إشكالية المسؤولية الاجتماعية للمؤسسة والحل من وجهة نظر بورتر

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*Dr. Abderazak Brahimi Mohammed boudiaf University, Msila Abdobrahimi07@gmail.com

abstract:

This paper explores the connection between corporate social responsibility and corporate performance indicators. We explore whether current motives and company offers policies are effective in adopting the concept of social responsibility that is universally agreed to be better, Especially variable profit. Finally, the paper makes a number of suggestions for improvements in policy and that under porter's view that the business can be good at solving social problems.

Keywords: Corporate social responsibility; Level of trust; Market performance, international evidence; porter's view

الملخص:

تستكشف هذه الورقة العلاقة بين المسؤولية الاجتماعية للشركات ومؤشرات أداء الشركة. نستكشف ما إذا كانت الدوافع الحالية وسياسات عروض الشركة فعالة في تبني مفهوم المسؤولية الاجتماعية المتفق عليه عالميًا ليكون أفضل ، وخاصة الربح المتغير. أخيرًا، تقدم الورقة عددًا من الاقتراحات لإدخال تحسينات في السياسة وفق وجهة نظر بورتر أن العمل يمكن أن يكون جيدًا في حل المشكلات الاجتماعية.

الكلمات المفتاحية: المسؤولية الاجتماعية للمؤسسة، مستوى الثقة، أداء السوق ، الأدلة الدولية، وجهة نظر بورتر.

*Author Sent: Abderazak Brahimi

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1. Introduction

The world today is full of problems. We've been hearing them today and yesterday and every day for decades. Serious big problems, pressing problems. For example: Poor nutrition, access to water, climate change, deforestation, lack of skills, insecurity, not enough food, not enough healthcare, pollution. There's problem after problem, That what really separates this time from any time is the awareness of these problems. Well, we've tended to see the solutions in terms of NGOs, Non-governmental organizations in terms of government, in terms of philanthropy.

In recent years, the corporate social responsibility (CSR) has become an important topic for researchers and practitioners ¹ it can protect the firm from a negative event due to the prior accumulation of moral capital with stakeholders. Engaging in CSR may help a firm to mend its reputation and regain its legitimacy among stakeholders² and also the Consumers prefer safe and environmentally friendly products, especially for the CSR sensitive industry.³

There is continuing interest in the country-of-origin effect on international trade; consumers are likely to have a preference for commodities from the exporting country as a result of the country-of-origin effect, thereby affecting the country's trade flows.⁴ corporate social responsibility (CSR) has become a rallying point for stakeholders and researchers alike in determining the ethical actions and responsibilities of organizations that operate abroad⁵

The question here is that:

What does CSR mean in the mining context and how can the sector's major players operational the concept? The answer to either question is by no means straight forward because of the 'uncertainty as to how CSR should be defined in both the corporate and the academic world, In the absence of a recognized definition that appeals to both industry and scholars, and which can be applied and adapted across sectors and to different settings, 'Numerous definitions of CSR have been proposed and often no clear definition is given', consequently 'making theoretical development and measurement difficult. If a 'benchmark' or foundation had to be established, a logical starting point would be the formative literature on CSR, the location of the most widely-referenced and agreed-upon ideas on this subject.⁶

In order to address that question, we have to step back and think about how we've understood and pondered both the problems and the solutions to these great social challenges that we face. Now, many people have seen business as the problem, or at least one of the problems, in many

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of the social challenges we face. Like the fast food industry, the drug industry, the banking industry. All of us know, this is a low point in the respect for business. So Business is not seen as the solution. It's seen as the problem now, for most people. And rightly so, in many cases.

There's a lot of bad actors out there that have done the wrong thing, that actually have made the problem worse. And So this perspective is perhaps justified.

We would discuss the concept of CSR legal provisions, and compliances before we discuss the legal provisions so let's understand the concept first as we know that the main object of any company is to maximize the shareholders wealth this maximization works in the form of appreciation in the share value more the share value more the wealth created for the shareholders some people may say that more profits would result in appreciation in share value but that is not entirely true in today's time share appreciation depends on various factors such as the most important factor is definitely profits then the quality of management efficiency in operations conservation of resources and innovations but concept of corporate social responsibility is way ahead of that we need to understand that maximization of shareholders wealth may be the main object of corporate but it's not the only object as per the modern thinking the part of business resources should be used for social welfare companies cannot have a limited perspective of earning profits there has to be a greater good of society it could be in the form of improvement of environment uplifting of socially backward classes or improved education or health facilities

2. Corporate social responsibility

The following literature review provides a definition for Corporate Social Responsibility and its key characteristics, and how it applies to get in international market that showing us international evidence, economic, and a legal analysis.

