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Research Article

The Reality of Adopting Social Responsibility in Algerian Economic Institutions during the COVID 19 Crisis -A Case Study on BIOPHARM Pharmaceutical Industries-

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ABSTRACT

The topic of social responsibility has gained significant attention in our current era from various international and local entities. This is due to its role in meeting the requirements of all stakeholders, especially during times of crisis. The need for companies to commit to their responsibilities towards the community in which they operate has become apparent, particularly during the COVID-19 pandemic. This commitment involves adhering to a set of standards that ensure the necessary financial returns for their sustainability, while also meeting the community's expectations that are anticipated from these companies amidst this crisis.
This study aimed to highlight the role of the Biopharm Company in the pharmaceutical industry in Algeria towards all stakeholders. It also aimed to identify the extent of its commitment to social responsibility standards of solidarity with the society in which it operates. The study yielded a number of findings, with the most important being that Biopharm had a clear and defined strategy for its responsibility towards stakeholders since the issuance of its Code of Ethic in 2018. This strategic approach significantly mitigated the severity of the negative impacts that could have resulted from the COVID-19 crisis.

Keywords: social responsibility, COVID 19 crisis, Biopharm Company.

Introduction:

Social responsibility is among the most important topics that reflect the level of awareness of decision-makers within companies. Through its commitment to stakeholders, the latter aims to satisfy their desires and achieve a high level of satisfaction, which reflects positively on the company's reputation. This reflection makes it gain the loyalty of a large base of customers and other stakeholders. Vice versa, the loss of these parties' confidence in the company results in the loss of its reputation and their loyalty towards it. This loss would negatively affect its activity and continuity, given the role that these companies have as part of the community in which they operate. Companies are expected to strive to attain shareholders' requirements and desires, especially in times of crises, which demonstrates the importance of business companies assuming their social responsibility.
Since the COVID 19 crisis is considered one of the global health crises that has recently deeply affected the global and local economy, companies must address its repercussions and adopt dimensions of social responsibility by cooperating with governments and society to confront the negative effects it has caused. Considering that BIOPHARM is among the most important pharmaceutical companies in Algeria, it should have a role in the health situation and should contribute by adopting the dimensions of social responsibility towards the community in which it operates. The role that this company had will be clarified because it is a pharmaceutical manufacturing company required to provide pharmaceutical research to combat the epidemic. Additionally, as its role as an economic company operating in an environment that affects and is affected by its activities, it must fulfill its obligations towards this environment.
Through this study, we will try to answer the following main problem:
- What is the reality of adopting social responsibility at the Biopharm Pharmaceutical Manufacturing Company in Algeria during the COVID 19 crisis?

To answer the problem of the study, the following main hypothesis was formulated:
- By adhering to its social responsibility, Biopharm was able to successfully confront the negative repercussions of the COVID 19 crisis.
The main hypothesis was divided into the following sub-hypotheses:
- Biopharm has a clear strategy to adopt dimensions of social responsibility before the COVID 19 crisis.
- Biopharm has committed to the dimensions of social responsibility during the COVID 19 crisis.
To answer the problem and test the study's hypotheses, the study was divided into three sections. The first section addresses the conceptual framework of social responsibility. The second addresses the impact of the COVID 19 crisis on economical institutions. Finally, the last tackles the reality of adopting social responsibility in BIOPHARM during the COVID 19 crisis.

First: The Conceptual Framework of Social Responsibility:

1. Definition of Social Responsibility:

The various definitions of social responsibility differ according to the trends in determining the form of this responsibility. Some see it as a reminder to companies of their obligations towards the society in which they operate, and others view it as voluntary initiatives undertaken by companies to improve their image before society. A distinction can be made between the definitions issued by academics and researchers and those issued by international bodies and organizations as follows (Nassib, 2022):

1.1. Definition of Social Responsibility by Researchers and Academics

Carroll is among the first theorists to provide important work regarding social responsibility through an article published in 2010 that confirms a count of 37 academic definitions related to social responsibility. Consequently, the large number of definitions made it difficult to determine a comprehensive definition of social responsibility. The difficulty stems from the temporal variation and the stages that administrative thought has passed through. However, various definitions with different points of view can be presented:
- Bowen defined it in 1953 as the commitment of businessmen to building policies, making decisions, and following the work desired by society.
- Drucker defines it as the establishment's commitment to the community in which it operates.
- Holmes defined it as the company's commitment to the community in which it operates by contributing to many activities related to the community.
-Pride Ferre defined it as the company's commitment to maximizing its positive effects and minimizing its negative effects towards society.
- Nancy Lee and Philip Kotler defined it as a commitment to improving the well-being of society through discretionary business practices and attention to the human resource.

