# ENTERPRISE POLICIES FOR SUSTAINABLE DEVELOPMENT IN THE CONTEXT OF COVID-19

Author 1a, Author 2b, and Author 3c\*

aAffiliation

bAffiliation

cAffiliation

\*Corresponding author:

Declaration of interest:

Funding:

# 

***Abstract***

*The ongoing COVID-19 pandemic is a challenge facing humanity with very severe social and economic consequences. Since the pandemic began, each nation has supported its own economy. The most exposed economic sectors are services, tourism, and transport. The decreases in domestic and international demand for goods and services caused by COVID-19’s spread have led to decreases in production and services. Production costs are estimated to have increased owing not only to difficulties in supplying raw materials, intermediate goods, and so forth but also to the declining demand associated with pressure on sales prices.*

*However, businesses must find ways to survive and grow sustainably in at least the medium term. Thus, they must quickly identify applicable solutions, which are represented by the policies that they establish and implement.*

*Enterprise policies comprise a set of medium-term objectives. They may refer to all of an enterprise’s activities or to only its important components, and they may include necessary resources, major actions to take, primary managers and executors, financing sources, final and intermediate deadlines, and global and partial efficiency indicators. This study describes the COVID-19 pandemic’s influence on the economic environment, the need for sustainable business development in this context, and the medium-term policies required to overcome this global crisis.*

***Keywords:*** *enterprise policies, sustainable development, context of COVID-19, quality of life, economic relaunch*

***JEL Classifications:*** *M40, M41*

**ENTERPRISE POLICIES FOR SUSTAINABLE DEVELOPMENT IN THE CONTEXT OF COVID-19**

# 1. Introduction

The year 2019 was slow and relatively quiet, although typical global problems did arise [11].

The COVID-19 pandemic, which began in December 2019 in Wuhan, China, required the isolation of citizens. This measure was intended not necessarily to defeat the virus but rather to slow the infection process to avoid exceeding the public health system’s capacity to handle the crisis [5]. Imposing isolation has made it difficult for national economies to function. These public policies were oriented towards individual health, and their economic consequences have exceeded all expectations. Isolation has destroyed relationships between employees and employers and between producers and customers both within and across nations. Economic structures and relations have been severely affected as a result. Borders have been closed, which has affected the global economy. The pandemic has highlighted the importance of preparing for any crisis that may arise [10].

The COVID-19 pandemic has generated economic effects that are difficult to assess at present. However, it is also a psychological pandemic, which disrupts human behavior and impacts the functionality of all markets, including goods, capital, services, monetary, and financial markets.

The pandemic has also had some positive effects. For example, the digitalization of government and social life in general has been accelerated, distance education has been intensified, businesses are increasingly operating in the online environment, and the consumption of local products is growing.

In the context of the COVID-19 pandemic, which has fundamentally changed important aspects of modern life, the sustainable development of enterprises provides a solution to the current crisis, is necessary for subsequent reconstruction, and can serve to prevent similar situations in the future. Applying the principles of sustainable development is more necessary now than ever before. The current crisis must be transformed into an opportunity to achieve a solid, sustainable social and economic reconstruction through the use of appropriate policies. These policies should seek to introduce new elements that were not previously considered in strategy development [6], as no one was able to predict the COVID-19 pandemic.

# 2. Enterprise policies for sustainable development in the context of COVID-19

Sustainable development can be achieved only by ensuring a balance between socioeconomic systems and natural potential [3]. The concept of sustainable development first appeared in 1987 and refers to the development of industrial civilization, which is constantly growing, and the planet’s limited resources to ensure this growth [7].

The COVID-19 pandemic has created major dysfunction in the economy and in the business world, which can no longer operate as it did before the pandemic.