The most significant problem faced by researchers and practitioners regarding the term corporate social responsibility is that it is not crystal-clear what the word 'social' covers literally. Due to intangible nature of the word 'social', they have difficulty in assessing how enterprises can contribute to public welfare through what kind of activities indicated that the word 'society' is a more comprehensive and ambiguous analysis unit. In the light of this perspective, it is pretty challenging for an enterprise to fulfill its all responsibilities towards the society. Therefore, it could be misleading to examine the whole society an analysis unit in CSR activities.

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The concept of corporate social responsibility was first proposed by Bowen (1953), and he pointed out that enterprises should not only pursue economic interests unilaterally, and should also pay attention to their own behavior. And then some scholars give the connotations and scopes of corporate social responsibility from different angles. ⁸

Carroll (1999) was one of the first scholars to suggest a multidimensional definition of CSR which he models as a pyramid. Economic (be profitable) forms the base on which rests legal (obey the law) and the two are classed as a requirement. Ethical is the third tier and expected while philanthropic (be a good corporate citizen) is desirable and tops the pyramid. The author subsequently depicted a Venn framework incorporating three domains of economic, legal and ethical which yield seven CSR categories. The World Business Council for Sustainable Development also defines CSR as the 'continuous commitment by business through behaving ethically in their trade and contribute to economic development, at the same time improving the quality of life of the workforce and their families as well as the local community and society at large'.9

CSR has been defined as "context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social, and environmental performance"¹⁰ thus can be linked to stakeholder theory (Barnett, 2007; Clarkson, 1995; Freeman, 1984, 2004; Hopkins, 2005; McWilliams, Siegel, & Wright, 2006) which argues that companies should work for the good of other interested parties besides shareholders and investors such as employees, customers, suppliers, the community and natural environment. These ideas, in turn, are echoed in the principles of sustainability which are manifest in the 17 Sustainable Development Goals set out by the United Nations (2017). The CSR perspective, however, is that of the firm (McWilliams & Siegel, 2001) rather than the multiple groups, which are accorded equal representation by sustainability tenets. Practical steps which companies can and do take include pollution controls, innovative human resources management, support for local and small scale enterprises and humanitarian efforts.¹¹

Several empirical studies confirm that long-term investors attenuate the negative effects of short-term investors on firms. Long-term investors encourage R&D investments (Bushee 1998; Cremers, Pareek, and Sautner 2018), improve corporate decision making (Derrien, Kecskés, and Thesmar 2013; Harford, Kecskés, and Mansi 2018), improve takeover results (Gaspar, Massa, and Matos 2005; Chen, Harford, and Li 2007), and

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reduce stock misvaluations (Cella, Ellul, and Giannetti 2013; Cremers, Pareek, and Sautner 2014; Cremers and Pareek 2015)¹²

2.2. Reasons for adoption of CSR:

The extant literature suggests that there are three primary motives behind firms' engagement in CSR actions. First, firms engage in CSR actions because they perceive that such actions can contribute to increased competitiveness in the market as well as improving the firm's legitimacy in the eyes of various stakeholders. Second, CSR initiatives are driven by external demand such as institutional regulations and standards. Third, CSR actions can also be driven by normative views that are embedded in corporate values; acting on these values is observed in management strategies that are aimed at fulfilling the firm's moral responsibilities¹³

the general objective of CSR initiatives is to go beyond minimum legal requirements in minimizing a company's negative externalities and maximizing its positive externalities. Scholars¹⁴ What is not clear, however, and to elaborate on a point raised earlier, is how this position on CSR applies to developing countries, or the 'new frontiers' where many of the mining sector's major players now consider to be their most important and strategic areas of production.¹⁵

While CSR engagement has an "insurance-like effect" on future negative events, a firm that is currently facing negative events may also be tempted to engage in CSR as a means of restoring its reputation. Negative events often put a firm's reputation at risk and call for effective actions by the firm to recover the damaged reputation. While there are a number of risk management strategies that might be used, utilization of CSR actions can be an effective tool to minimize the impact of negative events. ¹⁶

2.3. Organizational trust:

Trust, represents the quality of a relationship amongst entities and is an indispensable factor for preserving a relationship over time. According to Rousseau, Sitkin, Burt, and Camerer (1998), trust has two important characteristics: 1) confidence in the capabilities of the other party, and 2) the readiness or inclination to rely on the other party. Organizational trust involves "expectations individuals have about networks of organizational relationships and behaviors". That is, trust is based on beliefs regarding the probability that yet to come acts will be constructive and advantageous. Advanced levels of organizational trust result in a variety of positive employee citizenship behaviors and reduced turn- over intentions (e.g., Hansen, Dunford, Boss, Boss, & Angermeier, 2011). Yet, other researchers have noted the need for more study of organizational trust in hospitality

