

Social responsibility and the practices of corporate governance: A survey of the industrial sector of Oran's wilaya

المسؤولية الاجتماعية و ممارسات حوكمة الشركات: مسح للقطاع الصناعي في ولاية وهران

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Abstract:

The purpose of this article is to study and assess the determinants of compliance with social responsibility and corporate governance practices, through the distribution of 170 surveys, randomly distributed, to the staff of 17 companies operating in Oran city's industrial sector.

The finding revealed, through descriptive analysis, that industrial companies are highly engaged in the execution of social responsibility policies. Whereas, in the area of corporate governance, the level of commitment is significantly lower because companies are adhering to mandatory minimum corporate governance policy requirements.

Keywords: Social responsibility, Corporate governance, Industry Sector, Oran city.

JEL Classification Codes: M14, M15, Q5.

ملخص:

تهدف هذه المقالة إلى دراسة وتقييم محددات تطبيق المسؤولية الاجتماعية وممارسات حوكمة الشركات، وذلك من خلال توزيع 170 استمارة بشكل عشوائي على عمال 17 شركة ناشطة في القطاع الصناعي لولاية وهران.

لقد توصلت الدراسة، من خلال التحليل الإحصائي الوصفي، إلى أن الشركات الصناعية ملتزمة بدرجة عالية بتطبيق سياسات المسؤولية الاجتماعية، بينما في مجال حوكمة الشركات، هناك مستوى امتثال ضعيف، لأن الشركات تلتزم بالحد الأدنى من متطلبات حوكمة الشركات.

كلمات مفتاحية: المسؤولية الاجتماعية، حوكمة الشركات، قطاع الصناعة، مدينة وهران.

تصنيفات JEL: M14، M15، Q5.

INTRODUCTION:

Corporate governance practices have been the subject of several attempts to codify them since the early 1990s. This effort has increased following the financial scandals that create, by their magnitude, a serious economic risk. Furthermore, there are new realities that require companies to change their behavior. They must be like good corporate citizenship. Indeed, they must be aware that it is important to take all measures available to them in order to minimize and, if possible, eliminate all sources of social and environmental problems resulting from their activities. In this context, Algeria has set up a project whose objective is to publish a guideline of good governance practices among its companies. It is not only a tool for decision support, but also a tool for knowledge transfer. It will make the Algerian corporate governance system more transparent and more intelligible. It sets out the major recommendations relating to the management and control of companies and includes international and national standards recognized as necessary for the good and responsible management of companies, such that good governance practices increase the control over Algerian companies, its value and the confidence of national and international investors, customers, employees and other stakeholders in management.

In fact, the needs of corporate social responsibility are infinite, and some companies do not meet them in a philanthropic, while others do just for taxation benefits (CARROLL, 1991). In contrast, corporate social responsibility refers to the act of doing business according to one's desires, which will typically be desires to maximize one's income while respecting society's basic rules of behavior, either in law or in morality (Friedman, Cohen, Shapiro, & Kyle, 1970). Currently, ISO and many other standards remain uncertified standards and, as such, are only voluntary guidelines, making their practices clearly discretionary and dependent primarily on the goodwill of managers or boards of directors (IANOR, p. 09). The industrial companies of Algeria are not the biggest promoters of standards regarding these issues. This is due to the focus of some managers on the economic function that is oriented to create commitments in terms of corporate social responsibility and corporate governance with the owners of the entities. In this way, the companies that know as well to integrate the Corporate Social Responsibility adequately in their strategy and further in the operational level, can obtain a great opportunity to achieve competitive advantages in the contemporary market.

It is evident from the above that corporate social responsibility, like corporate governance, has become two topics of great resonance in the business environment, which leads to the emergence of our questioning, as follows:

Do the industrial sector companies have a strong commitment to social responsibility and corporate governance practices?

From this questioning, several underlying questions arise:

- In which way can we define the concept of corporate social responsibility and governance? What are the related typologies?
- What are the determinants of the application of social responsibility and corporate governance? What are the related obstacles?

The above questions lead to the following research hypotheses around which our research is structured:

- The industrial companies commit to best practices regarding corporate social responsibility.

- The industrial companies are committed to the requirements of corporate governance both fully and effectively.

This study's topic has become increasingly important because of its strong focus on contemporary corporate management. As a result, it has come to support the future direction of countries towards achieving sustainability, and to prompt their companies to make greater attempts to adopt best practices regarding the application of social responsibility (CSR, henceforth) and corporate governance (CG, henceforth).

The purpose of this study is to achieve a number of aims, among which the most important are:

- Attempt to identify the importance of a good application of social responsibility and corporate governance.
- Attempt to present and analyze the practices of these two areas regarding the companies of Oran's industrial sector.
- Attempt to achieve a set of findings that will strengthen engagement in the application of social responsibility and the requirements of corporate governance.

This study has some limits, such as:

- Temporal limits: the study has focused on the statistical analysis of data obtained by distributing the questionnaire during the period from July to September 2021.
- Spatial limitations: There is a selective focus on the companies of the industrial sector related, in particular, to Oran city.
- Scientific limitations: This study provided an overview of the key determinants of corporate governance and social responsibility practices without taking into consideration the interactive fact of both.

The methodology that we have envisaged is a classical confirmatory approach, based essentially on the hypothetic-deductive type. This approach oriented our adherence to the positivist paradigm (HERVE, 2011, p. 45). According to this kind of epistemological position, the objectivity is the feature of our research from which we ontological provide the reality as it exists. This means that the observation of the facts in question does not change neither the object of the study nor our vision (THIETART, 2014). This attitude, called objectivity, mobilizes a deterministic nature in which reality has universal and unchangeable rules (FANA & CINDY, 2013). In this work, we used a descriptive statistical analysis in terms of statistical numbers and frequencies. Thus, we use both SPSS and Excel as statistical tools for our sample treatment in order to find the important variables that allow us to identify the existing practices in these companies in terms of social responsibility and corporate governance.