1.2. Definition of Social Responsibility by International Bodies and Organizations:

- **The World Bank** defined it as an act whereby business owners commit to contributing to sustainable development by working with employees, their families, the local community, and society as a whole to improve their standard of living in a way that serves trade and development simultaneously.
- **The American Managers Association** defined it as the response of corporate management to possible changes in customer expectations, paying general attention to society, and continuing to contribute to commercial activities aimed at creating economic wealth.
- **The International Chamber of Commerce** defined it as all attempts that contribute to business organizations to achieve development with ethical and social considerations. Therefore, they depend on voluntary initiatives by companies without legal obligation.
- **The World Business Council** defined sustainable development as the continued commitment by companies to act ethically, contribute to economic development, and improve the quality of life for workers and their families as well as the local community and society as a whole.

2. Social Responsibility Theories

Researchers differ in interpreting the boundaries of the relationship between companies and the society in which they operate. Administrative theories also differ in defining the scope of corporate social responsibility. Some of these theories will be discussed below:

2.1. Neoclassical Theory: The pioneer of this theory is the American economist Milton Friedman, who mentioned that the exercise of social responsibility occurs by making decisions aimed at improving returns and profitability for the benefit of shareholders. He mentioned that the principle that aims to maximize value for the shareholder is considered the first social goal of companies because it equals maximizing the social wealth of the company. Furthermore, Friedman criticized the new wave that calls for integrating social responsibility into the strategic plans of companies. According to the neoclassical theory, social responsibility aims to achieve material gains. The only function of the company is to use its resources and participate in activities aiming to achieve profits. This opinion is based on the idea that Maximizing wealth leads to achieving the common good. The general framework of this theory is that managers seek to achieve profitability and increase property rights, given that social responsibility is the duty of official authorities and companies are not concerned with the matter. Providing goods and services is beneficial to society, and this alone is sufficient to fulfill social responsibility (Bahlouli, 2016)

According to Friedman, those involved in implementing corporate social responsibility (CSR) have been clearly identified (Jahmane & Louart, 2013, pp. 99-117)

• Shareholders: as corporate social responsibility depends on the requirements of shareholders who seek to apply only the rules of law and ethical rules.

• The CEO as an agent for the shareholders: as he ensures that these rules are implemented in accordance with the wishes of the shareholders. Thus, according to Friedman, only the legal dimension of the concept of liability should be taken into account by considering the legal rules of employers' obligations.

2.2. Relationship Theory: The roots of this theory go back to the complex network of relationships in the environment in which companies operate. The researcher Dr. Secchi divided this theory into three sub-theories as follows (Bahlouli, 2016):

- **Society/Corporate Theory:** The basis of this theory is that corporate social responsibility is represented in the interaction between two main units, society and the company. Among the measures of this interaction is the development of economic value in society. Therefore, social responsibility must reflect the strength and position of the company in society.
- **Corporate Citizenship Theory:** This theory is based on the idea that companies act as good citizens in society, bearing all duties towards the various stakeholders. It is based on the idea of integrating social responsibility into the various functions and strategies of the organization.
- **Social Contract Theory:** It is considered a basis for justifying the ethics of economic activities in society. Therefore, corporate social responsibility can be considered as emanating from the moral legitimacy and society's acceptance of the activities of these companies. The theory focuses on the fact that companies committed to their social responsibility carry out a civilized activity because of their presence within Society. Davids pointed out that social responsibility is not determined by the obligations imposed on them by law, but rather by what is imposed by the social contract and the prevailing norms in society. One of the basic tasks and duties of companies is to work to overcome the problems facing society and provide appropriate solutions to them.

2.3. Stakeholders Theory: Edward Freeman considers a stakeholder to be every individual or group of individuals who can influence or be affected by the organization's achievement of its goals. In comparison, G. Hirigoyen and J. Caby defines them as individuals or groups who have a share in the results of the institution. The origins of stakeholder theory extend to the current that considers the institution and the business sector to represent part of the society. According to this theory, the institution exists due to various relationships between the group of stakeholders who are not limited only to the group of shareholders, but also to the group of actors involved in the activities and decisions of the institution. Social responsibility becomes a responsibility towards the stakeholders, which includes: (Bahlouli, 2016)

- **Shareholders:** They are the traditional stakeholders in the company. They are constantly looking to maximize the market share of their shares. They are always seeking increased profits, so they hope that the company will expand and achieve a distinguished financial position.
- **Customers or Consumers:** This segment of stakeholders is of great importance to all economic institutions without exception. The existence and survival of the institution is linked to the production and marketing of goods or services as well as the demand for them by these customers.
- **Workers:** This category includes all workers or wage earners, including administrators, technicians, and other categories. The worker is considered the source of value creation in the organization. His interest extends beyond wages to providing appropriate working conditions, such as the work environment, training, and an incentive system.
- **The Local Community**: The local community is as important as other beneficiary parties. Since the institution is an integral part of this community, its responsibility to adhere to all laws and legislation becomes greater. It and those working with it must be a role model in establishing community commitment practices.
- **Environment:** This means soil, water, and air. Society has become greatly and increasingly concerned with the environmental effects left by the various practices of economic institutions on human health.
- **Government:** The government often looks for the extent of compliance with laws, regulations, and instructions, as well as support for its programs and payment of tax obligations. In comparison, the institution expects the government to provide support, security, stability, and an appropriate investment environment within society.
- **Competitors:** This category contains all institutions that are active in the institution's industry sector. As one of the five forces of competitiveness in Porter's model, the institution's competitors are affected by its activity and they influence it.

