples of initiatives for which there is evidence from all around the world. Nevertheless, CSR has its own clear philosophy and politically accepted understanding. In different countries have been adopted national strategies for corporate social responsibility with well defined goals and priorities. On 25<sup>th</sup> of November in 2009 the Council of Ministers of Republic of Bulgaria adopted the first 5-year national strategy for CSR ([www.csr.bg](http://www.csr.bg)). A few months before the appearance of the first Covid-19 cases in China, the Bulgarian government adopted a third 5-year CSR strategy. During the pandemic, despite of the otherwise well-formulated eight key areas for implementation of the strategy, many good practices of corporate action in the context of CSR have been identified. The purpose of this paper is to present the results of a survey among benchmark Bulgarian companies regarding the reaction during the pandemic waves towards the staff and also the customers, the business partners and the society as a whole. In the sample are included SMEs with staff up to 250 people, large companies with more than 250 employees and key institutions in the banking, insurance and energy sectors which manage assets exceeding 10% of Bulgaria's GDP. Relatively small companies in the tourism sector are also included. Indeed the enterprises from the HoReCa sector suffer the most from the Covid-19 pandemic due to the measures and its temporary lockdown. The results of the study clearly show that in conditions of Covid-19 the desire to support the philosophy of CSR is highly reduced by the challenge in front of business to survive, especially of SMEs, but is widely supported by large companies with a benchmark influence for the Bulgarian economy. Attention is also paid to the environmental aspects in the application of CSR by the surveyed companies, as a key component of the concept. The individual answers are visualized through figures and tables. A 5-point Likert scale has been used with five meanings, reflecting neutrality, moderate agreement / disagreement and strong agreement / disagreement with the formulated statement.*

**Keywords:** CSR, Covid-19, staff release, wages, fund donations

Figures – 4, Tables – 1, Sources – 15

**Problem statement.** Corporate social responsibility imposes a new model of corporate culture and corporate goal setting since three decades. In this model profits (manager's goal) and wealth (shareholder's goal) are integrated into a common strategy for public balance and

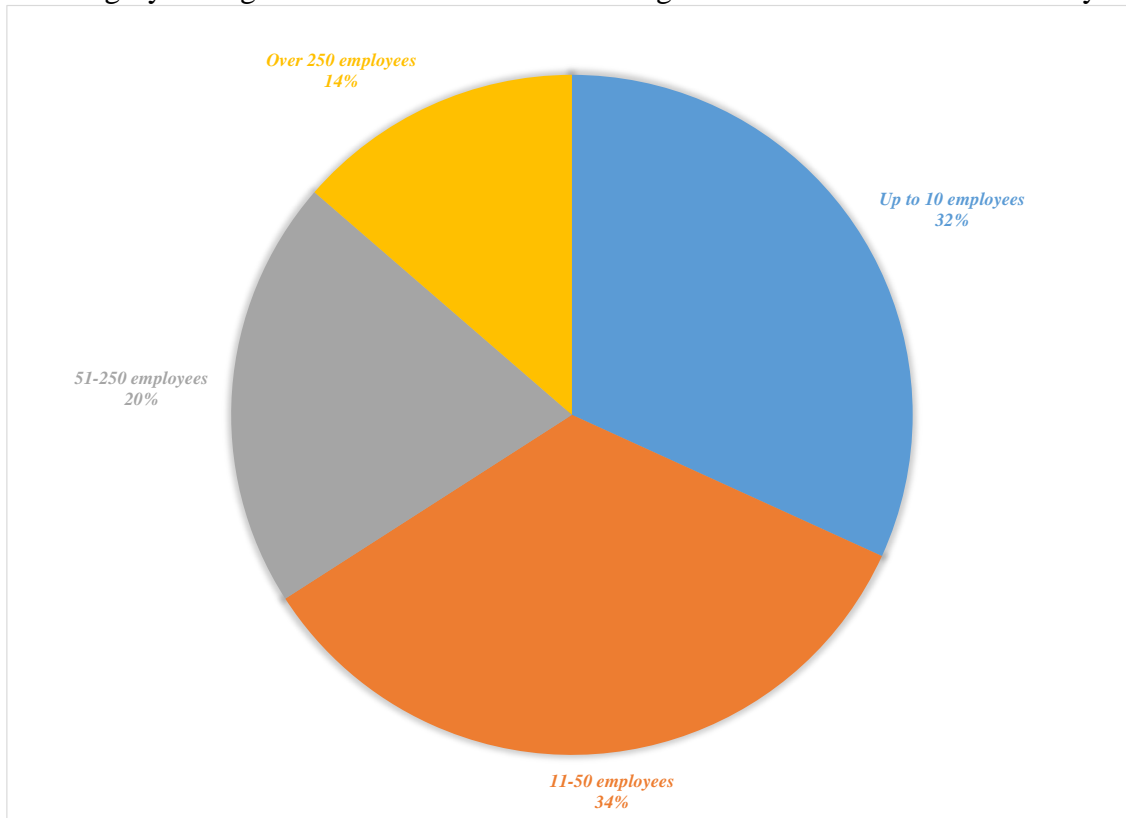
assessment of the impact of the company's business on the environment, public relations and sustainable development. Thus, the classical understanding of the turnover of cash flows in the economy related to the creation of GDP and the role of government, companies and households acquires new medium- and long-term dimensions (Terziev, Zahariev, Pavlov, Petkov, & Kostov, 2021b) [8]. Businesses begin to adapt to the new environmental requirements for a low-carbon economy. The standardization of company processes according to ISO already includes many new requirements and integration in the production processes of environmentally friendly resources. Biodegradable materials are replacing traditional products in the packaging industry and disposable utensils. With the change in culture and technology of production a new environment is created in relation to human resources that accepts investments in human capital as a continuous process (long-life learning), which is a responsibility of the individuals, the companies and the society (Zahariev, 2012) [9].