To answer to the questions, it seems appropriate to divide our research around three axes as follows:

- The first section focuses on the general aspects of social responsibility, in particular the various values that it mobilizes and its impact on the company.
- In the second section, we argue about the problem and the importance of corporate governance.
- Finally, in the third section, we concentrate on the statistical part, giving a separate account of the methodological process of our study and the results obtained.

1-THEORETICAL FRAMEWORK:

In relation to the objective of this article, it is a question of presenting a conceptual approach to the subject dealt with, so that it should be pointed out that there are an infinite number of authors who approach the subject of the article, concluding that there is no single conception, but rather that it depends on the current trend.

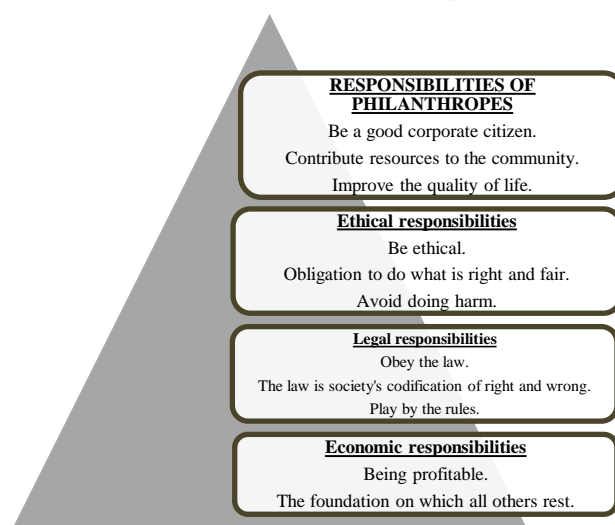
1-1- Theoretical and epistemological framework of CSR

Corporate social responsibility has been around for centuries, but has only gained importance in recent years. This section highlights corporate social responsibility, its definition and characteristics.

1-1-1-The attempt to define CSR

There is no single, universally accepted definition of CSR. The word "social" in CSR has always been vague and without a clear focus on the responsibility of the company. The concept of stakeholder personalizes social or societal responsibilities by delineating the specific groups or individuals that the company should take into account in its CSR orientation (BETHEL, 2012, p. 15). CSR is the alignment of business operations with social values. The most common definition of CSR in the business management literature is that of Archie Carroll, who sees it as a concept linked to four different areas of business-society relations (Carrol, 1979, p. 499). As illustrated in the following pyramid:

Fig (1): Building on the CSR pyramid



Source: (CARROLL, 1991, p. 42)

1-1-2-Economic responsibilities

Historically, business organizations were established as economic entities to provide goods and services to members of society. The pursuit of profit has been established as the main motivation for entrepreneurship. Above all, the business organization was the basic economic unit in our society. As such, its main role was to produce goods and services that consumers needed and wanted and to make an acceptable profit in the process (Basu & Guido, 2008, p. 126). At some point, the idea of profit-seeking was transformed into a notion of maximum profit, and this value has remained unchanged since then. All other corporate responsibilities are based on the economic responsibility of the company, because without it, the others become irrelevant considerations. Figure 1 summarizes some important statements

characterizing economic responsibilities. Legal responsibilities are also represented in Figure 1, and will be discussed next.

1-1-3-Legal responsibilities

Society has not only sanctioned businesses to operate on the basis of the profit motive; at the same time, businesses are expected to comply with the laws and regulations promulgated by local, regional and national governments, which form the basis on which they must operate. As a partial fulfilment of the "social contract" between business and society, businesses are expected to pursue their economic missions within the law. Legal responsibilities reflect a vision of "codified ethics" in that they embody the basic notions of fair operation as established by our legislators. They are represented as the next layer of the pyramid to describe their historical evolution, but they are rightly seen as co-existing with economic responsibilities as fundamental precepts of the free enterprise system (Basu & Guido, 2008, p. 128).

1-1-4-Ethical responsibilities

Although economic and legal responsibilities embody ethical standards of fairness and justice, ethical responsibilities encompass the activities and practices expected or prohibited by members of society, even if they are not codified in law. Ethical responsibilities include standards, rules or expectations that reflect a concern for what consumers, employees, shareholders and the community consider as fair, equitable or consistent with respecting or protecting the moral rights of stakeholders (CARROLL, 1991).

1-1-5-Philanthropic responsibilities

Philanthropy encompasses corporate actions that respond to society's expectation that companies should be good corporate citizens. This includes active engagement in acts or programs to promote human welfare or goodwill. Philanthropy includes, for example, corporate contributions of financial or leadership resources, such as contributions to the arts, education or the community. The distinctive feature of philanthropic responsibility and ethical responsibility is that the first is not expected in an ethical or moral sense. The most critical tensions, of course, would be between the economic and legal, the economic and ethical, and the economic and philanthropic (Binninger & Robert, 2011, p. 47).

The Table 1 gives some examples of issues that would be the subject of CSR policies in an American, European and Afro-Algerian context. Although there is greater granularity at the level of individual companies and countries, our intention here is to distinguish between continents.

Table (1): CSR issues in the Algerian, American and European contexts

Level of responsibility	Algerian context	American context	European context
Economic responsibilities	Legal framework, Codification of the constitution of companies. The SMIG	Policies on "good corporate governance", "remuneration" or "consumer protection".	Legal framework, constitution of companies' codification. A relatively high level of legislation on business activity.
Legal responsibilities	The activity of companies depends closely on a relatively high level of legislation on business activity.	Relatively low level of legal obligations imposed on companies.	A relatively high level of legislation affecting business activity.
Ethical responsibilities	A low level of ethical value imposition.	Company policies towards local communities.	High level of taxation linked to the provision of local public services by the state.
Philanthropic responsibilities	Low or no legislation on business activity.	Corporate initiatives to sponsor art, culture or fund university education	A high level of taxation sees governments as the main provider of culture, education, etc.

