

# Will Covid-19 pave the way for more business responsibility?

## Evidence from Switzerland

### ~ Summary ~

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#### Study Design

- We conducted three waves of an online survey right **before the Covid-19 pandemic** started in Switzerland (January 2020) **and during the first** (May 2020) **and second wave of the pandemic** (November 2020).
- An external shock such as a pandemic may bolster demands for business responsibility (e.g., due to demands for building a more resilient economy), but may also impede such demands (e.g., due to demands to economize scarce resources). The purpose was hence to understand **how the Covid-19 pandemic influenced how opponents vs. proponents of expanding the responsibility of business perceive the legitimacy of the responsible business initiative** (<https://corporatejustice.ch/>) and **which arguments they use** to convince others of their opinion.
- The responsible business initiative demands that Swiss companies conduct due diligence and are liable for **human right violations and environmental damage caused in other countries**. There will be a public vote on the 29<sup>th</sup> of November 2020. This initiative provides a unique context to study support for business responsibility during and after the pandemic.

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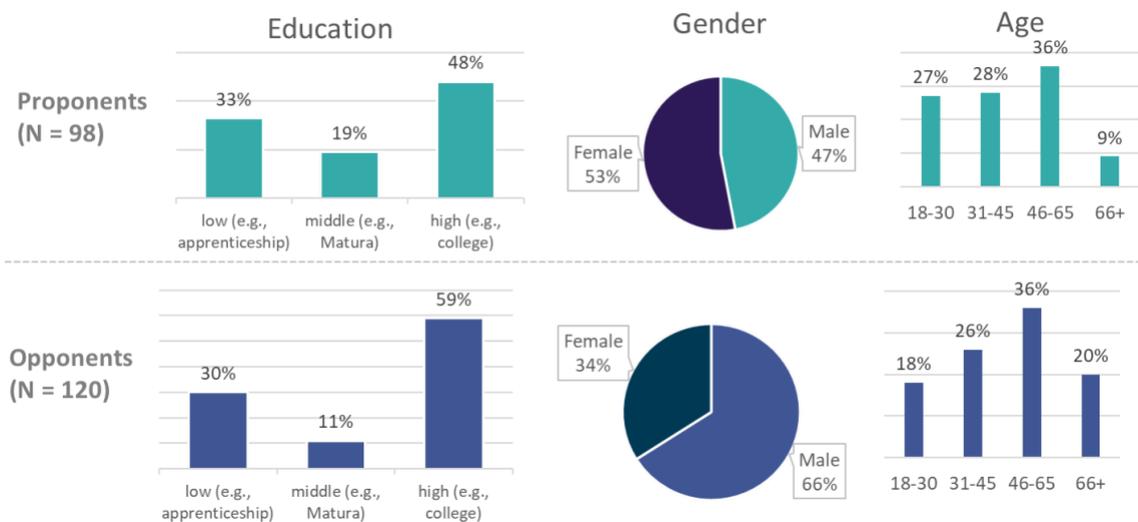
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- We recruited with the help of the Swiss market institute intervista **98 proponents** of the initiative and **120 opponents** from Switzerland that participated in all three waves of the online survey.
- In all studies participants indicated their **legitimacy perceptions** of the initiative and **the arguments** they would chose to speak either in favor or against the initiative. In the second and third wave, we also included additional questions to understand Swiss citizens' **COVID-19 concerns** and their current expectations of **managerial and corporate responsibility**.