**Analysis of recent research and publications on this issue.** The crisis with Covid-19 turned the attention of government and business management back to the workforce (Zahariev & Zaharieva, 2003) [10], its health, safe working conditions and flexible working hours (Terziev & Ivanov, 2020) [7]. After many measures in various businesses the traditional workplace has become digital, remote and functioning in a changing and epidemic environment. The education system itself went into distance learning mode (Zahariev, Ivanova, Angelov, & Zaharieva, 2021c) [11]. The application of lockdown in the HoReCa sector (Flew & Kirkwood, 2020) [5] caused many problems with the labor market and employment. Governments have implemented various measures to support business and preserve jobs (Bogdanova, 2019) [3] and the restoration of supply chains (Laktionova, Dobrovolskyi, Karpova, & Zahariev, 2019) [6]. Traditional industrial sectors such as energy and mining have also been put under pressure (Deneva & Grasic, 2020) [4]. European Commission logically derogates from public debt and deficit limits in spring 2020 (Zahariev, Radulova, Aleksandrova, & Petrova, 2021a) [14] in favor of resource-providing policies to address the negative effects of Covid-19. The European Central Bank (Zahariev, et al., 2020c) [12] allowed the central banks of the Eurozone and EU member countries to implement mechanisms for deferring the maturity of loans, which naturally led to liquid business support, but also reduced the profits of commercial banks. The insurance sector (Zahariev, et al., 2020d) [13] also suffered some damage that changed traditional actuarial models and life insurance plans. Nevertheless, the biggest pressure from the pandemic was on the health system and the related social consequences and behavior of companies in the context of the CSR philosophy (Antwi, Zhou, Xu, & Mustafa, 2021) [2].

**Identify individual issues that are not resolved in the problem selected for research.** The Covid-19 pandemic has been also taken on a purely national dimension. The separate countries differ in the capacity to treat patients and the human resources such as doctors and nurses (Adamov, Kolev, Vrachovski, Zahariev, & Marcheva, 2010) [1], incl. and in the system of ICU departments in the hospitals. The possibilities for testing, the reliability of the tests themselves (PCR and antigenic), the waves with separate variants of the virus made the epidemic the number one topic in public life. Following the scientific discoveries in the field of Covid-19 vaccines in the European Union, a centralized approach has been adopted to supply vaccines in sufficient quantities to all citizens of the community. Bulgaria also received the necessary quantities of vaccines but for political and social reasons and a strong anti-vaccination movement ranks last in the EU in terms of number of vaccinated people (in % of the adult population) and first in mortality (per 1 million inhabitants) from the Delta variant of the virus (as of 01.09.2021). At the same time, the companies found themselves with various opportunities to support social causes in the conditions of Covid-19.

