

Assessing corporate social responsibility implementation in the Algerian enterprises: consumer's perception

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Submitted:15/04/2021

Accepted:22/05/2021

Published:03/11/2021

Abstract:

The aim of this paper is to assess the degree of application of corporate social responsibility activities in the Algerian enterprises. Therefore, we conducted a questionnaire with 384 consumers. The results revealed that the Algerian enterprises do not almost apply the CSR activities related to the consumer mentioned in ISO26000. Moreover, the dissatisfaction of the consumer of the products and services quality provided by the Algerian enterprises is related to the non-application of CSR.

Keywords: CSR, ISO26000, Algerian consumer, Algerian enterprises.

JEL Classification Codes : D18, C42.

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Introduction

Enterprises are the main pillar of countries and constitute a crucial element in economic development, this importance is resulting from their contribution to reducing unemployment rates, providing job opportunities and realizing added value to increase the gross domestic product and improve the visibility of the economic activities of the states. However, with the changes taking place in the world at all levels, and with the emergence of the globalization, which has redacted new concepts and has rubbed out others, including the concept of corporate social responsibility (CSR), which has emerged in 1950s. This concept has increased the responsibilities of the enterprises from only economic responsibilities to sociable and environmental responsibilities, towards stakeholders including, clients, employees and shareholders. Enterprises, particularly, in the developed countries, could transform those responsibilities into opportunities, which have increased their economic performance and the trust of the stakeholders.

With the openness of the developing countries and their friction with the developed countries, they have started adopting the same strategies and policies as the developed countries hoping to catch the race towards the progress and remedy what they missed. The concept of corporate social responsibility is adopted by the developed countries in order to improve the quality of their enterprises and the living standards.

Algeria like the rest of the world has followed this current, despite all the challenges. There are numbers of Algerian enterprises that have adopted the CSR including Cevital (ABEDOU & DJEMAI, 2018) and NCA Rouiba (Lamri & Amrani, 2018). However, those attempts remain modest and need to adopt mechanisms and strategies to show their impact on the performance of the enterprises.

The study aims at highlighting the application of corporate social responsibility in the context of the Algerian enterprises from the perspective of the consumer. Therefore, we will try through our study to answer the following research question:

“To what extent the concept of corporate social responsibility is applied by the Algerian enterprises from the perspective of the consumer?”

Secondary questions

- Is the Algerian consumer satisfied of the products and the services provided by the Algerian enterprises?
- Do the Algerian enterprises apply the CSR?
- What is the relation between the satisfaction of the consumer and the application of the CSR in Algeria?

Hypothesis 1

There is a relation between the dissatisfaction of Algerian consumer of the products and services provided by the Algerian enterprises (Q1) and the non- application of CSR by the Algerian enterprises (Q2.....Q14).

Hypothesis 0

There is no relation between the dissatisfaction of Algerian consumer of the products and services provided by the Algerian enterprises (Q1) and the non- application of CSR by the Algerian enterprises (Q2.....Q14).

Methodology

In the present study, we have adopted the positivist paradigm and quantitative approach, in order to test the hypotheses. Therefore, we have conducted a questionnaire with the Algerian consumers to know the degree of application of CSR in Algeria from their perspective.

Sampling

Type of sampling

We consider the non-probability sampling (convenience or accidental sampling) the most appropriate type of sampling for our case, the selection is based on the availability of units.

Population

The population of the study consists of the Algerian consumer.

Sample

The sample consists of 384 consumers; we have used the RMPD to calculate the sample size.

Administration mode of the survey

The chosen administration modes of the questionnaire are CAWI (computer-Assisted Web Interviewing) and face-to-face.

1. Literature review and related concepts

In this section, we review briefly the literature of CSR and we highlight the concepts related to it.

1.1 Evolution of corporate social responsibility practices

The table below reports the different events permitted the evolution of the CSR concept from 1953 to 2018.

Table 1: Evolution of corporate social responsibility practices

Source: (TURCOTTE, 2011)

1.2 Studies on CSR

The CSR has been widely studied by researchers, including the study of SWAEN & CHUMPITAZ (2008), who have studied the impact of the application of CSR activities by the companies of cosmetics and sportswear on the consumer trust. The authors have found a positive relation between the satisfaction and the perception of the consumer on the products quality, and the application of the CSR. We have found also the research of MOHR & WEBB (2005), who have examined the influence of the corporate social responsibility and the price, on the consumer perception, where they have found a positive correlation between the CSR and the evaluation of the company and the purchase intention of the consumer.