- Pressure Groups: These include non-governmental organizations, labor unions, the public, and the media. The latter has a major role in pressuring institutions to provide clarifications and information about their activities and make them more transparent.

3. Principles of Corporate Social Responsibility:

Corporate social responsibility is based on nine principles, which are as follows: (.M.J, 2019, pp. 19-20)
- Environmental Protection and Restoration: This principle stipulates the necessity of companies undertaking the process of rehabilitating and protecting the environment as well as relying on sustainable development in their products, various activities, and operations that they perform daily.
- Ethical Values and Principles: This is achieved by adopting actions and behaviors based on solid ethical foundations regarding the treatment of stakeholders.
- Accountability and Accountability: By disclosing the necessary information, not concealing the facts, and holding accountable those who do otherwise.
- **Strengthening and Enhancing the Authorities:** the necessity of achieving a balance between the strategic objectives and the daily management of the company.
- **Financial Performance and Results:** by achieving a satisfactory financial return for shareholders on a permanent basis, preserving property and assets, and working to achieve the company's growth in the long-term.
- Work Site Specifications: This is achieved by improving working conditions, working to achieve the security and safety of employees, improving the work climate, and paying competitive wages by attracting and retaining the best employees.
- Fairness and Cooperative Relations: through fairness, justice, honesty, and equality with the company's employees
- Quality Products and Services: by identifying customers' needs, responding to their requirements, and providing high-quality products and services to achieve customer satisfaction and ensure their safety.
- Community Connection: By establishing relationships with the community in which one works and eliminating barriers and obstacles.

4. Reasons for Increasing Interest in Social Responsibility:

There are many reasons that led to the organization's increased interest in social responsibility, including the following: (latifa, 2015)
- Globalization: Many multinational companies tend to raise slogans of social responsibility and rely in their promotional campaigns on their concern for human rights and commitment to achieving safe conditions for workers. They also rely on their opposition to child labor and its promotion of its interest in environmental issues. These make globalization one of the most important reasons that pushed companies towards adopting social responsibility.
- Increasing Governmental and Popular Pressure: through the enactment of laws and legislation that require companies to protect workers, consumers, and the environment.
- Disasters and Ethical Scandals: which caused some institutions at the global level to protect their reputation by incurring huge amounts of money in compensation for victims or losses because of products that contain defects.
- Rapid Technological Developments: which have imposed on institutions the need to confront the challenges they face by developing their products, workers' skills, and decision-makers' skills. Institutions also need to pay attention to changing consumer tastes, especially because of the shift towards the digital economy, and to increase interest in intellectual capital.

5. Dimensions of Social Responsibility:

Carroll is an important researcher who gave a qualitative shift to the topic of social responsibility. He distinguished between the following four dimensions of social responsibility: (Bousalmi, 2013)

5.1. Economic Responsibility: It represents the main responsibilities to which companies must adhere. The company is committed to producing high-quality goods and services for the benefit of society at reasonable prices. Through these responsibilities, the company achieves satisfactory returns and profits to compensate investors, workers, and others.

5.2. Legal Responsibility: Governments determine this responsibility by enacting laws and legislation that the company must respect and not violate. If the opposite happens, it is exposed to legal problems. This responsibility includes providing equal employment opportunities to all without discrimination based on gender or religious or national beliefs.
5.3. Ethical Responsibility: Corporate management is supposed to be concerned with ethical and behavioral matters as well as the beliefs of the society in which it operates. It should be noted that these aspects

are not framed by binding laws, but corporate commitment allows improving the company's reputation before society. Therefore, the company must adhere to everything that is right, fair, and honest.