Source: elaborated by the author

1-1-6-The distinction between implicit and explicit CSR

Algerian companies have participated in activities and policies with a similar orientation, not so much on a voluntary basis as a result of the requirements of their social environment, enacted by the corporate institutional framework. One might ask why compliance with the law would be considered as a corporate social responsibility. Much of the CSR literature argues that it could not be considered CSR because it is not a discretionary activity at the firm level (McWILLIAMS & SIEGEL, 2001, p. 121), despite the fact that firms are part of a system that is responsible towards society.

Other authors recognize that the participation of firms in such a regulatory system could be considered as corporate social responsibility, as it implies compliance with the law. Our analysis of the character and modalities of social responsibility in Algeria and Europe leads us to distinguish between implicit and explicit CSR. We propose the following definitions:

- **Explicit CSR:** This refers to corporate policies that lead companies to assume responsibility for certain interests of society. Explicit CSR normally involves voluntary and self-interested policies, programs and strategies of companies to address issues perceived by the company and/or its stakeholders as part of their social responsibility (Donaldson & Preston, 1995, p. 228)
- **Implicit CSR:** It refers to the formal and informal institutions in a country through which corporate responsibility for the interests of society is agreed upon and attributed to companies. Implicit CSR normally consists of values, norms and rules, which

translate into mandatory requirements for companies to address issues that social, political and economic interests consider to be an appropriate and reasonable obligation for business actors (Donaldson & Preston, 1995, p. 230).

1-1-7-The specificities of explicit CSR in Algeria

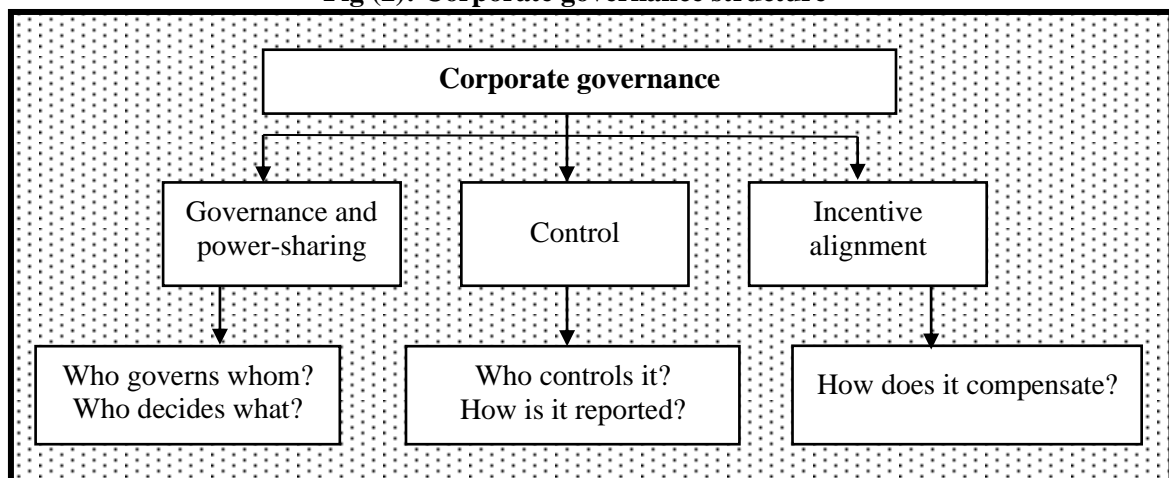
Although we argue that explicit CSR is growing in Algeria and can be seen as part of a larger evidence of a possible continentalization of Algerian companies, the commitment of Algerian companies to CSR has, however, typically European characteristics. While we have highlighted the importance of implicit elements in the CSR framework in Algeria, it could also be argued that part of the explicit CSR activities of companies consists of active participation in the modification and innovation of the negotiated legal framework. Algerian companies are less inclined to engage in philanthropy than their counterparts in the European context. In addition to these initiatives as a key factor in the promotion of explicit CSR in Algeria, the government still plays an important role in an implicit way, as it is deeply embedded in the economic activities of companies (IANOR, p. 69).

1-2-Theoretical and epistemological framework of corporate governance

Several researchers (Sangué-Fotso, 2015; Burkhardt, 2020; Harnay & Sachs, 2018) have referred to this topic as: *«a set of practices, processes and systems for directing and controlling a company. Corporate governance governs relations at the level of shareholders, the board of directors and overall management. It also governs the company's relations with stakeholders and strengthens the company's ethical disposition»* (La Bruslerie, 2018, p. 32).

Further to this point, there is a general agreement among (Starks, 2009, p. 467) on the benefits generated by good corporate governance practices, among which the following stand out: Increasing the value of the company, facilitating its access to capital, contributing to its sustainability, and Facilitating access to a greater volume of external financing. Also, (Wagner M., 2005, p. 111) indicate that corporate governance is based on the reduction or optimal management of agenda conflicts that arise in the company with the different stakeholders. It mainly reduces and mitigates the imbalance of interests between shareholders and directors, majority and minority shareholders and the company and its stakeholders. Corporate governance also relies on understanding the management structure (Figure 2), the control system and the incentive alignment mechanisms:

Fig (2): Corporate governance structure



Source: (Pae & Choi, 2011, p. 226)