CASTALDO, PERRINI, MISANI, & TENCATI (2009) , have examined the consumer intention to buy products marketed by companies that apply CSR, and they have found that those companies have a good reputation among the consumers and they can successfully leverage their reputation to market their products.

Abedou & Djemai (2018), have examined how the governance in Cevital contributes to the development of the territory and the actors and they have found that this company adopts the CSR activities under the pressure and the control of the different

Year	Author /Event	Contribution
1953	Bowen	Bowen defined the corporate social responsibilities of the businessman.
1970	Event	The implementation of many federal institutions in USA.
1979	Archie B, caroll	Archie B, caroll provided new definition of the corporate social responsibility.
1991	Archie B, caroll	Archie B, caroll published the pyramid defining the responsibilities of corporations.
2005	Chandler & werther	They identified a shift on corporate social responsibility, where CSR passed from minimal commitment to strategy necessity.
2010	Event	Emergence of ISO 26000
2015	Event	Paris agreement and the launch of the UN sustainable development goals
2018	Event	The EU directive 2014/95/EU

stakeholders.

Lamri & Amrani (2018) have examined the impact of the application of the CSR on the financial performance of NCA Rouiba and they have deduced that this company applies seven areas of action mentioned in ISO26000, which have a positive influence on the financial performance of the company.

However, we did not find any study that evaluates the application of CSR by the Algerian enterprises from the perspective of the Algerian consumer.

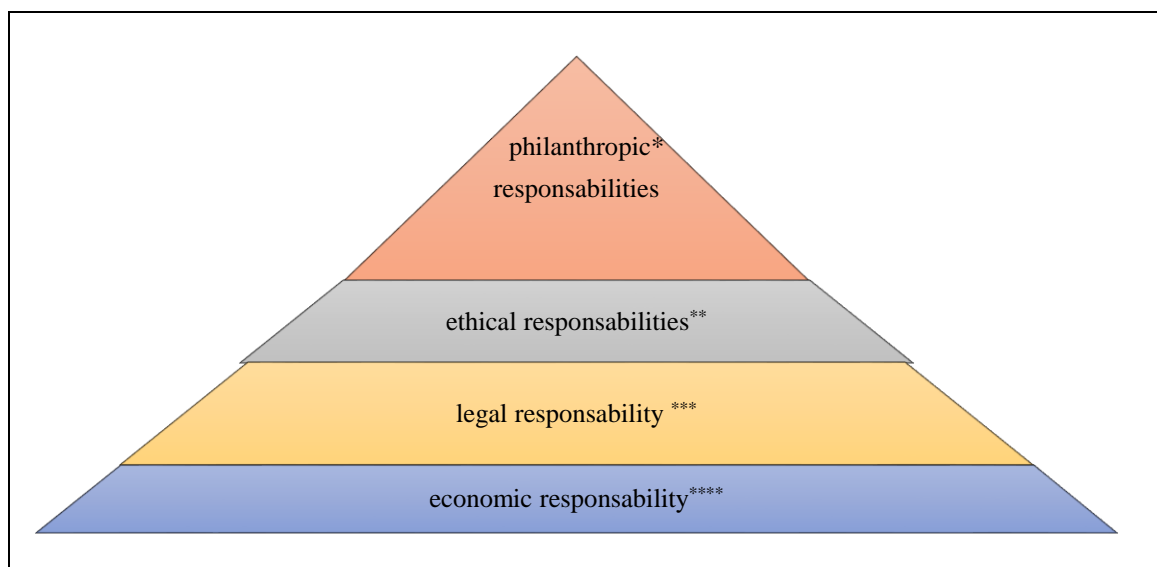
1.3 The meaning and dimensions of CSR concept

« In my view, CSR involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible...then means that profitability and obedience to the law are foremost conditions to discussing the firm's ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent. Thus, CSR is composed of four parts: economic, legal, ethical and voluntary or philanthropic ». Corporate social responsibility: Evolution of a definitional construct (Carroll, 1983, p. 604; mentioned by Carroll, 1991).