5.4. Charitable Responsibility: These are voluntary initiatives by companies and are non-binding. They practice them in a manner that is considered a contribution by companies to enhance community resources and improve the quality of life. An example of this is training programs that are not related to increasing profits or increasing market share.
The following figure shows the dimensions of social responsibility according to Archie B Carroll:

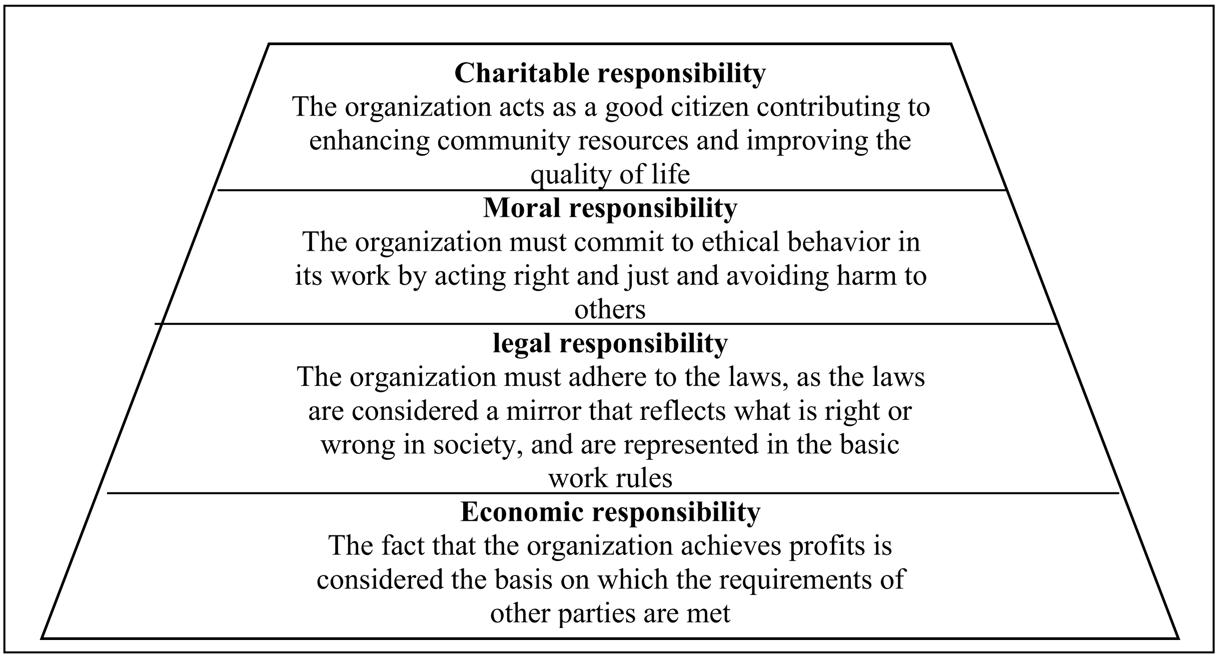


Figure 1: Archie B. Carroll's Pyramid of the Dimensions of Social Responsibility
Source: (Carroll, 1991, p. 42)

The economic and legal dimension of social responsibility, according to Carroll's model, is considered a major requirement of society that companies must meet. The moral dimension is society's expectations that companies should adopt. The sequence of these responsibilities reflects the nature of the interconnectedness between them, as companies cannot abide by their responsibility towards charitable activities without adhering to their economic, legal, and moral responsibility towards the society in which they operate (Abu -AL-Nasr, 2015, p. 40) .

6. Strategies for Dealing with Social Responsibility:

While companies practice their activities, they do not rely on a single strategy in dealing with their expected social role. Rather, social performance can be distinctive in some companies and weak in others. It may also be high in some activities and low in others. Therefore, the following strategies by which companies deal with their social role and social responsibility are (Mansour, 2009, pp. 95-96):

6.1. The Strategy of Not Adopting Social Responsibility or the Strategy of Resistance: Through this strategy, corporate management avoids commitment to any social role, avoids spending on social activities, and only focuses on economic priorities.
6.2. Defensive Strategy: Based on this strategy, companies' management seeks to fulfill the minimum legal requirements, as management seeks to protect the company from legal accountability that exceeds the requirements.
6.3. Adaptation Strategy: Corporate management takes the initiative to adopt a social role that goes beyond the legal requirements imposed on it and adopting a responsible ethical role.
6.4. Voluntary Initiative Strategy: Through this strategy, companies move towards adopting a broad social role. They regard the interests and aspirations of society in all their decisions.

Second: The Impact of the COVID 19 Crisis on Economical Institutions:

1. A Glimpse into the COVID 19 Crisis:

Corona Virus is known as a new strain of virus that causes the disease COVID 19. The World Health Organization launched the term COVID 19 on February 11, 2020. The English name for the disease is derived

as follows: (CO) are the first letters of (CORONA), (VI) are the first letters of (VIRUS), and (D) is the first letter of (DISEASE). A virus is related to the same family of viruses to which the it belongs. However, Corona is considered a dangerous virus that was not previously known before its outbreak in the Chinese city of Wuhan. It is accompanied by a fever, cough, and respiratory problems. Some severe cases may lead to death. Finally, (19) have been added to reference the year 2019 when the first case infected with the virus was discovered. Among the spread of the disease in Algeria we find (Sehailia, 2020, pp. 26-37):
- Airports, ports, and entrances to the country were not closed to arrivals from outside the country. Even though the first recorded cases were arrivals from Italy and France, the government did not take any action.
- The delay in taking strict measures and precautionary measures to prevent the spread of the virus
- Lack of awareness among segments of the Algerian society and their disregard for the dangers of the Corona virus by continuing their lives as they were before the pandemic.