In addition, for an adequate corporate governance process it is necessary to implement good board practices, to effectively comply with appropriate control processes, as well as to have a strong system of transparency and disclosure of information, and a strong system of protection of shareholders' rights and commitment to corporate reforms, according to (Wagner M. V., 2002, p. 141). Also, corporate governance is governed by four pillars, namely accountability, fairness, transparency and corporate responsibility, which form the basis for its proper functioning. It is therefore clear that these pillars would not work without being supported by the three basic principles of corporate governance, namely transparency, disclosure and accountability (Burkhardt, 2020). Consequently, it is considered that a good corporate governance system should implement the following actions within its three basic principles (Brédart Xavier, 2019, p. 293): Equal treatment and protection of the interests of all shareholders, Recognition of the existence of third parties interested in the good performance, stability and permanence over time of companies, Responsible issuance and disclosure of information, as well as transparency in management, Exercise of the fiduciary responsibility of the board of directors, Declaration of ethical principles and corporate social responsibility, Compliance with the different regulations to which the company is subject and give certainty and confidence to investors and interested third parties about the honest and responsible conduct of the business of companies.

1-2-1-Goals of corporate governance

In fact, according to consensus of several authors (Turnbull, 2016, p. 7), there are many objectives of CG, among which the following can be highlighted: Institutionalizing decision-making, improving business management, obtaining competitive advantages, improving access to financial markets and contributing to value creation.

Table (2): the interaction and comparability between social responsibility and corporate governance

Stakeholders	The benefits of corporate governance
Owners of the company (shareholders)	<ul style="list-style-type: none"> ▪ It protects shareholders through the exercise of their rights. ▪ It ensures the dissemination of timely and transparent decision-making information on the company's situation. ▪ Strengthens the decision-making process so that better business decisions are taken. ▪ It generates suitable mechanisms for resolving conflicts among shareholders and between shareholders and directors. ▪ In the case of closed and family companies, it mitigates the risk of succession, regulates family-shareholder relations as employee-supplier or customer.
Investors	<ul style="list-style-type: none"> ▪ Corporate governance benefits investors by providing them with a language based on international standards that allows them to understand the characteristics and scope of their investments. ▪ Thus, corporate governance is a good way to increase the confidence of local investors, who will benefit from having more and better information about the company.
Creditors	<ul style="list-style-type: none"> ▪ In their role of monitoring the debtor, creditors have rules to protect the security of their claim, as well as timely and reliable information from the company/debtor. This facilitates the creditor's understanding of the real

	situation of the company, which results in a reduction of the perceived risk and better borrowing conditions for the company.
Other interested stakeholders	<ul style="list-style-type: none"> ▪ All employees, customers, suppliers and other stakeholders of the company are essential to the performance and continuity of each company. ▪ Corporate governance defines a transparent and efficient management strategy that promotes the articulation of the company's responsibilities towards each stakeholder group.

Source: (Sahut Jean-Michel, 2018, p. 42)

1-2-2-Comparison between social responsibility and corporate governance

Social responsibility is becoming an increasingly necessary and expected part of corporate governance; for this reason, Table 3 contrasts the characteristics and benefits of each of the components mentioned above.

Table (3): The interaction and comparative relationship between social responsibility and corporate governance

	Social responsibility	Corporate governance
Definition	Corporate Social Responsibility (CSR) is the contribution to sustainable human development, through the company's commitment and trust towards its employees and their families, towards the local society in general and towards the local community, in order to improve the social capital and the quality of life of the whole community.	Corporate governance is a self-regulatory mechanism of rules, practices and procedures, by which society provides rules to regulate long-term relationships with its stakeholders.
characteristics	The aim is to find a stable equilibrium that satisfies the aspirations of the various stakeholders, both those involved and those affected by the company's actions.	<ul style="list-style-type: none"> ▪ Responsibility management ▪ Good practices ▪ Governance and social policy ▪ Business plan harmonized with the interests of society ▪ Public relations
Advantages of the concept	CSR is not free at all, but it generates advantages in terms of improved worker productivity, reduction of shareholders, product quality perceived by consumers and increased consumer demand. Also, CSR improves the image of companies, positions them and makes them competitive by differentiating them and ensuring their survival.	In conjunction with a culture based on ethics, good corporate governance is ideal for generating an organizational climate of trust and transparency among the different stakeholders, who demand more information and security on a daily basis. This will lead to greater competitiveness and investment protection for the company.

Source: (Yang, Lin, & Chang, 2010, p. 411)

As a further conclusion on corporate governance, it is important to clarify the concept that is currently used in companies and that is directly related to corporate social responsibility and extends the term to the integration of partners, shareholders, families and managers.

2-METHODOLOGY:

According to the theme of this article, this section presents the most important methodological aspects that support the field survey, as follows:

2-1-Type and method of research

In order to achieve the objective proposed in the survey, it was necessary to resort to a descriptive-explicative study according to (Creswell, 2011, p. 59). The study will allow an interpretation of the variables, object of the research, through a systematization and analysis of the information, a task that will lead to a better description of the different characteristics proposed in the research study (Camacho, 2003: 36).

2-2-Source and technique of information collection

The primary sources, according to (Ivankova, 2006, p. 13), are those that will be applied to managers or administrators and workers and stakeholders. For the collection of information, the structured survey will be used as a technique, which was structured on the basis of the instruments of the Algerian Institute of Standardization (IANOR). For secondary sources, previous studies carried out in other regions of western Algeria and the world will be used. In addition, documentary material will be consulted.

2-3-Population, sample, type of sampling and data processing

A sample of 170 surveys was conducted, 17 per entity, for a total of 10 industrial companies located in Oran city. Thus, for the statistical treatment of our sample, we used SPSS and Excel.

3-RESULTS:

The objectives of this section are oriented to reiterate those of the research, which are subdivided into two main groups, as follows: a first objective refers to CSR and a second objective will deal with the issue of corporate social responsibility; the first will focus on the analysis of aspects such as labour rights, the environment, customers and suppliers.