Carroll's definition of CSR includes, besides the economic objective that the corporations should achieve, other objectives, which are legal, ethical, voluntary and philanthropic objectives.

The following figure shows the different dimensions of the CSR:

Figure 1: Pyramid of CSR



Source: (CARROLL, 1991)

* be a good corporate citizen. Contribute resources to the community; improve quality of life.

** Be ethical. Obligation to do what is right, just, and fair. Avoid harm

*** Obey the law. Law is society's codification of right and wrong. Play by the rules of the game.

*** Be profitable. The foundation upon which all others rest.

1.4 CSR / ISO 26000:

ISO 26000 provides the core subject and issues of social responsibility, which should be applied by the corporations, and the following table shows the issues of social responsibility related to the consumer and which constitute the basis of our study.

Table2: Core subject and issues of social responsibility related to consumer

Core subject: Consumer issues
Issue 1: Fair marketing, factual and unbiased information and fair contractual practices
Issue 2: Protecting consumers' health and safety
Issue 3: Sustainable consumption
Issue 4: Consumer service, support, and complaint and dispute resolution
Issue 5: Consumer data protection and privacy
Issue 6: Access to essential services
Issue 7: Education and awareness

Source: (International Organization for Standardization ISO 26000, 2010).

2. Empirical study

This section shows the results of the quantitative analysis, and it discusses the findings of the stepwise multiply regression and unvaried analysis.

2.1 Unvaried analysis

We seek through the unvaried analysis to reveal the degree of satisfaction of the Algerian consumer of the products and services quality provided by the Algerian enterprises and the degree of application of CSR

2.2 Respondent profile

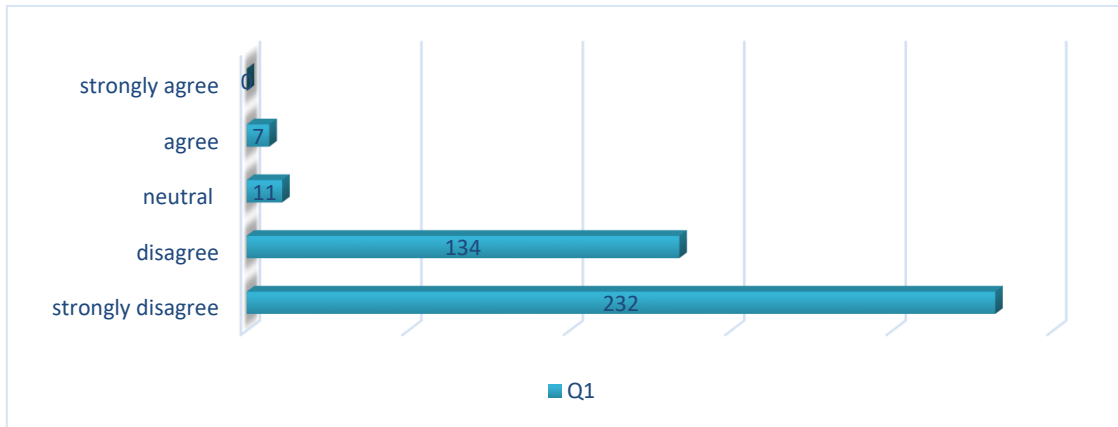
Table 3: Respondent profile

		Frequency	Percentage
Gender	Female	143	37.24%
	Male	241	62.76%
Total		384	100%
Age	20-30	164	42.7
	31-40	138	35.94
	41-50	56	14.58
	More than 50	26	6.77
Total		384	100%
Academic Qualification	Without qualification	47	12.24
	Bachelor's degree	135	35.15
	Master's degree	153	39.84
	Doctorate	49	12.76
Total		384	100%

Source: Elaborated by the authors

The table represents the descriptive statistics of the study. It shows that 143 of the respondents are female while 241 are male. 42.7% of the respondents are between 31 and 40 years old while 35.94% are between 31 and 40 years old and the rest of the respondents are aged 41 or more. 12.24% of the participants are without qualification, and 35.15% of the participants have Bachelor's degree, while 39.84% of the respondents have Master's degree and the rest have doctorate.