2. Precautionary Measures Taken by the Algerian Government to Contain the COVID 19 Crisis:

The Algerian government has taken a number of measures to limit the effects of the Covid-19 crisis, including the following (Sid Amor Zahra, 2020, pp. 137-157):
- Evacuating citizens and gradually implementing quarantine throughout the national territory.
- Postponing the vacation of health workers in hospitals and limiting gatherings.
- Providing customs and tax facilities .The General Directorate of Taxes announced on March 17, 2020 the postponement of the submission of tax returns, as well as the postponement of the payment of taxes and fees, as an exceptional measure.
- Laying off half of the workers. The instructions of the Executive Decree No. 20-69 dated March 21, 2020 decrees that at least 50% of workers in public administrations go on an exceptional paid holiday, with the exception of the economic and financial sector, whether public or private.
- Suspension of flights. Strict surveillance has been recommended at Algerian airports since February 17, 2020 to protect against the spread of the virus. Strengthening health control has also been implemented at land, sea, and air border posts.
- Restricting the practice of commercial activities, suspending the practice of some other activities, and restricting the movement of workers and merchants.
- A mechanism was created to listen directly to citizens to report any violations in the market.
- The Central Bank announced a set of measures to limit the repercussions of the crisis, such as reducing compulsory reserves from 10% to 8% and reducing the guiding rate of the Bank of Algeria by 25 points, based on 0.25%, to fix it at 3.25%, starting from March 15, 2020.
- Granting exceptional bonuses to recruits to prevent the repercussions of the crisis.
- Granting financial assistance to those in some professions affected by the Corona pandemic, as stated in the Executive Decree No. 20-211 of July 30, 2020. The amounts estimated at thirty thousand Algerian dinars were granted per month to compensate for the losses resulting from the quarantine period.

3. The COVID 19 Health Crisis Turns into an Economic Crisis:

Health crises generally affect the economy through several channels that are summarized in the following elements (AL Hawass, 2020, pp. 56-57):

3.1. Supply Disturbances: Supply disturbances result from a combination of factors. These factors are the increase in cases of illness and death and the quarantine measures to contain the crisis. They have negatively affected many aspects of the economic activity. As an example, the cessation of transportation, the rise in the business costs, the decline in the use of production capacity, and the inability of institutions dependent on supply chains to obtain intermediate goods at the local or international levels. The most important sectors were also affected by these measures, as many economic institutions witnessed the cessation of their production, and the matter reached the point of closing some of them. The disruption of the process of supplying raw materials affected production, and it led to a sharp decline in exports of manufactured final goods and input goods, which negatively affected profits and employment. Other effects are the postponement of investment plans, the sudden cessation of manufacturing activity in the most affected areas, and reliance on stocks to cover supply for a specific period.

3.2. Demand Disturbances: They occur due to the decline in confidence and the fear that has befell consumers towards consumption and demand in many economic sectors, especially the tourism and travel sector. Another cause is the increase in precautionary behavior and the increase in financial costs that limit individuals' ability to spend as well as the decrease in incomes as a result of reducing working hours and the potential layoffs for workers and others. Therefore, families reduce spending and economic insecurity is increased for those who cannot access the social safety net, in addition to postponing private investments because of the uncertainty about the shock's effects. It is worth noting the possibility of increased government demand in many areas. Countries aim to combat infection through emergency health assistance initiatives.

3.3. Financing Disturbances: Financing disturbances are due to the decline in revenues and the weakness of external positions because of the drop in export revenues as a result of the decline in the prices of raw materials (such as oil-exporting countries). This pressures government budgets and affects the rest of the economy. It decreases flows from remittances from workers abroad, the weak demand of goods and services from other countries, and the decline in the flow of portfolio investments as a result of the sharp rise in the degree of global risk aversion and the flight of capital to safe assets. Furthermore, since the beginning of the crisis, risk aversion and the trend towards liquid assets to confront uncertainty have actually pushed stock markets to the correction zone. At times, the immediate corrections were as strong as they were during the global financial crisis of 2008. The crisis also came after an unprecedented boom in public and private borrowing, as the total debt balances reached $229 trillion at the end of 2018. This is more than two and a half times the global gross domestic product, up from $152 trillion at the beginning of the global financial crisis in 2008.