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settings (Chathoth, Mak, Sim, Jauhari, & Manaktola, 2011; Lee et al., 2013).¹⁷

3. Corporate social responsibility international view

CSR policies and structures of foreign entrants are commonly influenced by the institutional processes that arise from compulsion of powerful local organizations, relationships with other local companies in foreign markets (e.g., competitors), internal members' expertise and attitude towards CSR, and values and propensity of members in local society, all of which comprise the demands of local stakeholders. Thus, CSR management and orientation need to be differentiated by each foreign market and the different demands of local stakeholders. Foreign entrants may gain local legitimacy and stakeholder recognition by modifying CSR structures and practices depending on their respective environment. Reimann, Ehrgott, Kaufmann, and Carter (2012) suggest that local legitimacy is essential to business survival and is obtained by following the rule and belief systems in local stakeholder groups. In this sense, institutional pressures are closely associated to stakeholder demands, and thus foreign entrants should attempt to proactively communicate with stakeholders so as to effectively implement CSR and be embedded in host countries¹⁸

The local development impacts of large scale mining have been long argued to be poor. One strategy to improve local development outcomes has been to adopt corporate social responsibility (CSR) programmes for community development by mining companies. The literature on these is ambivalent about their development impacts (Campbell, 2009; Gardner, 2016; Hilson, 2012; McEwan et al., 2017; Rajak, 2011; Sharp, 2006; Slack, 2012; Van Teijlingen, 2016). One under-explored aspect of this is the political impacts of CSR programmes; the effect they have on local and national political config- urations. This has been a growing concern in critical social sciences, particularly anthropology (Banks et al., 2013; Gardner, 2016; Rajak, 2011). While in management and business studies there have been re- cent high-profile moves to examine 'political CSR' (Frynas and Stephens, 2014), little of this is based on empirical work and, We would argue, often retains an an aemic understanding of politics centred on institutions rather than power relations and struggle. In this paper We take a different approach to explore the politics of corporate social responsibility in the mining sector in Zambia, drawing on literature on 'political settlements'. A series of high-profile books by respected authors in politics and economics on the political settlements approach, has brought ideas of the politics of development in the longue-durée to the

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forefront of contemporary development thinking (Acemoglu and Robinson, 2012; Fukuyama, 2011; North et al., 2013). These books, each with their own lexicon and specificities of argument, all share "one common proposition: that politics and institutions are the crucial de-terminants of developmental outcomes". They argue that development outcomes are not a function of institutional performance per se, but of the deeper political struggles and configurations which shape how institutions perform. ¹⁹

Employee green behavior According to De Roeck and Farooq (2017), employee green behavior includes "employees' engagement in green behaviors, including employees' actions to perform work in an environmentally friendly way (e.g., recycling, rational use of resources, participation in environ- mental initiatives, setting of more sustainable policies). Social information processing theory suggests that an individual's social context and environment can help to determine their attitudes and behaviors (Salancik & Pfeffer, 1978; Thomas & Griffin, 1989). Based on social information processing theory, it can be conjectured that employees' attitudes and behaviors might be influenced by their evaluation of the work environment. As such, recognized CSR initiatives should affect employees' pro-social behaviors (e.g., De Roeck & Farooq, 2017; De Roeck & Maon, 2016), including hotel employee efforts to benefit the environment or reduce harm to the environment.²⁰

In fact, in an era of globalization in which CSR has fast emerged as a centrepiece of their management strategy, multinational mining companies operating in sub-Saharan Africa seem to have changed their position on, and portrayal of, resettlement. Mine-induced displacement, whether voluntary or involuntary, has long been recognized as destructive, causing irreversible damage to the social and cultural fabric of surrounding communities. Yet, mine management today expends a considerable amount of energy portraying inevitable community resettlement efforts and compensation exercises in a positive light. ²¹

3. The solution according to Porter's view is that: 22

The kind of unique organizational entity of this age is this tremendous rise of NGOs and social organizations. This is a unique, new organizational form that we've seen grown up. Enormous innovation, enormous energy, enormous talent now has been mobilized through this structure to try to deal with all of these challenges. And many of us here are deeply involved in that form a nonprofit. These problems still seem very daunting and very intractable, and any solutions we're achieving are small solutions.

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What's the fundamental problem we have in dealing with these social problems? If we cut all the complexity away, we have the problem of scale. We can't scale. We can make progress. We can show benefits. We can't make a large-scale impact on these problems. Why is that? Because we don't have the resources. And that's really clear now. And that's clearer now than it's been for decades. There's simply not enough money to deal with any of these problems at scale using the current model. There's not enough tax revenue, there's not enough philanthropic donations, to deal with these problems the way we're dealing with them now.

We've got to confront that reality. And the scarcity of resources for dealing with these problems is only growing, certainly in the advanced world today, with all the fiscal problems we face. So if it's fundamentally a resource problem, where are the resources in society? How are those resources really created, the resources we're going to need to deal with all these societal challenges?