3-1-Labour rights

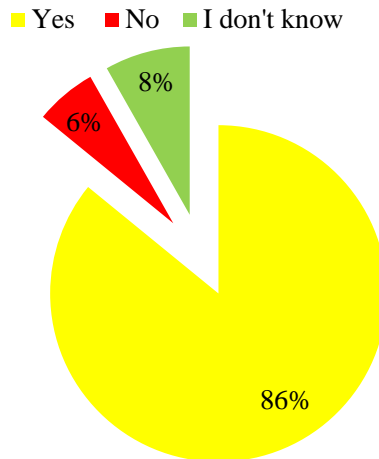
Under this heading, it was asked whether industrial companies develop some type of training programs for new employees, 86% stated that they receive this type of training, while only 6% ended up stating that they do not, in addition to this, 8% of the cases stated that they did not know, this is because they are indirectly contracted or outsourced personnel, at this point it is clear that the industrial sector due to the complexity and responsibility of the company requires a very strict training process for its staff.

Table (4): Training programmed for new staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	146	85.9	85.9	85.9
	No	10	5.9	5.9	91.8
	I don't know	14	8.2	8.2	100.0
	Total	170	100.0	100.0	

Source: Elaborated by author, using SPSS 25

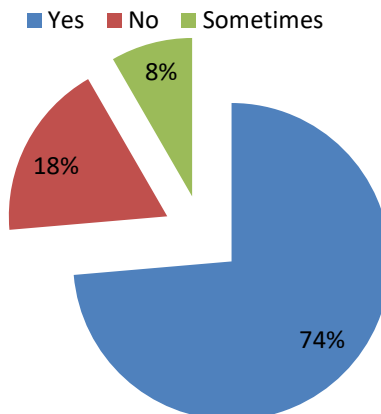
Fig (3): Training programmes for new staff



Source: Elaborated by author, using SPSS 25

Another question raised regards the question if the company provides its employees with additional incentives, other than those required by law, in order to improve their standard of living (Figure 4), to which 74% of respondents answered that they receive this type of benefit, Among those that stand out the most are extra-legal bonuses, incentives and support for university education, while 18% stated that they do not receive any type of additional benefit established by the company, and finally, 8% of the respondents stated that they only sometimes receive such an incentive.

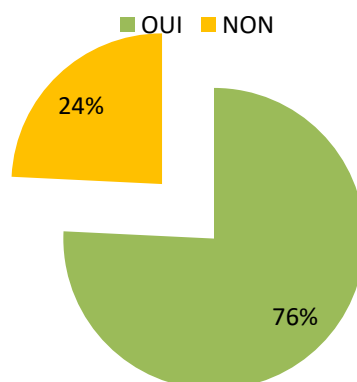
Fig (4): Benefits in addition to the statutory benefits for employees



Source: Elaborated by author, using SPSS 25

A third issue examined from this perspective was the existence of policies against child labour (Figure 5). In response to this question, the vast majority (75.71%) answered that such policies definitely exist, but the remaining percentage (24.21%) considered that they do not exist or are simply not known.

Fig (5): The existence of policies against child labour



Source: Elaborated by author, using SPSS 25

The fourth point concerned the guarantee of the existence of safety and risk prevention measures in the company, where the figures are conclusive with a value of 74.1% stating that there is a guarantee in this respect, since only 17.1% answered that the aforementioned measures do not exist, while the remaining 8.8% admitted that they are sometimes present.

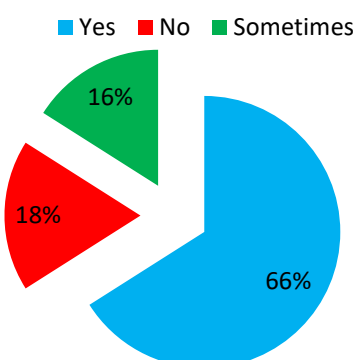
Table (5): The existence of safety and risk prevention measures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	126	74.1	74.1	74.1
	No	29	17.1	17.1	91.2
	sometimes	15	8.8	8.8	100.0
	Total	170	100.0	100.0	

Source: Elaborated by author, using SPSS 25

A fifth element assessed was whether employees are periodically consulted on business improvement strategies (Figure 6), to which respondents replied that they are consulted (66%) in making these decisions, while 18% said they are not consulted, and 16% said they are sometimes taken into account for this purpose.

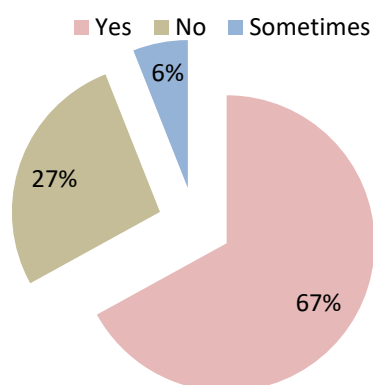
Fig (6): Officials consulted on business improvement strategies



Source: Elaborated by author, using SPSS 25

On the other hand, a valuable concern suggested was whether the institution promotes the balance between work and family life (Figure 7), which resulted in 67% finding a favourable balance between these two roles of the worker, while 27% do not find that this promotion exists within the entities, while a smaller proportion (6%) felt this promotion on certain occasions.

Fig (7): Promoting work-life balance



Source: Elaborated by author, using SPSS 25

Another aspect was whether the organization develops training and competence management programs for its employees. 67.14% stated that such programs are developed (Table 6), while 18.57% stated that they do not have such plans, while 14.29% considered that this is sometimes the case.