Third: The Reality of Adopting Social Responsibility at BIOPHARM during the COVID 19 Crisis:

1. Introduction to Biopharm Company:

BIOPHARM is an industrial and commercial group that has been investing in the pharmaceutical field since the early 1990s. Today, it has a production unit that meets international standards and a distribution network for wholesalers and pharmacies. After almost two decades of intense activity, BIOPHARM has reached an important stage of its development that required restructuring. BIOPHARM started by adapting its regulatory structure gardually as described below (BIOPHARM., 2023):
- Production of medicines through BIOPHARM, which remains the central core of the group.
- Wholesale distribution of pharmaceutical products through BIOPHARM DISTRIBUTION.
- Distribution to pharmacies through BIOPURE.
- Medical promotion and information through Human Health Information (HHI).
- Logistics services for the pharmaceutical industry through BIOPHARM LOGISTIC.

In addition, to ensure its development and enhance its governance and management efficiency, BIOPHARM has opened its capital to the international alliance. This formula encourages and involves all partners in the long-term development of the group. This alliance is designed to allow the BIOPHARM group to benefit from the level of alliance networks at the international level in order to follow the plan for developing production and marketing activities, ensure technology transfer, enhance administrative supervision and benefit from the experience of alliance members to develop its export markets in Africa and Europe. Through these measures, the BIOPHARM Group intends to ensure strong growth for all its partners in its activities, by implementing its development program and complying with financial security. This alliance consists of (BIOPHARM., 2023):
- ADPI is an investment fund specialized in the African continent and is provided consultations by International Development Partners, a private equity fund management company located in London. ADPI is considered one of the leading companies in the private equity industry in Africa. It manages private equity funds totaling more than US$1.1 billion. ADPI aims to acquire stakes in companies established in Africa that are leaders in their markets.

- DEG, a subsidiary of KfW, is one of the largest European institutions for the development and financing of long-term projects and corporate finance. DEG invests in profitable projects that contribute to sustainable development in all sectors of the economy, from agriculture to infrastructure and manufacturing services. To date, DEG has worked with more than 1,600 companies, and its current portfolio that consists of properties of over €5.6 billion has helped generate a total investment volume of 39 One billion euros.
- FMC COFARES is an investment vehicle owned by two institutional funds specialized in North Africa: EuroMena Funds and Mediterrania Capital Partners.

It should be noted that the company officially joined the Algerian Stock Exchange on April 20, 2016.

2. Ethical Values at BIOPHARM:

In 2018, the company issued a code of ethical values, which considers transparency, compliance, integrity, and rigor to be the values that Biopharm is committed to during its dealings with its environment. All employees of the company are committed to applying these values while practicing their daily activities. These values are expressed in accordance with what was stated in the code issued by the company by adhering to its responsibility towards its stakeholders through the following (BIOPHARM, 2018):
- **The company's responsibility towards customers:** listening to their concerns, meeting their demands and expectations, and ensuring transparent communication with them to gain their trust.
- **The company's responsibility towards employees:** ensuring fair treatment among employees and providing healthy and safe working conditions that help develop their capabilities.
- **The company's responsibility towards suppliers and business partners:** The company guarantees its suppliers and business partners fair labor practices and compliance with contractual terms and conditions.

