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**DEVELOPMENT OF INTERNET CORPORATE SOCIAL  
RESPONSIBILITY UNDER THE BACKGROUND OF COVID-19  
PANDEMICE: NEW MANAGERIAL LANDMARK**



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**Abstract.** During the ongoing COVID-19 epidemic, Chinese enterprises have combined their economic and legal responsibilities with their social responsibilities, not only by actively participating in social welfare activities, but also by making donations and setting up special funds for the epidemic. There are large differences in the scale of Chinese enterprises; large Internet enterprises are financially sound and have high efficiency in resource allocation, so they can better fulfill their CSR, while small and medium-sized Internet enterprises lack scientific management capabilities and have little awareness of CSR, so they can only fulfill their social responsibility appropriately according to their own capacity.

The article briefly discusses the scale of different types of Internet enterprises in China, comparatively analyzes the performance and differences between large

Internet enterprises and small and medium-sized enterprises in fulfilling social responsibility in the COVID-19, summarizes the new highlights of social responsibility of different types of Internet enterprises, and in response to different situations, the state should adopt flexible management strategies in various modes to guide Internet enterprises to actively fulfill social responsibility within their capacity, innovate and transform their production and marketing methods, participate in social welfare activities, and improve their core competitiveness.

**Keywords:** COVID-19 ;Internet enterprises;Internet corporate social responsibility; New managerial landmark

## **1. Introduction**

After the epidemic outbreak, with the exception of large-scale Internet enterprises such as medicine, online education, and online office software, enterprises in other industries have experienced significant business shrinkage and stagnation due to shutdowns and reductions in consumer orders, making it difficult for enterprises to resume work and resume production. The epidemic has a negative impact on most enterprises. Enterprises of different sizes are in different situations and have different capabilities in fulfilling social responsibilities. However, large-scale Internet enterprises use the advantages of platforms and rich information resources to scientifically deploy human, financial, and material resources to assist the affected areas and help the society solve practical problems. Small and medium-sized enterprises are faced with suspension of work and

production, decreased sales, and tight funds. The most important task for small and medium-sized enterprises is to enhance their awareness of opportunities and crisis management, try to avoid layoffs, and learn to innovate in a crisis. The epidemic is a double-edged sword for the development of Internet enterprises. Fulfilling corporate social responsibility is an effective way for enterprises to enhance their corporate image, increase market share, increase corporate value, win the trust of consumers, and achieve sustainable development.

## **2. Materials and Methods**

This paper adopts case study method, comparative study method, qualitative and quantitative analysis method, and analyzes the ways and contents of different types of Internet enterprises to fulfill their social responsibilities. Due to the different nature, scale and capabilities of each enterprise, Internet enterprises should undertake social responsibilities within their capabilities.

### **2.1 Case study method**

According to the ranking list of Chinese Internet enterprises by market capitalization, Alibaba Group and Tencent, which have larger market capitalization, are selected as representatives of large Internet enterprises, and unlisted small Internet enterprises are selected as representatives of small Internet enterprises. Through a detailed review of the content of Alibaba Group and Tencent's social responsibility practices, the social responsibility performance of Alibaba Group's Tmall and Tencent, among others, is visually described. The innovative aspects of social responsibility of Alibaba Group and Tencent are proposed in the hope that

they can serve as a reference for the social responsibility of other Internet enterprises.

## 2.2 Comparative Research Methodology

Since the types of Internet enterprises in China vary greatly, and the nature, scale and capacity of each Internet company also vary, this paper mainly compares and analyzes the responsibility fulfillment modes and contents of large Internet enterprises and small Internet enterprises.

## 3. Result

### 3.1 Performance of different types of Internet enterprises during COVID-19

According to the report on the business income of 41 SMEs in Hubei in the first quarter of 2020 published by Hubei Province. the average business income of enterprises in the first quarter of 2020 was RMB312814771.78 , a decrease of RMB131668972.44 . (Table 1)The higher turnover growth is medical enterprises and Internet enterprises, and the largest decrease in turnover is small and medium-sized enterprises .