Table (6): Development of training and competence management programs for employees

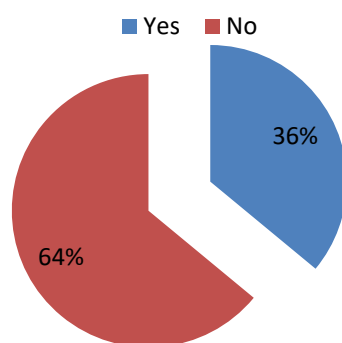
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	114	67.1	67.1	67.1
	No	32	18.8	18.8	85.9
	Sometimes	24	14.1	14.1	100.0
	Total	170	100.0	100.0	

Source: Elaborated by author, using SPSS 25

3-2-Human rights

A second variable assessed referred to human rights, in which the first question asked was whether the entity had established policies on discrimination based on gender, family situation, religion or race (Figure 8), where 64% stated that there were no such policies, but 36% of respondents considered that there were processes of discrimination in different modalities.

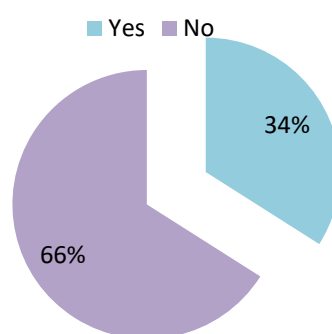
Fig (8): Promoting work-life balance



Source: Elaborated by author, using SPSS 25

To whether policies are established for the employment of people with disabilities, stakeholders answered that the vast majority (66%) are not aware of such activities or people with disabilities working in the entities, as only 34% stated that in their entities there are mechanisms for the employment of people with disabilities (Figure 9).

Fig (9): Getting a person with a handicap involved in the company's activities

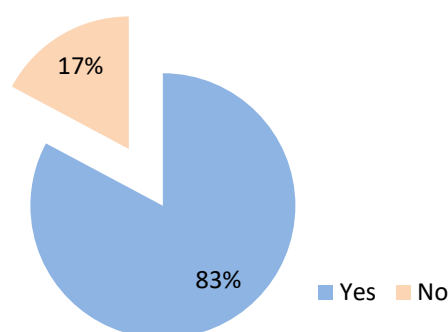


Source: Elaborated by author, using SPSS 25

3-3-Customers.

Regarding customer satisfaction measurements, it was found that 77% of respondents stated that these practices were carried out, while only 16% answered that no type of customer satisfaction survey or mechanism was carried out (Figure 10).

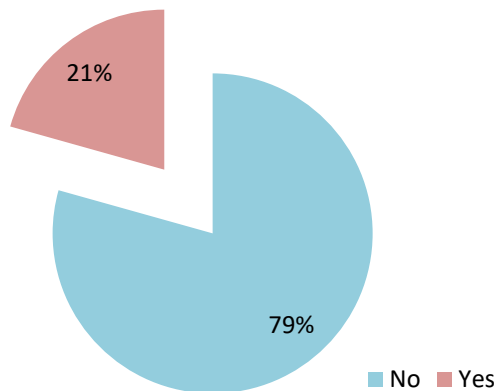
Fig (10): Customer satisfaction measures



Source: Elaborated by author, using SPSS 25

In this case, 73% stated that such practices do not exist, while only 19% stated that they use or assume that such policies are in place (Figure 11).

Fig (11): Benefits for employees in addition to those provided by law

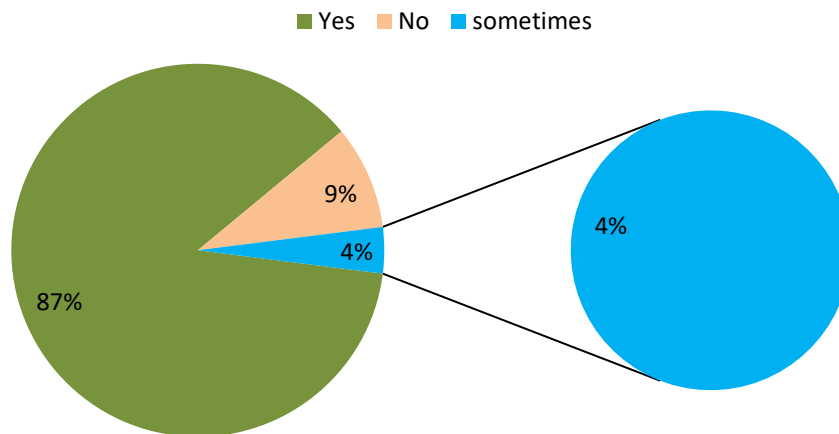


Source: Elaborated by author, using SPSS 25

3-4-The environment situation

With regard to the environmental aspect, those involved were asked whether the entity carries out actions aimed at saving energy, water and natural resources. 87% of those interviewed stated that the company carries out very simple but effective actions to this end, while only 9% stated that it does not (Figure 12).

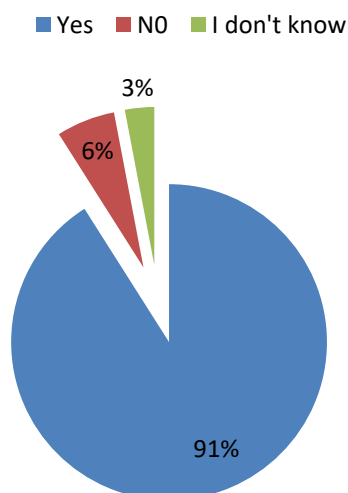
Fig (12): Companies undertake measures to save energy, water and natural resources



Source: Elaborated by author, using SPSS 25

Another element of attention is whether the company complies with environmental standards, with 91% considering that the society does comply with the standards and is even certified with the environmental standard, while 6% stated that there is no compliance with environmental standards (Figure 13).