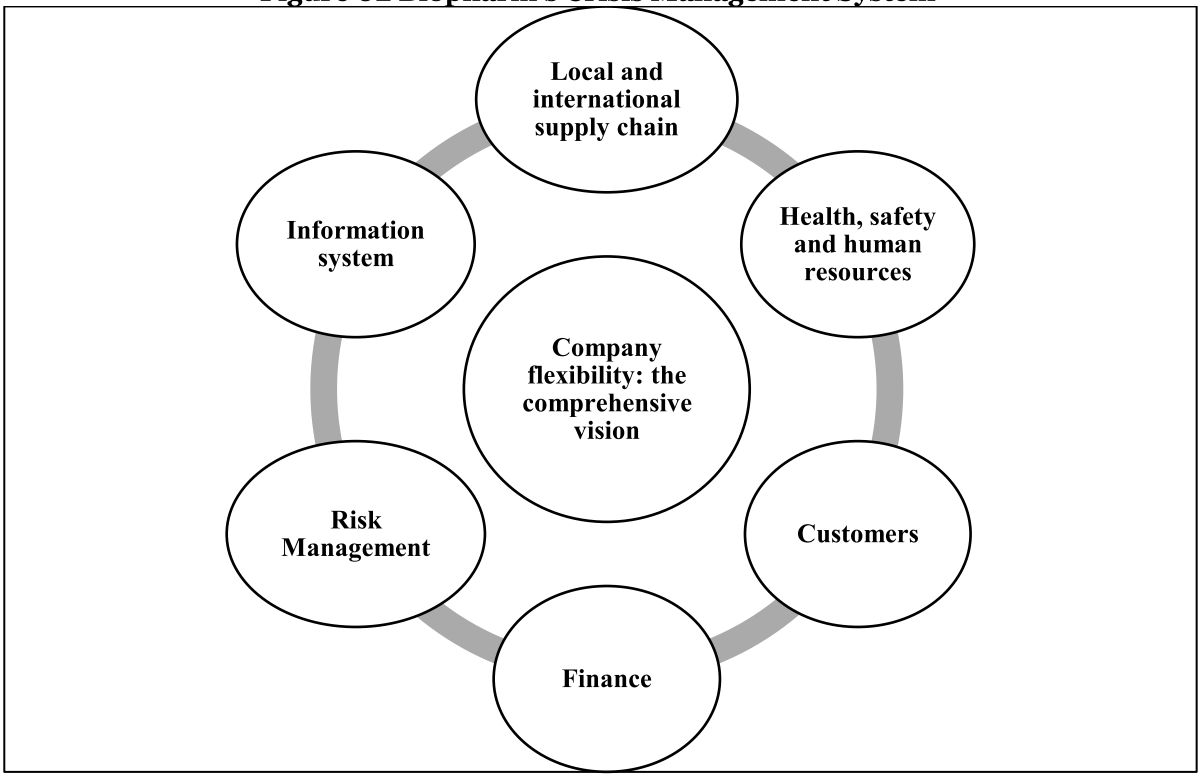
- **The company's responsibility towards health professionals**: It guarantees them independence while performing their duties and deals with them in a transparent and ethical manner in accordance with applicable laws.
- **The company's responsibility towards shareholders:** ensuring that they are provided with honest, transparent, and regular information.
- **The company's responsibility to society:** Ensuring the responsible act towards society, compliance with legal environmental standards, and investment in social and economic development in the areas where the company operates.

To implement the provisions of this Code, the company has developed a system of communications and alerts to encourage employees to report any ethical violations that would constitute a violation of the Code of Ethics. Simultaneously, the company ensures complete confidentiality of these reports and protecting the informants from taking any disciplinary measures against them (BIOPHARM, 2018).

3. Biopharm's Commitment to Social Responsibility in Light of the Corona Pandemic:

Since the beginning of the COVID 19 crisis, Biopharm has established a crisis management system to monitor the impact of the epidemic on the safety of employees and stakeholders. The system was created to ensure the continuity of its activity as a commitment to its social responsibility towards all stakeholders. Biopharm has demonstrated its flexibility in handling the various changes imposed by the COVID 19 crisis by relying on a plan for the continuity of its activity consisting of six main axes that can be illustrated in the following figure:

Figure 02 Biopharm's Crisis Management System



Source: (BIOPHARM S. , 2020)

From the figure above, BioPharm has adopted a crisis management plan during the Covid-19 pandemic and it was published in the annual report of the Board of Directors for the year 2020. It consists of the following topics (BIOPHARM S., 2020):

3.1. Local and International Supply Chain: The company proactively monitored any disturbances that could occur in the supply chain by establishing a system to follow up on suppliers and monitor any disturbances they may be exposed to. The system helped assess the risks of any recorded disturbances, prepare a backup plan to ensure supply when these disturbances occur, and evaluate the distribution chain based on new working methods.

3.2. Health, Safety and Human Resources: Reorganizing working hours to ensure continuity of work and meeting the company's needs as well as granting special leave to unqualified employees who suffer from chronic diseases and pregnant women to protect their health and safety. Implementing remote work for qualified employees and publishing internal announcements to inform employees of the latest updates and health instructions related to precautionary measures. The company also trained and educated employees about health and personal hygiene measures and their adherence.

3.3. Customers: Implementing procedures to receive customers at the company's distribution centers in a way that ensures their safety and protection. Potential risks that could affect customers are assessed and the necessary measures are taken to address them. In addition, external data id published for customers to clarify the precautionary procedures the company is taking to ensure their safety. Finally, customers' concerns are collected and addressed to meet their needs and ensure their satisfaction.

3.4. Financing: Assessing revenues that are vulnerable to risks during the economic challenges resulting from the COVID-19 pandemic. Re-evaluating financial plans and forecasts in the context of the crisis for various business lines to determine the potential impact of current conditions on future revenues. The risks related to the future payment obligations of the contracts were also evaluated.

3.5. Risk Management: Establishing operational and functional crisis cells to handle emergency situations and crises that the company may encounter. A plan has been developed to ensure business continuity and deal with any disturbances that may occur in operations. The measures taken by the government were reviewed continuously and their impact on the company's work was monitored, including new legislation, directives, and government policies related to work. The aim is to ensure that the company follows best practices, adheres to legal requirements, and adapts to any changes in the legal and regulatory environment.
The Group's Crisis Unit has also established processes for crisis management and information gathering about the pandemic supported by administrative procedures. The group also established a schedule for monitoring the COVID 19 situation to implement the business continuity plan. Several functional and operational crisis units were also created.