**Table.1 The operating income of small and medium-sized listed enterprises in Hubei in the first quarter of 2020[1]**

<b>Change in the current period over the same period of the previous year</b>	<b>Number of companies</b>	<b>Percentage</b>
Over 50 reduction	12	29.27%
30-50% reduction		21.95%
10-30% reduction	6	14.6.3%
0-50% reduction	3	7.32%
30-50% growth	2	4.88%
10% growth	5	12.20%
30-50% growth	1	2.44%
50% growth	3	7.32%

At the early stage of the epidemic, highlight the platform and resource advantages of large Internet enterprises, use big data and information technology to promote epidemic prevention and control knowledge and raise awareness of epidemic prevention and control, and jointly release real-time dynamic data with government departments [2], such as the number of new confirmed cases, cumulative confirmed cases, cured cases, and suspected cases every day, especially suspected cases, which require identifying the corresponding suspected persons and summarizing and analyzing them within a short period of time and isolate them as soon as possible[3]. Suspected personnel to avoid more people's infection. Due to their own limited capacity, small enterprises stop working and production, the capital chain is broken, production and operation difficulties. Small and medium-sized enterprises actively respond to the national call, do not retreat, do not lay off employees, enjoy the national tax subsidies and stable employment support for small and medium-sized enterprises, and promptly pay attention to the interests and health of employees so that they can live normally during the

epidemic.

In the middle of the epidemic, large Internet enterprises took advantage of their resources and platforms to release online office and online education applications to address the challenges of working and learning in epidemic prevention and control. For example, KDDI opened an "AI+Office" platform to provide remote office services for enterprises and individuals[4]. Large Internet enterprises use their strong resource allocation capabilities and advantages to deploy medical supply distribution and basic household goods for residents. The professional medical consulting services of Internet medical platform enterprises have relieved the pressure on hospital outpatient clinics and reduced the risk of cross-infection in the population in the most efficient and convenient way[5]. Internet enterprises have driven the first large-scale application of artificial intelligence algorithms in the research and application of viral infectious diseases, greatly improving the efficiency of vaccine research and the speed of application rollout. As the overall growth of small and medium-sized enterprises struggles due to broken funding chains, individual medium-sized enterprises that are financially stable make small donations and contributions, and some smaller enterprises have to make layoffs to save costs and keep only managers[6].

Epidemic prevention cannot be slackened, and as the epidemic becomes routine, blockades and controls are lifted across China and people's lives return to normal. The responsibilities of Internet enterprises range from initially guiding the right direction of epidemic prevention and enhancing awareness of epidemic

prevention, to using their unique advantages to solve social problems, to promoting economic recovery, publicizing the daily nature of epidemic prevention and fostering good hygiene habits .During the epidemic, Internet enterprises actively assume social responsibility in epidemic prevention and control, and should not engage in focusing only on current interests, but should consider long-term development and potential economic benefits. As shown that Compared with 2019, China's representative Internet company Alibaba Group's business revenue will grow better in 2021.

According to Alibaba's 2021 social responsibility report, we learned that large Internet enterprises summarize their experience in epidemic prevention and control, establish major epidemic crisis plans, and create five strategies of prevention, response, innovation, recovery, and development to help them reduce corporate losses in the event of a major epidemic crisis, solve actual social problems, actively assume social responsibility, and improve their corporate reputation and ability to promote economic recovery[8]. SMEs reflect on their own shortcomings, rely on digital technology, accelerate corporate innovation, improve internal management, broaden corporate financing channels, and actively resume work and production. The figure below shows the social responsibility fulfillment patterns of different types of Internet enterprises(Figure2).The author summarizes the following models based on the performance of different types of Internet companies in the epidemic.