The national policies that pandemic-affected states must apply to ensure sustainable development are as follows:

* Legislative framework: States must draft laws to strengthen worker protections or adapt their current legislative frameworks for emergencies and must monitor and respond to violations of these laws, such as sales of false protective equipment.
* Facilities: States must provide businesses with guidance on managing the COVID-19 pandemic, establish channels for dialogue between companies and other stakeholders seeking guidance and advice, address the spread of misinformation and harmful content related to COVID-19, and facilitate collective initiatives across the economy and various stakeholders to provide large-scale assistance and respond to the COVID-19 pandemic.
* Cooperation: Governments must cooperate with other governments to adopt trade policies that facilitate the supplies of essential medicines and equipment, consult with employees and other stakeholders to define expectations for the COVID-19 pandemic, and ensure that emergency measures are non-discriminatory.
* Example setting: States should ensure worker protections and demonstrate best practices, such as social distancing, within the government and should adopt the highest standards of conduct and responsibility in responding to the COVID-19 pandemic in state-owned enterprises.

Enterprises’ sustainable development policies in the context of COVID-19 may reflect these public policies but may also include other specific elements depending on the field of activity, organizational culture, and so forth. Current enterprise policies need to address digitization; teleworking; access to non-reimbursable financing; worker protections; consultations with employees and other stakeholders to define expectations during the COVID-19 pandemic; the use of innovative technologies to assist in treatment, testing, monitoring, or other aspects of the COVID-19 pandemic; and international trade.

In the context of COVID-19, both overall enterprise policies and the partial policies that enterprises need to develop and implement to overcome this crisis are highlighted. The partial policy models that are necessary for sustainable development in this period can include the following:

1. a company’s policy for managing COVID-19 infections among its employees;
2. a company's policy for maintaining and enhancing its economic indicators, such as sales volume, turnover, profit, and number of employees, in the context of COVID-19 to achieve sustainable development.

# A. Policy for managing COVID-19 infections at work

A company's policies are not only simple concretizations of its strategy but also account for changes in its external and internal environments. Applying these policies by adapting them to the context in which they are implemented can serve to increase a company's performance.

Developing a company policy for managing COVID-19 infections among employees at work has become a necessity in the context of the pandemic. This issue was not predicted when companies’ global and partial policies were being drawn up.

However, such policies are now necessary to overcome the challenges of the pandemic. These policies can act as emergency plans in times of necessity. A company policy for managing COVID-19 infections among employees can be structured as follows [6]:

* Presentation of the policy’s medium-term objectives, such as reducing exposure to COVID-19 at the workplace, resuming activity safely after a break, managing employees who work from home, managing a high absenteeism rate, and managing employees who have been ill.
* Determination of the volumes and resources necessary to achieve the policy’s objectives based on the company’s number of employees, financial strength, access to non-reimbursable financing for COVID-19 management, and targeted activity; these resources can include material, financial, and human resources that may be made available to manage COVID-19 infections among employees.
* Establishment of actions that can lead to the achievement of the policy objectives, thereby mobilizing all of the company's resources. The primary actions to be taken to manage COVID-19 within an enterprise are conducting enterprise risk assessment and establishing appropriate measures accordingly, ensuring employee involvement, enabling remote work as a modern way of carrying out the enterprise’s tasks, managing sick employees, identifying lessons to be incorporated in the future, and providing good information to employees.
* Prioritization of these actions according to the company’s needs to address all requests in due time. Among the actions listed in the previous bullet point, a company can start by reassessing its risks, followed, in sequence, by establishing which employees can work remotely, identifying activities to be carried out in shifts, managing sick employees, and transmitting lessons and good practices for the future. Throughout the implementation of this policy, it is necessary to provide good information to employees and involve them in all activities.
* Identification of the parties who are responsible for implementation among managers at all of the company’s hierarchical levels and workers, depending on the activity’s complexity. For example, in the case of remote work by a certain group of employees, the manager who leads those employees’ department is responsible.
* Establishment of deadlines according to the complexity, necessity, and periodicity of each activity. For example, long-distance work and shift work can be undertaken until any danger related to COVID-19 is eliminated.
* Approval of the realized policy, which is necessary and is performed by the company’s management team. Without such approval, this policy cannot be implemented.
* Delegation of actions to employees to establish their tasks, which is the last step before this policy can be effectively implemented. At this stage, the responsibilities for applying the policy’s provisions are essentially established among employees. For example, the company’s risk assessment is performed by workers who are designated for this purpose, and remote work is performed by employees whose tasks can be performed without their physical presence at the company.