3.6. Information System: The information system (SI) is a central element in the company's activity that facilitates transferring information and delivering it to concerned parties owing to a group of human resources and programs. The flexibility of this system allowed the company to carry out partial work remotely. It facilitated holding board meetings and providing training and technical support to workers to avoid interruption in the provision of strategic services while implementing the precautionary measures.
According to the above, Biopharm Company, during the COVID 19 crisis, has sought to ensure its commitment to its social responsibility and to confirm that to all stakeholders. These stakeholders include shareholders, workers, customers, suppliers, and creditors. The company also focused on all dimensions of social responsibility. From an economic standpoint, it has sought to ensure the continuity of its business and the development of alternative plans for any emergency changes that may hinder the supply or distribution chain. This is evidenced by the growth in its turnover for the year 2020 at a rate of 5.4% compared to the year 2019, which reached 71.5 billion Algerian dinars. In 2021, it reached 82 billion Algerian dinars. The growth in the turnover is due to the increase in production volume and the diversification of the distribution portfolio with local partners. The growth of distribution through Biopure and IMPSA. The efforts made to preserve production tools during the health crisis allowed the value added to increase in 2020 to 14.7 billion dinars. Compared to 14.4 billion dinars in 2019, it increased by 2%. The added value continued to increase in 2021, which amounted to 15.5 billion Algerian dinars. In contrast, the net result recorded a decline in 2020 by 26% compared to 2019 because of the rise in operating expenses and other financial expenses. However, it increased in 2021 by 41% compared to 2020. This is due to several factors such as the rise in turnover, control of operating expenses, the relative stability of exchange rates compared to 2020, and better management of exchange rate risks. Through these results, Biopharm company was affected by the repercussions of the Covid 19 crisis at the beginning; however, it quickly took a number of measures that enabled it to return to its stability. This is explained by the data of the financial statements for 2020 and 2021, which confirms its commitment towards shareholders and towards the economic dimension for its social responsibility.
As for the legal aspect, it sought to remain constantly informed of any developments taken by the government to comply with regulations and laws and to adapt to any developments in the legal and regulatory environment. The company also confirmed its ethical and charitable commitment. Biopharm is considered one of the first companies to provide alcoholic gel at nominal prices and in various forms, in agreement with the Algerian National Union of Private Pharmacists. It contributed an amount of 100 million Algerian dinars in solidarity with the campaign launched by the National Union of Pharmacy Dealers regarding COVID 19. It is represented in the provision of personal protective equipment to health sector workers (BIOPHARM S. , 2020)

Conclusion:

The social responsibility of companies and the degree of fulfillment of their requirements varies according to the viewpoints of the decision-makers within them, the social and legal environment in which they are active, and the nature of the activity provided by them. As a pharmaceutical drug manufacturing company, Biopharm has health obligations; therefore, it must work to find possible solutions to the corona pandemic. It also has economic obligations as a joint stock company to meet the requirements of shareholders and ensure its survival

and continuation of its activity without obstacles. Finally, it has social obligations towards all stakeholders as they are important parties to ensure its survival; thus, it is necessary to gain their loyalty.
Through this study, a number of results were attained that are summarized in the following points:
- Biopharm had a clear strategy towards its social responsibility through its ethical commitment towards all stakeholders. It issues a code of ethics, which reduced the severity of the repercussions that the COVID-19 crisis could have had on it and on those dealing with it.
- Fulfilling the requirements of social responsibility affected its economic performance at the beginning; however, it did not hinder the continued performance of its activity.
- Despite the precautionary quarantine measures, Biopharm was able to compensate for the lack of exports to foreign markets by heading to the local market through diversification in the distribution portfolio with local partners and the growth of distribution through Biopure and IMPSA.
- Through its management of the COVID-19 crisis, Biopharm was able to fulfill its commitment to adopting dimensions of social responsibility. It adopted a social responsibility adaptation strategy and exceeded its legal obligations by adopting a responsible ethical role towards all parties.
According to the results, the following recommendations can be drawn:
- The COVID-19 crisis should not be viewed as a temporary crisis that has ended. It is necessary to take precautions and use the lessons learned from it for any future similar crises that would cause negative effects on the company's economic situation.
- Finding national supply channels to obtain raw materials to avoid any events affecting the raw material supply chain and to eliminate any effects caused by changes in raw material prices on product prices.
- The necessity of expanding distribution activity locally by building a good reputation and paying attention to the quality of products to build a base in the local market.
- Intensifying charitable activities that would improve the company's image before the local community, which would gain it the loyalty of the parties dealing with it.

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