Well there, We think the answer is very clear. They're in business. All wealth is actually created by business. Business creates wealth when it meets needs at a profit. that leads to taxes and that leads to incomes and that leads to charitable donations. That's where all the resources come from. Only business can actually create resources. Other institutions can utilize them to do important work, but only business can create them. And business creates them when it's able to meet a need at a profit. The resources are overwhelmingly generated by business.

The solution becomes self-sustaining. That's what business does when it makes a profit. Now what does this all have to do with social problems? Well, one line of thinking is, let's take this profit and redeploy it into social problems. Business should give more. Business should be more responsible. And that's been the path that we've been on in business. But again, this path that we've been on is not getting us where we need to go. The conventional wisdom in economics and the view in business has historically been that actually, there's a tradeoff between social performance and economic performance. The conventional wisdom has been that business actually makes a profit by causing a social problem.

The classic example is pollution. If business pollutes, it makes more money than if it tried to reduce that pollution. Reducing pollution is expensive, therefore businesses don't want to do it. It's profitable to have an unsafe working environment. It's too expensive to have a safe working environment, therefore business makes more money if they don't have a safe working environment.

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A lot of companies have fallen into that conventional wisdom. They resisted environmental improvement. They resisted workplace improvement. That thinking has led to, We think, much of the behavior that we have come to criticize in business, in a few cases, through nonprofits that is found actually that the reality is the opposite. Business does not profit from causing social problems, actually not in any fundamental sense. That's a very simplistic view.

The deeper we get into these issues, the more we start to understand that actually business profits from solving from social problems. That's where the real profit comes. Let's take pollution. We've learned today that actually reducing pollution and emissions is generating profit. It saves money. It makes the business more productive and efficient. It doesn't waste resources. Having a safer working environment actually, and avoiding accidents, it makes the business more profitable, because it's a sign of good processes.

Issue by issue, we start to learn that actually there's no trade-off between social progress and economic efficiency in any fundamental sense. Another issue is health. We mean, what we've found is actually health of employees is something that business should treasure, because that health allows those employees to be more productive and come to work and not be absent.

The deeper work, the new work, the new thinking on the interface between business and social problems is actually showing that there's a fundamental, deep synergy, particularly if you're not thinking in the very short run. In the very short run, you can sometimes fool yourself into thinking that there's fundamentally opposing goals, but in the long run, ultimately, we're learning in field after field that this is simply not true.

That's happening now, finally, partly because of people who have raised these issues now for year after year and decade after decade. We see organizations like Dow Chemical leading the revolution with innovative new products. This is an example of Jain Irrigation. This is a company that's brought drip irrigation technology to thousands and millions of farmers, reducing substantially the use of water. We see companies like the Brazilian forestry company that's figured out how to avoid tearing down old growth forest and using eucalyptus and getting much more yield per hectare of pulp and making much more paper than you could make by cutting down those old trees. The companies like Cisco that are training so far four million people in I.T. skills to actually, it be responsible, but help expand the opportunity to disseminate I.T. technology and grow the whole business.

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There's a fundamental opportunity for business today to impact and address these social problems, and this opportunity is the largest business opportunity. And the question is, how can we get business thinking to adapt this issue of shared value? This is what is called a shared value that addressing a social issue with a business model. That's shared value Shared value is capitalism, but it's a higher kind of capitalism. It's capitalism as it was ultimately meant to be, meeting important needs, not incrementally competing for trivial differences in product attributes and market share. Shared value is when we can create social value and economic value simultaneously. It's finding those opportunities that will unleash the greatest possibility we have to actually address these social problems because it can be scale.

We can address shared value at multiple levels. It's real. It's happening. But in order to get this solution working, we have to now change how business sees itself, and this is thankfully underway. Businesses got trapped into the conventional wisdom that they shouldn't worry about social problems, that this was sort of something on the side, that somebody else was doing it. We're now seeing companies embrace this idea. But we also have to recognize business is not going to do this as effectively as if we have NGOs and government working in partnership with business.

The new NGOs that are really moving the needle are the ones that have found these partnerships, that have found these ways to collaborate. The governments that are making the most progress are the governments that have found ways to enable shared value in business rather than see government as the only player that has to call the shots. And government has many ways in which it could impact the willingness and the ability of companies to compete in this way.

Conclusion:

If we can get business seeing itself differently, and if we can get others seeing business differently, we can make a change If we can break down this sort of divide, this unease, this tension, this sense that we're not fundamentally collaborating here in driving these social problems, we can break this down, and we finally have solutions.

Corporate social responsibility (CSR) refers to the idea that firms have not only economic and legal obligations, but also certain responsibilities to society.²³

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