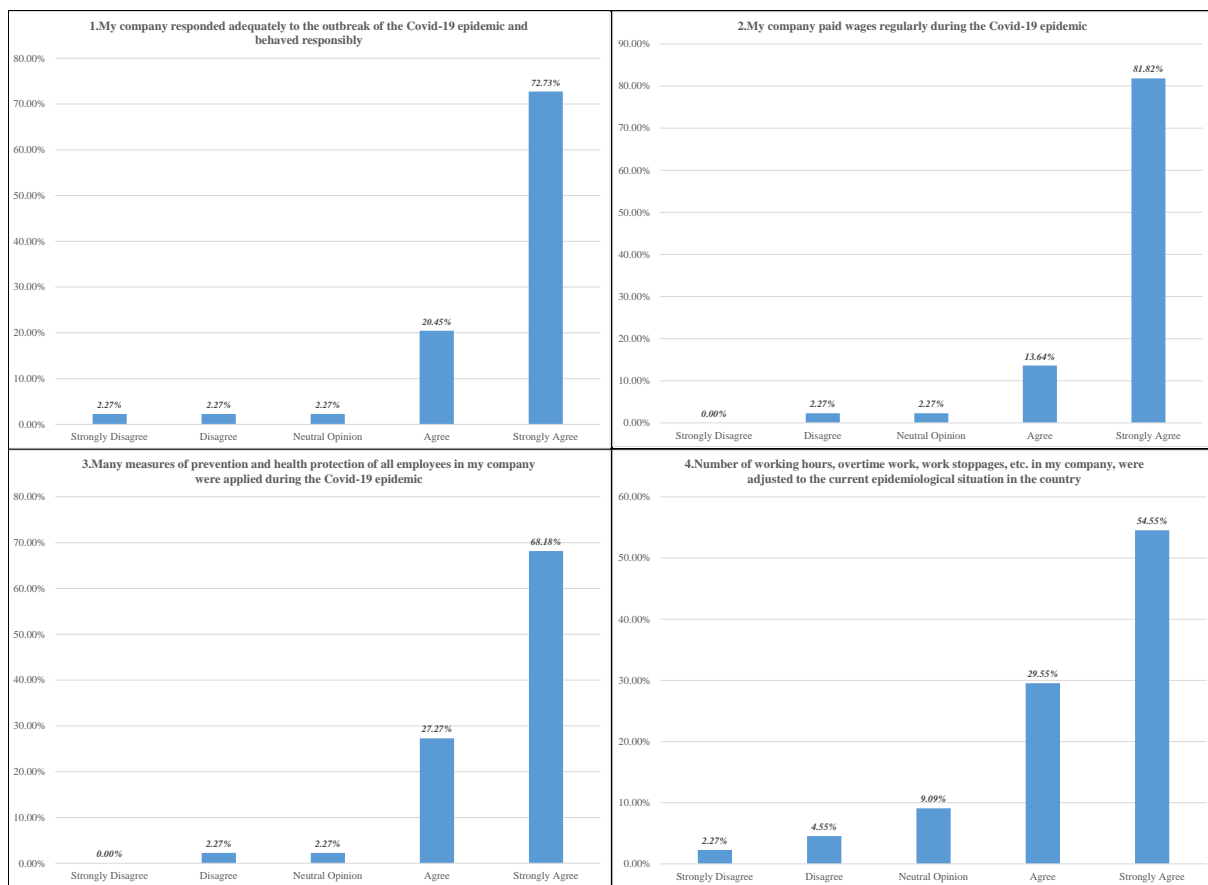
**Formulation of the goals of the article.** The present study has a national focus and aims to present the position of selected Bulgarian companies regarding Covid-19 and the role of business in integrating the philosophy of CSR to the global battle to overcome the pandemic.

**Presentation of the main material of the article with justification of the obtained scientific results.** For the purposes of this research were selected 44 Bulgarian companies, divided into 4 categories (See Fig. 1). The first category includes micro enterprises with up to 10 employees, which are mainly from the HoReCa sector. The second category includes small enterprises with 11-50 employees (hotels and small production plants). The third category is from enterprises with 51-250 employees, which includes insurance, manufacturing and pharmaceutical enterprises. The last category includes large industrial enterprises, leading banks, insurers, and the Kozloduy Nuclear power plant (NPP). The surveyed companies in the fourth category manage assets worth over 10% of Bulgaria's GDP for the current 2021 year.