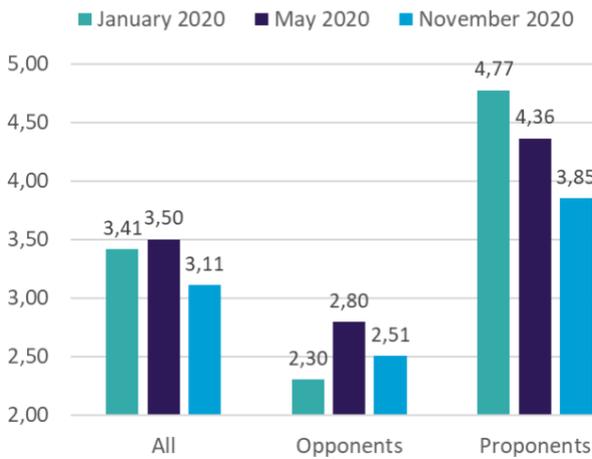
## Summary of Results

- Generally, the mean value of the legitimacy **of the responsible business initiative slightly increased in May compared to January (W1=3.41; W2=3.51) but decreased again in November (W3=3.11).**
- Importantly, there was a difference of opinion change among initial opponents versus proponents. Whereas on average the legitimacy **judgements of initial opponents became more favorable during the pandemic (W1=2.30; W2=2.80; W3=2.51),** on average the legitimacy **judgement of initial proponents gradually decreased over the time of the pandemic (W1=4.77; W2=4.36; W3=3.85).** Overall, our results indicate that the **polarization** of opinions of opponents versus proponents decreased over time.
- Also the **validity judgements** (i.e., what participants think how the general Swiss public judges the initiative) changed over time. Overall, the mean value of validity became higher over time, indicating that participants believed that more and more people support the

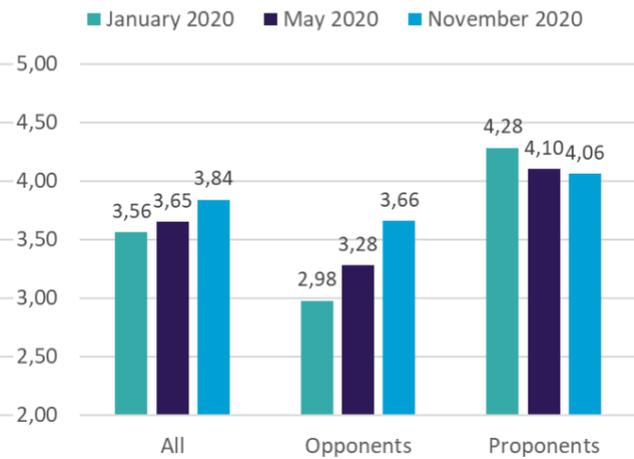
initiative. Again there was a difference for opponents versus proponents: **Validity gradually increased for opponents, whereas for proponents validity slightly decreased.**

- We also asked participants which arguments they would choose in conversations about the initiative with others. Interestingly, study results indicate a strong change in the choice of arguments of initial proponents. Whereas in January and May the most popular arguments of proponents were supporting the initiative, **in November the top arguments of initial proponents were against the initiative.** Consequently, **in November initial proponents and opponents used the same top three arguments** in conversations about the initiative. The top arguments were the following among initial proponents and opponents in November:
  - **The initiative endangers the Swiss economy and jobs.**  
(Proponents = 54%; Opponents: 62%)
  - **Swiss judges would have to decide on matters abroad under Swiss law.**  
(Proponents: 48%; Opponents: 64%)
  - **The implementation of the initiative would require enormous financial and time resources from some companies, which would also distort competition.**  
(Proponents: 48%; Opponents: 60%)
- In November, the **concern to get infected by COVID-19 increased significantly** in comparison to May among proponents and opponents. However, this rising concern affected opponents and proponents differently. **The more initial proponents were concerned about COVID-19's health related risks, the more negative their legitimacy judgement became and the fewer positive arguments they chose.** On the other hand, **the more initial opponents worried about COVID-19, the more likely they were to choose negative arguments. Opponents' legitimacy judgements were not influenced by concerns related to COVID-19.**
- Overall, results show that participants became significantly more **concerned that the common good receives too little attention** in November compared to May. This concern increased especially among initial proponents, even though they became less supportive of the initiative.

### Individual Legitimacy Judgements



### Validity Judgements



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