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**THE CORPORATE  
SOCIAL RESPONSIBILITY  
OF MSMES IN  
POSTCOVID TIMES**

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**Abstract:** The business strategies carried out by MSMEs in post-covid times require a critical look since they must have a look of social responsibility by responding consciously and participatively to the obligations contracted with those interested in the life of the economic entity such as workers, suppliers, customers, various creditors as well as the state itself in its role as contribution administrator. The challenge is current in the face of a process of economic slowdown from the nodal centers of development extended to emerging economies. The MYPIMES companies will be the economic cells that respond ethically to social commitments, participating in a systemic way to the transformation needs in times of post-pandemic health. Research carried out at the Tecnológico Nacional de México/ITSSMT “Strategic Management, Innovation, Education for the competitive development of organizations”.

**Keywords:** Business strategies, socially responsible company, MSMEs, Post covid.

## INTRODUCTION

The economic sphere is a terrain that seems rough for the inclusion of procedural ethics, however, it must be identified, as Cortina (1993) establishes, that the economy is not morally neutral, as none of the human activities that have a social impact are, because they all have a social meaning that must satisfy goals for which they gain social legitimacy, and from them it is possible to discover peculiar values and principles. In the case of the economic sphere, it is necessary to highlight values such as equity, efficiency, quality, competitiveness or solidarity, especially now that the health pandemic has seen the quality of life diminish in entire regions. Adela Cortina (1993) dialogues with the moral bond of the company:

1.- Economic activity is inseparable from morality, because it is a dimension of a

theory of society.

The economic activity of a society essentially consists of productive cooperation and the distribution for consumption of production and this activity must be carried out through institutional channels, whose organization allows an orderly exercise of it. However, this activity is not detached from the rest of the social tasks, but sinks its roots in the social dimension, one of whose essential ingredients is constituted by moral conceptions and legal institutions influenced by them. For this reason, at the height of our time, taking into account the degree of social moral conscience reached, it can be said that economic progress must be both technical and social; progress in the improvement of the material conditions of life and in a regulation of productive cooperation and distribution that come as close as possible to the realization of ideals of freedom, justice, equality and peace.

2.- In this same sense, the conviction spreads that a shared theory of distributive justice is necessary to be able to unite the individuals of our societies, understood as a system of cooperation and not of conflict.

3.- That economic rationality, in its concrete and situated operation, is not amoral: economic models, especially in their concrete applications, are more or less moral or immoral, but never amoral (Cortina: 1993: 264).

By involving ethics in economic and business life, it is necessary for companies to establish commitments towards the search for principles of equality, justice and freedom in a universal way, whose purpose is those interested in companies and not the means to obtain more utility or profit, it seems utopian, however, the course of the history of societies has shown fraud, irreversible contamination, an increase in the inequality gap between nations that generates poverty, which specify

the need to establish commitments on the part of the company with society and with future generations.

In this same area, Cortina (1985) points out the value of commitment and with them reiterates the importance of establishing business commitments where those involved must agree on what they expect from the relationship between the company and them.

Of course, not any agreement is valid as a symptom of a universal will, because there are agreements that result from the balance of power, and more than consensus, we would have to call them commitments. It is not the commitments, but the consensus reached under certain conditions, which express the universality of the will. That is why the ethicist's primary task is to examine those formal conditions, those procedures, which lead to a true agreement and legitimize. Therefore a norm as moral. And with this it is clear why we have called discursive ethics formal and on other occasions we will call it procedural; because he does not care about the content of the norms, but rather the way to legitimize them, the procedure by which we can declare them valid and not only in force. (Cortina, 1985:155-156)

The legitimizing procedure in Habermas's opinion is justifying both moral and legal norms, business commitments regarding gender equity must emanate from the consensus of those involved to the application of laws that urge gender equity in the workplace.

Separating morality and law – is, in Habermas's opinion, the same function (recomposing broken intersubjectivity). Morality remains in private life, the law is positive and the public highway remains in the hands of experts in politics and economics. Moral and legal norms are equated in the ethics of discourse and have the task of resolving conflicts, reestablishing a broken

intersubjectivity (Cortina, 1985:156).

To advance with the concept of a Corporate Social Responsibility or called Business, it is necessary to break old clichés of the company that Cortina (1993) points out, for example:

- 1.- To do business, it is necessary to forget about common ethics, because businesses have their own rules of the game, governed by their own ethics.
- 2- The mission of the company consists of maximizing benefits, in terms of money, prestige and power, so that this is a war in which any means is good if it leads to the end, business is business.
- 3.- Ethics must be limited in the company to a minimum, which in reality coincides with compliance with the law and subjection to the laws of the market. The company must, therefore, worry about making money, since the market mechanisms and the public powers would worry about social issues by imposing the appropriate laws (Cortina, 1993: 267).

