Chapter 10 Corporate Social Innovation During the COVID-19 Pandemic: Some Practices From Colombian Companies

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ABSTRACT

Given that the COVID-19 pandemic resulted in an unprecedented scenario, there were no previous lessons learned about the organizational responses to social problems. As a result of the above, this chapter describes the practices used by seven Colombian organizations to face the first months of the pandemic based on corporate social innovation framework. A qualitative approach was used to carry out the study and a qualitative content analysis as a research method. The results obtained indicate that the companies participating in the research developed actions in the four pillars, with actions associated with social issues being more prevalent, especially concerning workers and vulnerable populations.

INTRODUCTION

During disruptive situations such as those caused by the Covid-19 pandemic, Corporate Social Innovation (CSI) represents a powerful tool that organizations can utilize in addressing issues and challenges fac-DOI: 10.4018/978-1-7998-8185-8.ch010 ing society, developing joint efforts with academia, NGOs, government and other stakeholders (Rutgers Institute for Corporate Social Innovation RICSI, 2020).

The Covid-19 pandemic has indisputably brought about adverse effects such as loss of more than two million people (World Health Organization, 2020), loss of jobs (International Labor Organization ILO, 2020), and the contraction of the economy, trade, production and financial markets (World Bank, 2021). In Latin America, the crisis has been even more dramatic, given the region's limited space for increasing its fiscal spending, including a level of informality that is around 53% (Economic Commission for Latin America -ECLA, 2020).

In the case of Colombia, a country that pre-pandemic was already facing low productivity, high levels of unemployment, fiscal deficits, and social inequality (Dinero, 2020) the Covid-19 crisis had important consequences. Thus, for example, for some members of the Colombian Association of Small Industrialists (ACOPI, for its acronym in Spanish) the crisis generated by the pandemic precipitated the loss of jobs and difficulties in recovering portfolios (ACOPI, 2020). Data provided by the National Administrative Department of Statistics (DANE, 2020) indicate that for the month of April 2020, 31.4% of the companies reported normal operation, 40.5% reported partial operation, and 28.2% reported temporary closure.

Given that the Covid-19 pandemic resulted in an unprecedented scenario, there were no previous organizational experiences (academic oriented or practice oriented) that could have served as a template for implementing the appropriate responses. Therefore, Gafni (2020), inter alios, have given strong consideration to CSI as a tool to develop business activities that would allow for meeting social needs while obtaining positive results for companies.

Although CSI as a concept has been employed since 1999 by authors such as Rosabeth Kanter (1999), the academic literature on this topic is limited; even more limited are models that lay out the organizational implementation of CSI strategies. In this sense, it is necessary to achieve a greater understanding of how to integrate these models into business strategy (Alonso-Martinez et al., 2019, Tabares, 2020).

In view of the above, this chapter proposes the following question: In what ways can organizations employ Corporate Social Innovation strategies to aid in the management of disruptive situations? To answer this question the chapter is structured as follows: (1) the conceptual framework around CSI is developed; (2) the study's methodology is outlined; and (3) the results and conclusions are presented.

Research Framework: Corporate Social Innovation

Relatively recently, CSI has gained wider popularity as a powerful tool for organizations to use in the solving of social problems while generating organizational results (Pol and Ville, 2009; Tabares, 2020). As a concept, however, CSI is a sparsely studied field (Caroli et al., 2018; Martínez, 2017; Tabares, 2020), with a limited understanding of how it can be incorporated into business strategy (Alonso-Martínez et al., 2019, Tabares, 2020). In table 1, a synthesis of this concept is presented. For the purpose of this chapter, we agree with Tabares (2020), who identified four currents streams in the CSI study, namely: (1) CSI as part of the business strategy, business model, development of market-based solutions and identification of business opportunities; (2) CSI as a response to social problems, functional needs and social challenges through business solutions; (3) CSI understood as an innovative activity; and (4) CSI as a result of co-creation between the organization and different actors in society (p. 322).

In a disruptive context such as that generated by the Covid-19 pandemic, Gafni (2020) proposes a CSI model that is composed of four pillars: (a) Philanthropy; (b) Support for public policies; (c) Corporate Social Responsibility programs; and (d) Creation of Shared Value, as illustrated in Table 2.

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