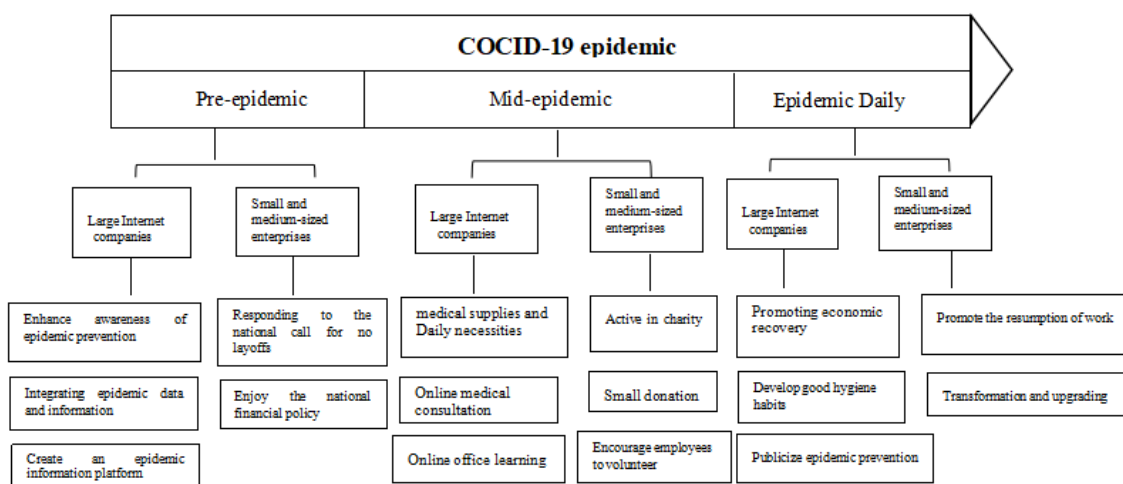


Fig.2 Different types of Internet corporate social responsibility models

### 3.2 New highlights of Internet corporate social responsibility in the context of the COVID-19

#### 3.2.1 Attaching importance to the interests of employees

On January 7, 2021, the 2020 (10th) Annual Conference of China Internet Industry, hosted by the Internet Society of China, was held in Beijing. This year's annual conference focused on the social responsibility of Internet enterprises, and the "Platform Enterprises' Initiative to Care for Workers", signed by 14 leading Internet enterprises, was released at the conference. Retail e-commerce platform enterprises should comply with the relevant provisions of the labor law, sign labor contracts with employees, and should also create a good working environment, provide education and training opportunities, adopt a reasonable salary assessment mechanism, protect the physical health and personal dignity of employees, create space for the promotion and development of employees, enhance the sense of



belonging of employees, and cultivate, retain and attract talents for the enterprise.

Affected by the global spread of the epidemic, some enterprises, especially private, small and micro enterprises operating difficulties, even to the point of unsustainability. Government departments not only introduced preferential tax policies to support the development of enterprises, enterprises to pay pension, unemployment, work-related injuries three social insurance premiums clearly "exempt, reduce, slow" and other policies, but also to guide enterprises to adopt a "people-oriented" corporate management system, for example, to adjust salaries, rotation, and attract talent.[9]For example, to adjust the salary, rotational rest, shorten working hours, home standby, etc., to try to stabilize the position, no layoffs or less layoffs.

### 3.2. 2 Protect the interests of consumers

Leading Internet enterprises launched online medical, smart sports, online education and other services to meet the needs of consumers living and learning in isolation at home, including housekeeping services, laundry and shoe washing, deep cleaning, car maintenance and other services can also be purchased and booked online, allowing consumers to intuitively feel the sense of responsibility of Internet enterprises in the epidemic and trust the quality of products from Internet enterprises.[10]

As a medium-sized Internet company, Luan Runfeng, chairman of Beijing Jinhe Network Co., Ltd., said that consumers' first need is safety and health, and COVID-19 has made this need even more urgent. Taking advantage of its

advantages, the company's team has launched dozens of anti-epidemic software. For example, only 8 days after receiving the call on January 2, 2020, the epidemic prevention platform "Sunshine Pharmacy Platform", which focuses on the sales and management of antipyretic drugs in pharmacies, was officially launched, and the operation is simple and convenient.