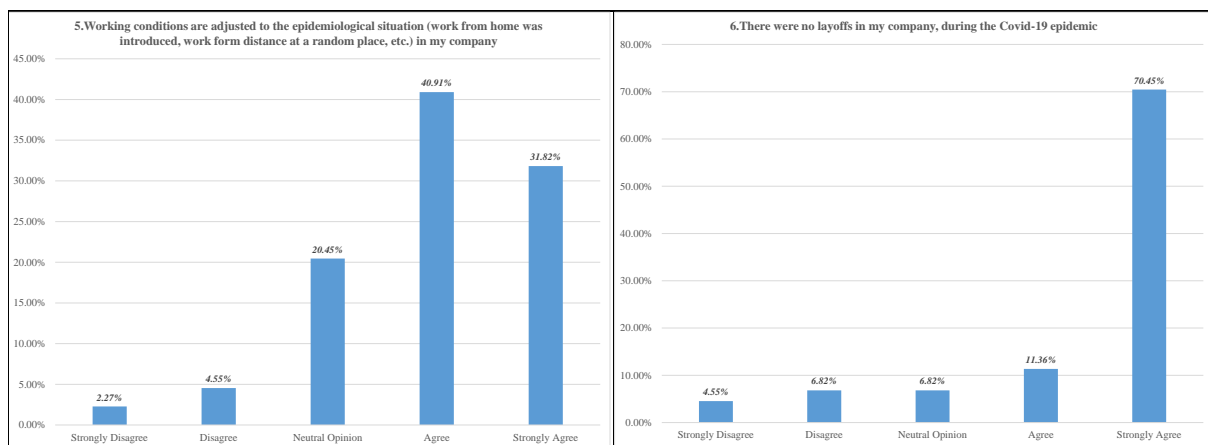
**Figure 1.** Distribution of companies in the sample based on the number of employees

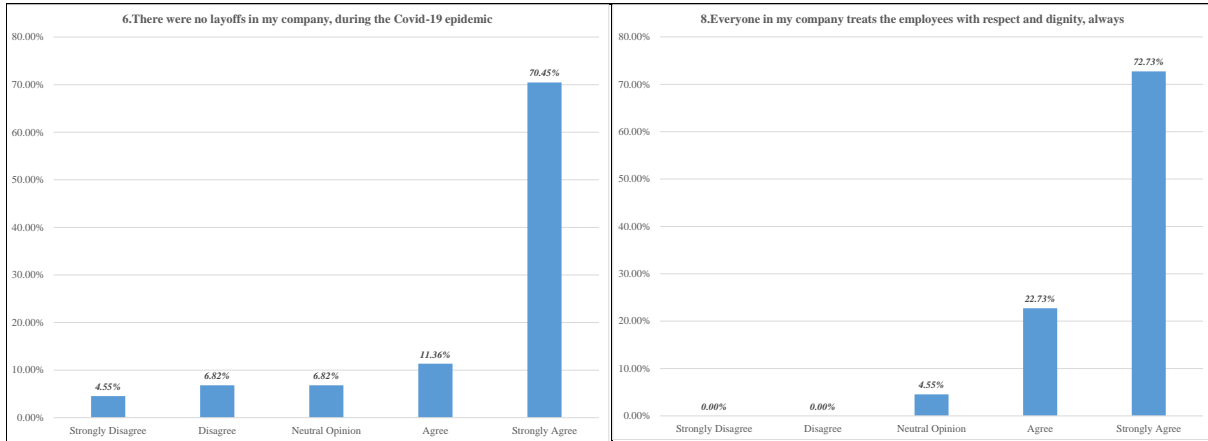
The answers to the questions were grouped and are presented in three figures (Figure 2, Figure 3 and Figure 4). Each of them gives a distribution of the answers to 4 consecutive questions / statements directly related to CSR / Covid-19. Through the pointed figures and Table 1 the individual answers are visualized and graded on a scale with five meanings, reflecting neutrality, moderate agreement / disagreement and strong agreement / disagreement with the formulated statement. The answers to the statements Q2 (My company paid wages regularly during the Covid-19 epidemic.) and Q7 (All employees are equal (no discrimination) in my company always (neither during nor outside the epidemic.) are given the highest positive value from the array of questions with a mean of 4.75, followed by answer Q12, where the average is 4.70.