Figure 2: Q1: you are satisfied of the products and services quality of the Algerian enterprises¹

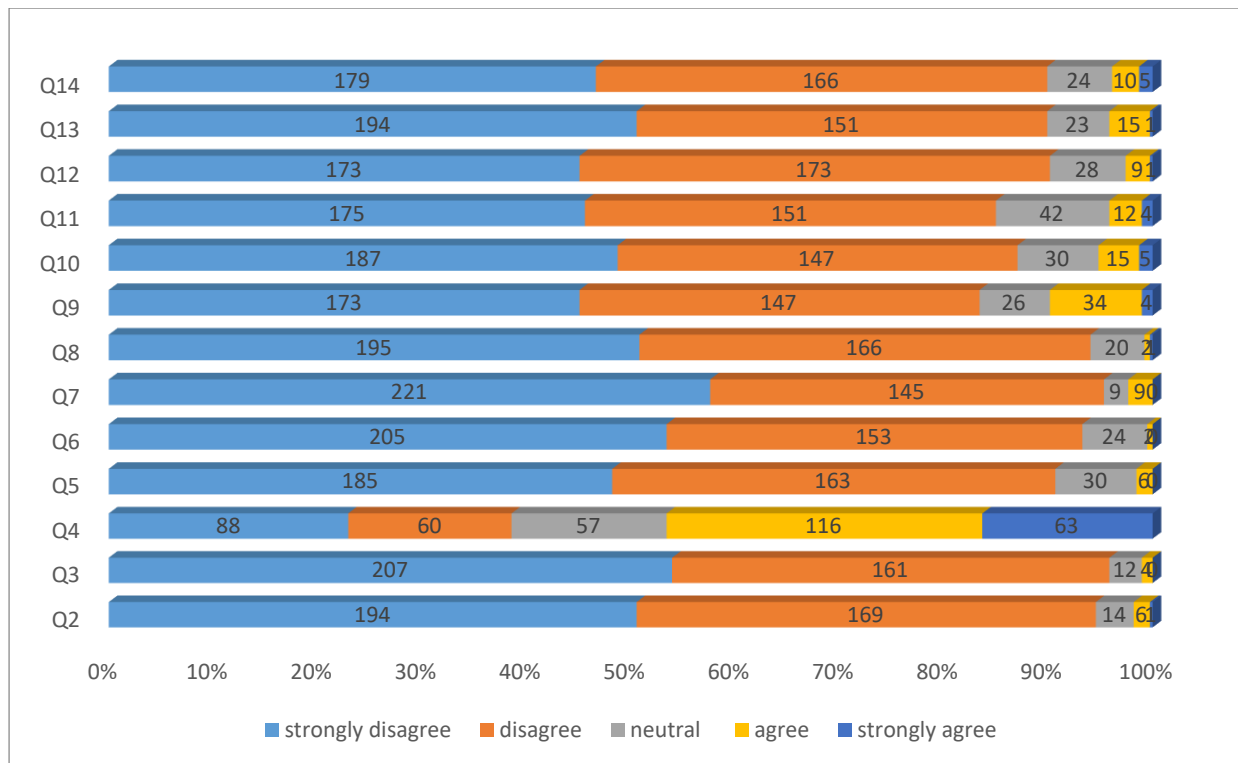


¹ Strongly disagree: 1. Disagree: 2. Neutral: 3. Agree: 4. strongly disagree: 5

Source: Elaborated by the authors

From figure 2, we notice that the majority of the Algerian consumers who have participated in the survey are not satisfied of the products and services quality provided by the Algerian enterprises. Where we find that 232 respondents strongly disagree with the following statement: you are satisfied of the products and services quality of the Algerian enterprises, while 134 respondents disagree with the same statement. 11 respondents are neutral while only 7 respondents agree with that statement.

Figure 3: The degree of the application of CSR



Source: Elaborated by the authors

From figure 3, we notice that from the perspective of the consumer the Algerian enterprises do not almost apply the CSR activities related to the consumer, which are mentioned in ISO26000. The following table explains figure 3.

Table 4: The assessment of CSR practices application by the Algerian enterprises.