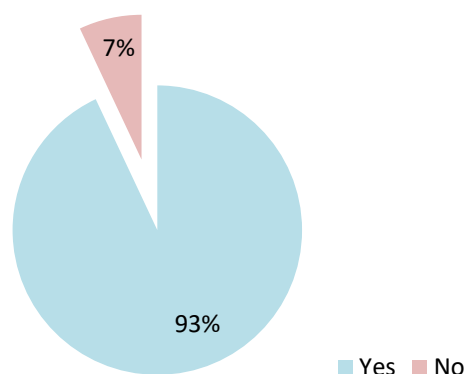
Fig (13): Environmental regulations are followed by the company



Source: Elaborated by author, using SPSS 25

Another variable found in the environment theme is the implementation of waste management and recycling programs, where 93% of respondents stated that there is a waste management programme and only 7% stated that the company does not have such a plan (Figure 14).

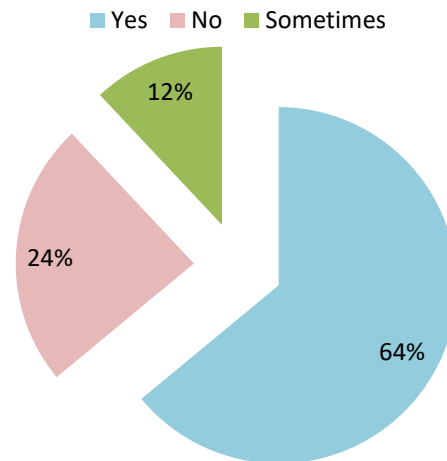
Fig (14): Company implements a waste management and recycling programme



Source: Elaborated by author, using SPSS 25

At this stage, it was asked whether the organization regularly trains its employees and staff on environmental issues, where 64.1% answered in the affirmative, while 24.1% considered that there is no training action on the subject (Figure 15).

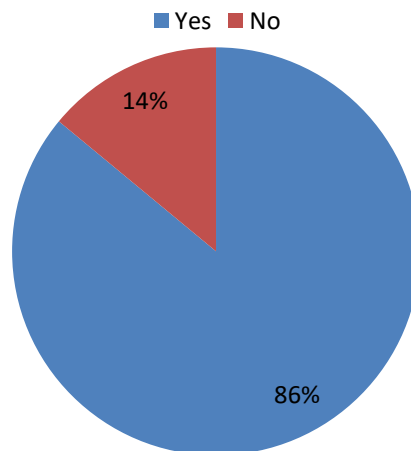
Fig (15): Training action of environmental issues



Source: Elaborated by author, using SPSS 25

Another valuable element taken into account in the environmental field is the question of whether the company controls the pollution caused by its activities, where 86% of the respondents answered in the affirmative, as only 14% consider that the company leaves environmental controls to chance (Figure 16).

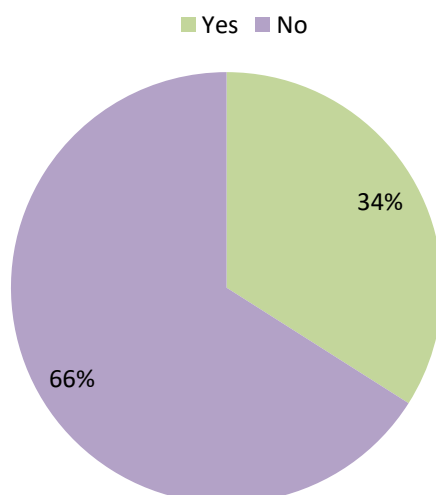
Fig (16): The company carries out controls against pollution caused by the company



Source: Elaborated by author, using SPSS 25

To conclude this environmental aspect, the question was asked about the environmental investments made by the entity, and it was clearly found that only 34% of the respondents knew of any environmental action, while 66% stated that there was absolutely no investment in the environmental issue, an aspect that is worrying about entities at this level, which, although they do not have a great impact on the environment, have the necessary resources to contribute to this important aspect of CSR (Figure 17).

Fig (17): The company has environmental investments

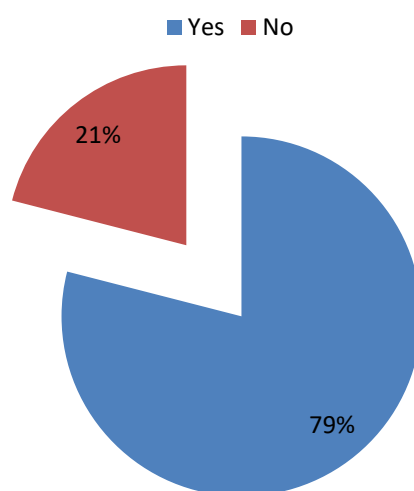


Source: Elaborated by author, using SPSS 25

3-5-Corporate management and governance

The first element assessed in this section was whether the company has written down the institutional values in a document or means of dissemination, in which it was found that 79% of the respondents confirmed that these values are standardized and documented in their company; it is important to point out that 21% considered that these values are not clearly stated, perhaps due to a lack of knowledge of the company's structure, typical of their short presence in the companies studied (Figure 18).

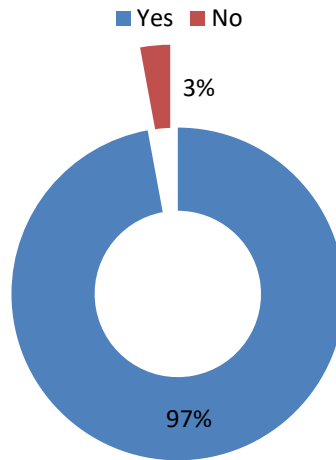
Fig (18): The company has documented corporate values



Source: Elaborated by author, using SPSS 25

An important factor assessed in this aspect was whether the company explicitly prohibits corrupt practices, and it is clear that 97.1% of respondents stated that these harmful activities are prohibited at the institutional level, while a percentage of 2.9% considered that the entity does not explicitly prohibit these practices (Figure 19).