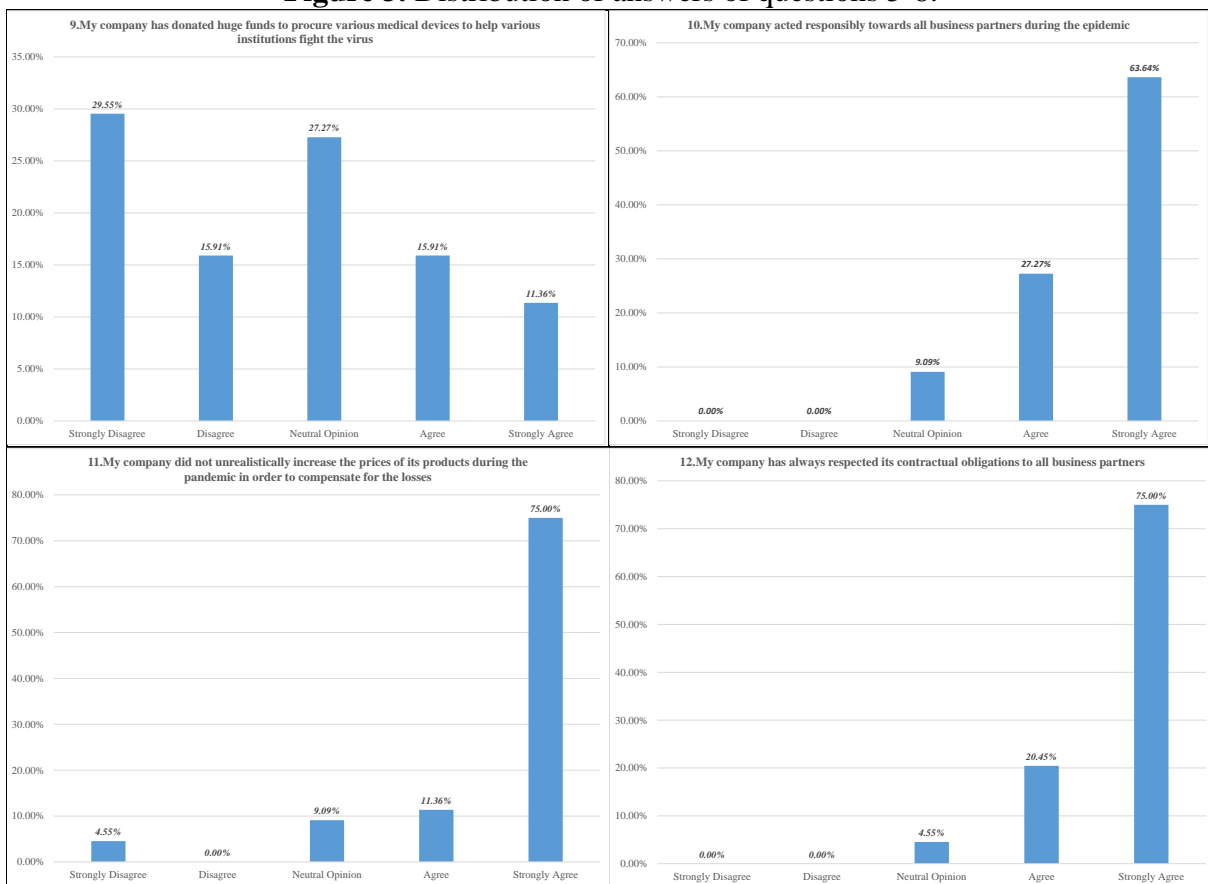
**Figure 2.** Distribution of answers of questions 1-4.

At the other end of the distribution of responses (where firms disagree or are neutral) are Q9 (My company has donated huge funds to procure various medical devices to help various institutions fight the virus.) with an average metric of responses of 2.64, followed by Q5 (Working conditions are adjusted to the epidemiological situation (work from home was introduced, work form distance at a random place, etc.) in my company.) at an average value of the answers of 3.95 and in third place is Q4 = 4.30 (Number of working hours, overtime work, work stoppages, etc. in my company, were adjusted to the current epidemiological situation in the country.).