The company is considered from this perspective as a commodity that the owner, the shareholder, freely disposes of; In short, it is just "a package of shares" that, as such, can be bought and with which you can do whatever you want, since everything in it is a matter of price. "Money is the end, things are the means." From which it follows as a logical consequence that collaborators have to be treated as a product of capital, as merchandise, within a company considered as a commercial good (not so much as a community), that the role of the company in education and professional training has to be the least responsible possible, and that in this model the future is deliberately sacrificed to the present (Cortina, 1993: 267-268).

This is how the concept of Corporate Social Responsibility (CSR) or indicated by other

authors as Corporate Social Responsibility (CSR) was born and developed, which states that companies must contribute to the well-being of society because they have responsibilities that go beyond maximizing short-term profit (De la Torre, 2009:15).

Responsibility derives from our ability to do something, that is, when someone is capable of understanding, planning, acting and judging, as well as if they have the knowledge and the potential to do so, as well as the required qualification. There are several factors that influence our physical capacity, authority and knowledge (Raufflet, 2012: 22).

- a) The physical capacity, or resources, is determined by the physical ability and by the material resources available.
- b) The capacity for authority, or power, includes the influence we have derived from social position. At both the macro level and the organizational level, whoever is higher up in the chain of command has more power to get things done.
- c) The ability to know is the third central element of responsibility. Without knowledge there can be no responsibility, while the greater the knowledge, the greater the responsibility. If a person is unaware of the damage produced by a product or an action, they cannot be held responsible for it.

For de la Torre (2008), the delimitation of the frontiers of the concept of corporate social responsibility has always been a sensitive issue. The concept has its origin in the United States, at an academic level in the studies of Kenneth Andrews in the framework of business strategy and advances around two visions initially antagonistic to Milton Friedman's theories that limited corporate responsibility to obtaining economic benefits, complying with the laws, and paying taxes and the

theories of Porter and Kramer that include four approaches to corporate responsibility:

- 1.- Moral approach (which establishes the need to do or not do based on certain ethical principles)
- 2.- Sustainability approach (which emphasizes environmental responsibility)
- 3.- License to operate approach (which is justified by the need for companies to meet a series of requirements to carry out their activities)
- 4.- Reputational approach (because companies will obtain their CSR a better image and a greater strength of their brands and therefore their value on the stock market) (De la Torre, 2008:15-16)

## METHODOLOGY

This research studies business strategies in an environment of uncertainty as a result of the health pandemic that is globally present in the regions of Mexico. The study edges are focused on the contributions made by social science through accounting, administrative and fiscal disciplines to contribute to the development of the study regions, proposing that economic units act responsibly and ethically in the face of current uncertainty scenarios. The proposed methodology is to carry out a current diagnosis of the need to include ethical and moral values in the companies of MSMEs in scenarios of economic uncertainty. Empirically, it is intended to carry out a type of quantitative and qualitative research that shows the relationship of the socially responsible company with its economic life, for which business diagnostic questionnaires will be applied, identifying the degree of corporate responsibility with the stakeholders or those interested in the operation of the company. The methodological design has

a representative sample of the companies under study in the region located in Puebla and Tlaxcala, out of a total of 125 MYPYMES companies specifically in the commerce sector, however it must be noted that the research is still in the analysis phase of the study categories. Therefore, the projected results are the contribution to the study of the theoretical and epistemic framework with which the field study will be addressed.

## RESULTS

The diagnosis made in the MIPYMES under study reflects that the commerce sector of the south-central region of Mexico is the one that contributes the most to the tertiary activity of the national GDP with 15.5%, followed by 11% to real estate and rental services in addition to 6.2% of the transport sector and 4.1. % to educational services, according to data from INEGI (2020). Due to their characteristics, MYPIMES companies have significant importance in the country's economy. The strategies applied by the companies under study indicate that the entrepreneurship reported by them are implementations of various strategies (Meraz, 2014); As Porter (1991) refers, companies manage to obtain competitive advantages when they have a dynamic competition environment, which is characterized by an integration of advantages, as well as a constant stimulus to improve their products and processes. The three main causes of death of a small and medium-sized company in Mexico are: lack of a strategic plan, problems derived from the operation of the organization and resistance to change (Duran, 2011). Empirical results are needed that refer to the competitive strategies carried out in global risk scenarios such as the one presented by the post-covid era. The theoretical contributions of Martin and Reyes (2020) are useful to understand the importance of adding ethical and moral

content to business strategies in post-pandemic times.