### 3.2.3 Taking responsibility for innovation

During the COVID-19, Internet enterprises relied on their own product technologies to make many contributions to technology innovation, resumption of work and medical health. The CT imaging AI and full genetic analysis AI developed by Ali Dharma Institute are online and used in more than 620 medical institutions worldwide. Technological innovation has become an intrinsic driving force on Tencent's development path. Tencent spent RMB 38.972 billion on R&D in 2020, up 28.25% year-on-year; the company's R&D staff ratio was 68%, up 16 percentage points year-on-year.[11]

Innovation responsibility in the epidemic is mainly by the leading Internet enterprises to solve social problems based on innovation rate responsibility model, innovation responsibility is mainly manifested in the following 3 aspects: 1. online medical platform, many Internet enterprises in conjunction with government agencies quickly launched good doctor online, Tencent medical dictionary, Dr. Ding Xiang and other Internet medical services platform for the COVID-19 online consultation. 2. online office and learning. Internet enterprises provided nailing, enterprise WeChat, online courses of Tencent conference telecommuting software,

cloud classroom and other Internet tools to secure learning and working needs. 3. artificial intelligence to help vaccine research and development, Internet enterprises for the first time promoted artificial intelligence algorithms and computing power on a large scale for research and application of viral infectious diseases.

Previously, only large enterprises in China paid more attention to innovation, but were in a lonely situation for a long time, because SMEs, both upstream and downstream in their industrial chain, were rarely involved. Through this epidemic, SMEs realized the importance of innovation and that the only way to achieve sustainable business development is through technological innovation.[12] For example, Henan Ruyuan Education Technology Co., Ltd. CSR management model innovation, find the company's development direction in the needs of society, free online synchronous classroom courses for primary and secondary school students, the curriculum includes epidemic prevention education, moral education, thematic education and film education and other educational resources, through this free course the company was recognized by the education department.

#### 3.2.4 Active participation in social welfare

On January 1, 2022, Alibaba, through the Alipay Public Welfare Foundation, donated 10 million yuan to the Red Cross Society of Xi'an, which will be used in accordance with the unified allocation of local anti-epidemic needs, focusing on securing anti-epidemic medical and livelihood materials, volunteer recruitment support, etc. Tencent has announced an initial donation of 20 million yuan through

the Tencent Public Welfare Charity Foundation to help fight the epidemic in Xi'an with the Shanxi Provincial Charity Association. Tencent said the donation comes from the 1.5 billion yuan War Epidemic Fund set up by the Tencent Public Welfare Charity Foundation early last year to fight the COVID-19. NetEase Public Welfare Foundation decided to donate 10 million yuan, mainly for the protection of local citizens, students, anti-epidemic workers need to meat and vegetables, heating equipment and other basic materials procurement.[13]

Due to their own limited capacity, small businesses organize their employees to be community volunteers, assisting community staff to carry out volunteer services such as code verification information, prevention and control publicity and material delivery. For example, Zendo's first live broadcast with goods breaks the traditional rural sales model, using the Internet platform to adjust the rural industry chain, ensure product quality and deliver products to consumers in a timely manner.

#### **4. Conclusion and strategies**

To sum up, different types of enterprises bear different social responsibilities within their capacity. The social responsibility of Internet enterprises under the influence of the COVID-19 presents new characteristics of concern for employees' interests, consumers' interests, product responsibility, social welfare and technological innovation.

In response to the social responsibility situation of different types of Internet enterprises, the state should adopt a flexible management strategy with multiple

models, give financial subsidies to enterprises that undertake social responsibility, and adopt a tax relief management approach to guide the flow of market resources to positive enterprises. Large Internet enterprises establish big data platforms, share resources with netizens, improve social responsibility information disclosure and create more employment opportunities. Small and medium-sized enterprises take the initiative to get out of the predicament, dataize social responsibility management and scientificize decision-making, innovate or transform their development models in the process of fulfilling their responsibilities, and achieve their sustainable development goals.

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