A company's policies are established at different hierarchical levels. Top management policies reflect the company’s mission, purpose, and business philosophy. The policies developed for lower hierarchical levels are used to execute the policies developed for higher hierarchical levels, and thus, they are more explicit, concrete, and detailed, with limited areas of applicability and short time horizons for implementation [6].

Another policy that is important for a company to develop and implement in the context of COVID-19 to facilitate sustainable development is a policy for maintaining and enhancing economic indicators, such as sales volume, turnover, profits, and the number of employees.

# B. Policy for maintaining and increasing economic indicators in the context of COVID-19 to ensure sustainable development

During the COVID-19 crisis, the main problems faced by companies are high production costs, high labor costs, a lack of well-trained labor, a lack of demand for goods and services in the market, a lack of transportation infrastructure, the need for public investments, and the unpredictability of the fiscal environment. These issues signal the need to develop, approve, and implement a company policy for maintaining and increasing economic indicators, such as sales volume, turnover, profit, and the number of employees, in the context of COVID-19.

This policy should be established at the level of a company’s top management and is a more general policy that includes less detail and covers large areas of business. Given this context, the composition of this policy is as follows:

* Presentation of the medium-term objectives that must be realized, which may include promotion and sale of the company's products and services online; business development in the online environment; investments in real estate, the stock exchange, or other instruments that will have decreasing prices; work-from-home employees; hiring skilled, valuable staff who lost their jobs in the pandemic; expanding into markets that some competitors have exited; launching new products; or increasing the number of required products on the market during this period.
* Determination of the volume and resources necessary to achieve these objectives, which is based not only on the company’s financial possibilities but also on the possibility of attracting external financial resources in the form of loans or access to non-reimbursable financing.
* Establishment of actions leading to the achievement of these objectives, which is necessary for the implementation of this policy. These actions include creating the necessary digital platforms for online commerce and promotion, buying shares, identifying employees to work remotely, receiving loans to provide liquidity, investing in innovation and development, and submitting projects to obtain non-reimbursable funds.
* Prioritization of these actions, as follows: ensuring liquidity from the company’s or other sources; building an online presence to expand sales and promote business; implementing remote, shift, or staggered work; hiring qualified staff who were laid off during the crisis; investing in real estate and the stock market; and investing in innovation and business expansion.
* Identification of the parties responsible for implementation. Depending on the complexity of each action, the responsible parties may be top managers or individuals at other hierarchical levels.
* Establishment of deadlines according to the urgency of implementing the actions based on the company’s financial, material, and human possibilities. For example, a telework regime can be implemented from when this policy is approved until the COVID-19 crisis is overcome, and the duration of this action’s implementation can be extended if it benefits the company.
* Approval of this policy, which is necessary because the enterprise’s management cannot begin implementing the policy without approval.
* Delegation of actions to the responsible parties to enable implementation. For example, the manager of the department in which an employee works is responsible for that employee’s remote work.

# 3. Conclusion

The COVID-19 pandemic has negatively affected society as a whole. Public and private policies that not only reduce the pandemic’s negative effects but also ensure sustainable development in the medium and long term are necessary. For the sake of future generations, it is necessary to have the courage to design a post-pandemic society with an even better quality of life than before the pandemic. To do so, however, not only public authorities but also the private sector, civil society experts, academics, research institutes, and NGOs must be involved. All members of society must believe in the principles of sustainable development and implement them in their daily lives.

Establishing global and partial enterprise policies means providing major guidelines for a company’s overall business. Creating both a company policy for managing COVID-19 infections among employees at work and one for maintaining and enhancing economic indicators, such as sales volume, turnover, profit, and the number of employees, in the context of COVID-19 is important for any company. Such policies can provide solutions for both managing COVID-19 infections among employees and overcoming the economic stalemates that are increasingly impacting companies, to ensure sustainable development.