The assessment of CSR application by the Algerian enterprises (ISO26000 “ the core related to the consumer”)	Respondents	observation
Q2: Products and services information are factual, complete, unbiased, clear and understandable.	More than 90%	Strongly disagree & disagree
Q3: Products and services publicity and marketing do not involve deceptive, false, fraudulent, unfair and vague practices.	More than 90%	Strongly disagree & disagree
Q4: The products and services are not risky	Less than 40%	Agree
Q5 : The products and services are effective at social, environmental and life –cycle levels .	More than 90%	Strongly disagree & disagree
Q6 : Animal well-being is taken into consideration.	More than 90%	Strongly disagree & disagree
Q7: The consumer is well informed.	More than 90%	Strongly disagree & disagree
Q8: The negative impact of these products on the health, social and environmental levels is reduced.	More than 90%	Strongly disagree & disagree
Q9: There are instructions for use .	More than 80%	Strongly disagree & disagree
Q10: Maintenance and repair in case of damage of the products are provided	More than 80%	Strongly disagree & disagree
Q11: Consumer data are protected.	More than 80%	Strongly disagree & disagree
Q12: The purpose of data storage are well known.	More than 90%	Strongly disagree & disagree
Q13: Basic services are prioritized over financial goals of the enterprises.	More than 90%	Strongly disagree & disagree
Q14: Information related to health, security, regulation, energy efficiency, sustainable consumption are provided.	More than 90%	Strongly disagree & disagree

Source: Elaborated by the authors.

According to more than 90% of the participants products and services information are not factual, not complete, biased, not clear and not understandable. Moreover, Products and services publicity and marketing involve deceptive, false, fraudulent, unfair and vague practices. While according to less than 40% of the participants, the products and services provided by the Algerian enterprises are not risky. According to more than 90% of the respondents the products and services are not effective at social, environmental and life –cycle levels . Moreover animal well-being is not taken into consideration and the consumer is not well informed. Furthermore the negative impact of these products on the health, social and environmental levels is not reduced. While according to more than 80% of the respondents there are not instructions for use and maintenance and repair in case of damage of the products are not provided, consumer data are not also protected. More than 90% of the respondents ignore the purpose of data storage . According to more than 90% of the respondents basic services are not prioritized over financial goals of the enterprises and the information related to health , security, regulation, energy efficiency sustainable consumption are not provided .

2.3 Stepwise multiply regression analysis (SMR)

The SMR analysis have provided five models (see appendices table 5) , and we notice from this table that the fifth model is the most representative because it has the highest value of R, moreover we notice that the $R=0.525$, which means that there is a correlation between the dependent variable (Q1) and the independent variables(Q2...Q14).

From ANOVA table (see appendices table 6) we notice that the sig values of all the models and particularly the fifth model are zero , which means that we can reject H_0 and accept H_1 , which means also that there is a relation between the dissatisfaction of the Algerian consumer of the products and services quality provided by the Algerian enterprises and the non- application of CSR , and there is a relation between the combination of the independent variables (Q2...Q14) and the dependent variable (Q1).

2.4 Regression model

From table 7 (see appendices) we could construct the regression model, which explains the phenomenon of our study as follows:

$$Y = 0,288 + 0,177X_{12} + 0,210X_3 + 0,141X_{10} + 0,105X_7 + 0,103X_8 + \varepsilon$$

Y: Dependent variable

X_n : Independent variable

3. Discussion

We notice that the best explicative variables of the dependent variable are Q12, Q3, Q10, Q7, and Q8, which means that the dissatisfaction of the Algerian consumer of the products and services quality provided by the Algerian enterprises is justified by the non-application of the following practices of corporate social responsibility:

- Algerian Enterprises do not protect consumer data, and do not explain to the consumer why they are using them.
- Products and services publicity and marketing involve deceptive, false, fraudulent, unfair and vague practices.
- Moreover, according to the respondents maintenance and repair in case of damage of the products are not provided.
- The negative impact of these products on the health, social and environmental levels is not reduced.