**Figure 3.** Distribution of answers of questions 5-8.



**Figure 4.** Distribution of answers of questions 9-12.

The analysis of the deviations from the average in the sample using the indicators SD and CV shows that the lowest deviation from the average are questions Q7 (SD = 0.53; CV = 11.24%), followed by Q12 (SD = 0.55; CV = 11.76%) and Q8 (SD = 0.56; CV = 11.99%). These questions / statements practically confirm that the surveyed companies applied a policy towards their employees that is fully in line with the CSR statements and that despite the difficulties of the Covid-19 pandemic, they fulfilled a significant part of the commitments to commercial counterparties.

**Table 1** – Statistical distribution of answers of Covid-19 survey among Bulgarian companies (August 2021)

№	Question / Statement	Ave	SD	CV
Q1	My company responded adequately to the outbreak of the Covid-19 epidemic and behaved responsibly.	4.59	0.84	18.39%
Q2	My company paid wages regularly during the Covid-19 epidemic.	4.75	0.61	12.94%
Q3	Many measures of prevention and health protection of all employees in my company were applied during the Covid-19 epidemic.	4.61	0.65	14.19%
Q4	Number of working hours, overtime work, work stoppages, etc. in my company, were adjusted to the current epidemiological situation in the country.	4.30	0.98	22.78%
Q5	Working conditions are adjusted to the epidemiological situation (work from home was introduced, work form distance at a random place, etc.) in my company.	3.95	0.96	24.36%
Q6	There were no layoffs in my company, during the Covid-19 epidemic.	4.36	1.16	26.66%
Q7	All employees are equal (no discrimination) in my company always (neither during nor outside the epidemic).	4.75	0.53	11.24%
Q8	Everyone in my company treats the employees with respect and dignity, always.	4.68	0.56	11.99%
Q9	My company has donated huge funds to procure various medical devices to help various institutions fight the virus.	2.64	1.37	51.80%
Q10	My company acted responsibly towards all business partners during the epidemic.	4.55	0.66	14.59%
Q11	My company did not unrealistically increase the prices of its products during the pandemic in order to compensate for the losses.	4.52	1.00	22.10%
Q12	My company has always respected its contractual obligations to all business partners.	4.70	0.55	11.76%

*Legend:*  
1=Strongly Disagree; 2=Disagree; 3=Neutral Position; 4=Agree; 5=Strongly Agree

From the point of view of the more critical / neutral response leading to the standard deviation indicator is Q9 (SD = 1.37), followed by Q6 (SD = 1.16) and Q11 (SD = 1.00). These responses confirm that in some cases companies have been in a position to refuse to support public causes related to donations during the pandemic (Q9), to lay off employees causing unemployment, and to adjust prices for goods and services to compensate shrinking market sales. According to the indicator coefficient of variation (CV), the order of the most critical values of answers is Q9 (CV = 51.80%), followed by Q6 (CV = 26.66%) and Q5 (24.36%). Falling into this category of the last question is logical in view of the impossibility in certain industries to apply work from home, work form distance at a random place, etc.

**Conclusions and prospects for further research.** The current empirical study<sup>1</sup> was conducted at the beginning of the fourth wave in Bulgaria of Covid-19, caused by the so-called Delta variant. As of the beginning of September 2021 (see coronavirus.bg) the country reported total 462710 infected with the virus from March 2020 till now (67190 people per 1 million population), 19149 dead (2781 people per 1 million inhabitants), 4.345 million tests (631 thousand per 1 million population) and only 2.356 million vaccines were given to 1.200 million people with a completed vaccination cycle (17.44% of the population). At the same time, companies are strongly opposed to any measures to close businesses, especially in the HoReCa sector. There are still lack of clear and definite messages from the executive political authorities in view of the permanent pre-election process, including the expected third parliamentary elections for the year (The parliamentary elections on 04.04.2021 were followed by a second election on 11.07.2021, in both cases a government was not nominated and supported by at least 50%+1 of the members of parliament and a new third election is expected in November 2021). All this makes the country a unique social phenomenon for the EU, where political instability, high mortality Covid-19 rate and low vaccination rate correspond to the new culture and goals successfully implemented in companies, in the context of CSR!

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