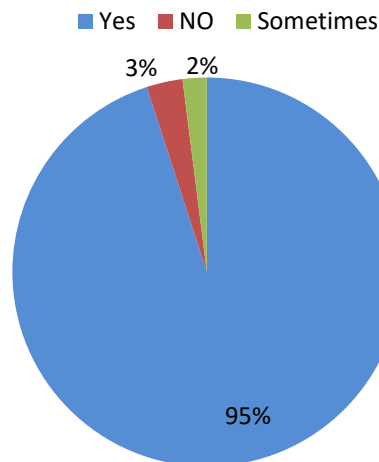
**Fig (19): The company has documented corporate values
Prohibition of corrupt policies in the company**



Source: Elaborated by author, using SPSS 25

Another aspect evaluated in the area of corporate governance concerns the company's promotion of adequate conflict management, to which respondents answered in the affirmative (95%), while only 3% considered that it did not, while the "sometimes" element reached a percentage value of 2% (Figure 20).

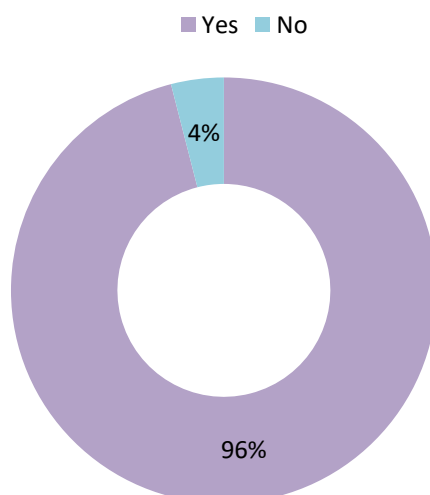
**Fig (20): The company promotes appropriate management
of conflict resolution**



Source: Elaborated by author, using SPSS 25

A very relevant aspect that was considered at this stage was the social aspect, to which 96% of respondents answered that if such practices are carried out by the corporate governance of the company, on the other hand, only 4% answered that these activities are not carried out at all in the company (Figure 21).

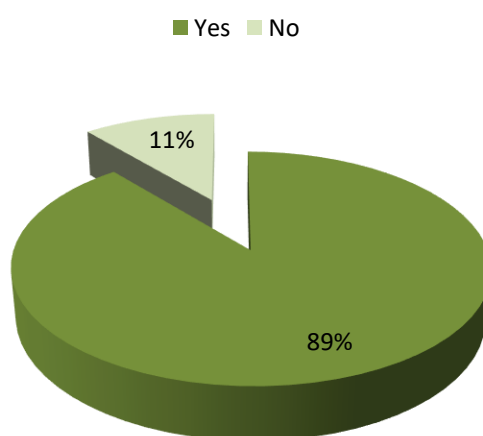
Figure 21: Social practices through corporate governance



Source: Elaborated by author, using SPSS 25

Finally, we asked whether the company manages external and internal relations according to ethical criteria, to which the vast majority (89%) answered that these behaviours are carried out, while 11% explained that they do not know that these practices are carried out (Figure 22).

Figure22: The use of ethical criteria in external and internal relations



Source: Elaborated by author, using SPSS 25

Conclusions:

The corporate social responsibility and corporate governance have become one of the competitive advantages in the contemporary business world. Therefore, the study aims to identify the determinants, extent of compliance with social responsibility practices and corporate governance claims, and identifying these variables through statistical treatment based on frequencies and surveys. The study reviewed the literature on social responsibility and corporate governance and previous studies on the subject, and the hypothetical-deductible methodology used in the study.

The study identified several important points in the area of social responsibility and corporate governance, including the following:

A. In the field of corporate social responsibility:

- For environmental practices, there is a tendency toward the vast majority of respondents to comply with minimum requirements like agricultural production, as opposed to financial investment in environmental work. In addition, the companies have established some good practices in order to save energy, water and natural resources.
- For the internal stakeholders, it was observed that there are training programs and qualifying in accordance with the reason for being, which cover not only new employees, but also companies in the sector that offer their employees benefits and advantages over and above those formally established by the Algerian law. Moreover, the research identified that the entities have in place measures for occupational health and safety for their employees.
- In the area of human rights, child labor does not exist, except for trainees at technical training institutions. However, it is impressive that one third of the respondents said that there are discriminatory practices based on gender, age and other types of practices.
- For external stakeholders, about two-thirds of external customers indicated that there are practices in place to measure quality and customer service through virtual means, telephone or surveys.

According to the above findings, the industrial sector of Oran is involved at an acceptable level, with a high degree of implementation of CSR policies. This is evidence for the validity of the first hypothesis, indicating that industrial companies are committed to best practices regarding corporate social responsibility.

B. In the field of corporate governance:

- No corrupt policies or lacks of values promote a correct ethical and moral position.
- There is a conflict resolution system available and even a conciliation committee or body within the organization.
- A lack of a self-assessment scale for corporate governance, which explains that companies only meet the minimum requirements.
- The findings indicate that there is no discrimination against competitors due to deceptive advertising practices, and the sector respects fair and free competition.

The above results indicate that the company adheres to the formal standardization of values for all members of the organization. However, the commitment is lower, as it appears that in general, companies comply with the minimum requirements of corporate governance. This leads to the rejection of the second hypothesis, indicating that industrial companies are committed strongly to the requirements of corporate governance both fully and effectively.

Finally, the company is able to adopt a best practice strategy in which the articulation with its interests deserves to be enhanced and refined. Moreover, the growth of the company depends on the definition of rules of good conduct that allow for a better identification of their responsibilities.

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