Conclusion:

Corporate social responsibility concept has been widely adopted by the developed countries and it has given a positive impact on the performance of the corporations. The developing countries and particularly Algeria have started also adopting the CSR activities, but those attempts remain modest. Therefore, our study aimed at contributing and filling this gap in the literature by investigating the degree of CSR application in Algeria from the perspective of the consumer, where we have found that the Algerian enterprises do not almost apply the CSR activities related to the consumer which are mentioned in ISO26000. Moreover, the dissatisfaction of the consumer of the products and services quality provided by the Algerian enterprises is related to the non-application of CSR.

Hence, the Algerian enterprises should be aware of the importance of the application of CSR on the satisfaction of the consumer and the performance of their enterprises.

In this study, the assessment of the application of CSR by the Algerian enterprises is based only on the dimension of the consumer. In order to construct a holistic view of the degree of application of the CSR in Algeria, we suggest for the future researches to consider the perceptions of all the stakeholders of the Algerian enterprises.

Appendices:

Table (5). Models summary

Récapitulatif des modèles^f

Modèle	R	R-deux	R-deux ajusté	Erreur standard de l'estimation
1	,376 ^a	,141	,139	,599
2	,458 ^b	,210	,206	,575
3	,502 ^c	,252	,246	,560
4	,516 ^d	,267	,259	,555
5	,525 ^e	,275	,266	,553

Source : elaborated by the authors

a. Prédicteurs : (Constante), Q12

b. Prédicteurs : (Constante), Q12, Q3

c. Prédicteurs : (Constante), Q12, Q3, Q10

d. Prédicteurs : (Constante), Q12, Q3, Q10, Q7

e. Prédicteurs : (Constante), Q12, Q3, Q10, Q7, Q8

f. Variable dépendante : your satisfaction level of services and products quality of the algerian Enterprises

Table (6): ANOVA

ANOVA ^a						
Modèle		Somme des carrés	ddl	Carré moyen	F	Sig.
1	Régression	22,554	1	22,554	62,954	,000 ^b
	Résidu	136,860	382	,358		
	Total	159,414	383			
2	Régression	33,448	2	16,724	50,584	,000 ^c
	Résidu	125,966	381	,331		
	Total	159,414	383			
3	Régression	40,132	3	13,377	42,616	,000 ^d
	Résidu	119,283	380	,314		
	Total	159,414	383			
4	Régression	42,517	4	10,629	34,462	,000 ^e
	Résidu	116,897	379	,308		
	Total	159,414	383			
5	Régression	43,914	5	8,783	28,744	,000 ^f
	Résidu	115,500	378	,306		
	Total	159,414	383			

Source: elaborated by the authors

a. Variable dépendante : your satisfaction level of services and products quality of the Algerian Enterprises

b. Prédicteurs : (Constante), Q12

c. Prédicteurs : (Constante), Q12, Q3

d. Prédicteurs : (Constante), Q12, Q3, Q10

e. Prédicteurs : (Constante), Q12, Q3, Q10, Q7

f. Prédicteurs : (Constante), Q12, Q3, Q10, Q7, Q8

Source: Elaborated by the authors

Table (7). Coefficients table

Coefficients ^a						
Modèle		Coefficients standardisés		Bêta	t	Sig.
		B	Erreur standard			
1	(Constante)	,906	,076		11,870	,000
	Q12	,331	,042	,376	7,934	,000
2	(Constante)	,573	,093		6,130	,000
	Q12	,274	,041	,311	6,627	,000
	Q3	,284	,049	,269	5,740	,000
3	(Constante)	,451	,095		4,752	,000
	Q12	,215	,042	,244	5,086	,000
	Q3	,244	,049	,232	4,993	,000
	Q10	,164	,036	,221	4,614	,000
4	(Constante)	,361	,099		3,630	,000
	Q12	,191	,043	,217	4,462	,000
	Q3	,228	,049	,217	4,669	,000
	Q10	,140	,036	,189	3,865	,000
	Q7	,131	,047	,134	2,781	,006
5	(Constante)	,288	,105		2,756	,006
	Q12	,177	,043	,201	4,122	,000
	Q3	,210	,049	,199	4,258	,000
	Q10	,141	,036	,189	3,887	,000
	Q7	,105	,048	,107	2,162	,031
	Q8	,103	,048	,103	2,138	,033

Source : elaborated by the authors .

a. Variable dépendante : your satisfaction level of services and products quality of the Algerian Enterprises

Source: Elaborated by the authors

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