In an entrepreneurial environment, the development of a business strategy must consider aspects of the company within the framework of the environment, with a clear orientation towards growth; however, the current pandemic left an economic crisis at a national and global level. Studies by the OECD and ECLAC report that the economy in Latin America and the Caribbean presented negative growth before 2019 (-1), which historically has been present in plundered regions. Martin and Reyes (2020) refer to the existence of a virtuous or vicious circle in the global economy. And the impact of the pandemic caused the central economies to have an economic slowdown that impacted the emerging economies. The main centers of international trade suffered economic contractions, such as China, the European Union, and the United States. Therefore, the health emergency caused a drop in exports from Latin America and the Caribbean, a decrease in remittances, and the interruption of production chains. An example of this was the automotive industry, which is important in the study region. Layoffs not justified by the pandemic were present in cluster companies near the municipality of San Martín Texmelucan Puebla. These negative impacts have been structural since they affected both family income and regional, national and global growth. The diagnosis must be seen in a comprehensive way since this post-covid perspective requires observing the participation of MYPIMES in Latin America since it is estimated according to studies by Martin and Reyes (2020) that 95 percent of companies are micro, small and medium. Of them, 90 percent would not be surviving beyond the 7th year. These types of companies, overwhelmingly majority, contribute with 68 percent of employment and would contribute



with ranges between 23 and 28 percent of the gross domestic product of the countries.

The previous theoretical discussions regarding the link and the need to be ESR is useful against the diagnosis of the MYPYMES in the study region since the MIPYMES do not carry out any planning for their business, which worsens the environment. According to Álvarez (2015), 37% of the small and medium-sized companies studied by the University of Monterrey do not carry out any type of planning for their business. Similarly, the research carried out by Cárdenas (2013) to 322 Small and medium-sized companies in Mexico, shows that 83% of the companies analyzed have a thought strategy, but only 45% have a written strategic plan, which in the long run generates inconsistent decision-making due to the differences between the perception and application of the strategy. economy post health emergency. It is worth mentioning that the research is still in the application phase to a stratified sample of 125 companies in the Puebla Tlaxcala region, however in this paper we leave analysis categories such as; the direct relationship between the ESR and permanence in a scenario of economic risk, the necessary post-pandemic economic reactivation with a systemic intervention of the State and companies.

## CONCLUSIONS

Strategic planning from the perspective of small and medium-sized companies is even more complicated because the conditions of entrepreneurship must be considered when planning. As mentioned, the situation worsens in an environment of uncertainty. For Belauste (2014), the timely planning of business issues reduces conflicts and in turn increases the chances of success of continuity of small and medium-sized companies. That is why MSMEs that act through business strategies allow to ensure their permanence

in an environment of uncertainty such as the current one and allow to contribute in a systemic and not isolated way. Furthermore, companies that have the socially responsible value in their administrative strategies have the opportunity to act in a conscious manner of their responsibilities.

The success of the administration of economic entities such as the case of the MYPIMES under study does not escape understanding that we are in a regional, national and international comprehensive system and that what happens within the internal environment in the administration (strategic direction) will generate an ethical participation in the current problem. That is why the challenges of the world economy must be understood as a living, changing, historical system and identify the possibility of inferring change and transformation from the socially responsible company.

Martin and Reyes (2020) point out that the main challenges that countries must face refer to: (i) preserving the functionality and organization of health systems; (ii) avoid the bankruptcy of companies; (iii) avoid further drops in demand; (iv) maintain the relative stability of government finances knowing that this is not the time for major orthodoxies in macroeconomics; (iv) cushion falls in employment; and (v) promote emergency humanitarian assistance (AHE) for the most vulnerable groups, for those living in conditions of both total and extreme poverty.

The present work has the purpose of highlighting the proposal of the Frankfurt school to give ethics a value of application to the world of life. One of the research proposals is to add ethical and moral values to the business strategies of MSMEs and understand that we are in a living and historical system with the opportunity to interfere in the transformation of realities. Since the economic system and the business world seem to be distanced

from ethics by the construction of epistemic discourses that highlight the value of the gain of surplus value to economic life. The present stage of postcovid gives us the opportunity to reflect on which are the right paths to get out. Not only from a business perspective but from an ethical perspective that questions systemic problems such as decision-making for personnel layoffs, tax participation to the State, the way in which the State administers resources is questioned, that is, seeking that the company is a participatory subject in the obligations contracted with third parties such

as workers, suppliers, society itself, the State.

From this perspective, Corporate Social Responsibility is presented as a proposal to extend business commitment not only to profit and economic utility, but also to extend it to those interested in the company (stakeholders), broadening the spectrum of economic utility towards the commitment that one has with society, a difficult task in an environment of systemic crisis, but it presents the opportunity to provide possible solutions in times of economic and social uncertainty.

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