# Corporate Social Responsibility from Principles into Practice Case study: Experiment of Algerian Economic Enterprise

المسؤولية الاجتماعية للشركات: من المبادئ إلى الممارسة

دراسة حالة: تجربة المؤسسة الاقتصادية الجزائرية

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#### Abstract:

Over decades, the concept of corporate social responsibility (CSR) has continued to grow in importance and significance; upon the ground, conducting and operating fairly social responsibility represents evidence from businesses seeking to improve and to meet the expectations of stakeholders and society.

Due to the heterogeneity of CSR concerning its understanding and practices within various countries of the world, the study aims to highlight on the understanding and practice of CSR in Algerian context, by using a case study.

The results of our research shows that the activities engaged by the Algerian economic enterprise related to social responsibility embrace the main categories or areas targeted with the concept of CSR according to specialized literature in this field.

**Key words:** corporate social responsibility, stakeholders, practices of Algerian enterprise.

**الملخص** على مدى عقود، اتسع وتطور مفهوم المسؤولية الاجتماعية للشركات في الدلالة و الأهمية. على المستوى التطبيقي، تسيير و تطبيق المسؤولية الاجتماعية يمثل دليل من الشركات التي تسعى إلى تحسين وتلبية توقعات كل من الأطراف أصحاب المصلحة والمجتمع أيضا.

نظرا لتعدد المعنى والممارسات بخصوص مفهوم المسؤولية الاجتماعية للشركات عبر مختلف دول العالم، تسعى هذه الدراسة إلى تسليط الضوء على طريقة فهم وممارسة المسؤولية الاجتماعية للشركات في السياق الجزائري و ذلك باستخدام دراسة الحالة.

وقد أظهرت نتائج البحث أن الأنشطة التي تباشرها المؤسسة محل الدراسة والمتعلقة بالمسؤولية الاجتماعية تحتضن الفئات أو المناطق الرئيسية المستهدفة بمفهوم المسؤولية الاجتماعية للشركات وفقا لأدبيات متخصصة في هذا المجال.

الكلمات الرئيسية: المسؤولية الاجتماعية للشركات، الأطراف أصحاب المصلحة، ممارسات المؤسسة الجزائرية.

#### Introduction:

Corporate social responsibility (CSR) is a business management concept that its initial interpretation has been modified and refined since it was first employed.

Worldly, the significance and practice of this multidimensional concept in small and medium enterprise has continued to be eclipsed by its application to large and multinational organizations.

In Algeria, owing to little attention being paid to social responsibility in relation to economic enterprises until recent years, the knowledge concerning the activities in this field remains vague and unexplored; even though there have been a number of scientific articles about the different aspects of CSR however the research is still at embryonic stage especially for Algerian economic enterprise, by this case study I would like to highlight on certain topic sides in specific context.

At this level, the article investigates the understanding around how Algerian economic enterprise perceives and applies CSR through examining and exploring its activities to social responsibility. To fulfill this mission our search is based on the following sections: **Section 1**: definitions of corporate social responsibility **Section 2**: models of corporate social responsibility **Section 3**: practices of SR in NCA-Rouiba Company.

# Importance of the study:

Based on recent directions that business has seen, notably those associating to environmental and social sides highlight on the importance of studying social responsibility as a required tool by which the enterprise keeps the balance towards its stakeholders.

## Methodology:

By pursuing an analytical and descriptive methodology we identify the concept of corporate social responsibility, and we shed light upon its practical sides in Algeria context through using a model of case study.

## 1. Corporate Social Responsibility – What Does It Mean?

Corporate social responsibility (CSR) is a business management concept that originated in the early 1930s, after the Wall Street crash of 1929 exposed corporate irresponsibility in large organizations. Since then, social responsibility has continued to be the focus of business operations and a popular topic of investigation for practitioners and academics from diverse disciplines.

A number of different actors have tried to develop and define the concept of CSR, consequently various definitions exist, we classify them into two divisions as follows:

#### 1.1 By Authors:

In academic literature, formal writings on CSR are evident for the first time in Bowen's Social Responsibilities of the Businessman. 'The Father of Corporate Social Responsibility' He defines CSR as: The obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of actions which are desirable in terms of the objectives and values of our society.<sup>1</sup>

Bowen expected businesses to produce social goods such as:

- Higher standards of living;
- Widespread economic progress and security;
- Order justice and freedom;
- The development of the individual person.

Davis suggests that 'social responsibility refers to the businessmen's decision and action taken for reasons, at least, partially beyond the firm's direct economic and technical interest'.<sup>2</sup>

Another early proponent of CSR, Frederick defines it as:

The use of the society's economic and human resources in such a way that the whole society derives maximum benefits beyond the corporate entities and their owners.<sup>3</sup>

This explanation indicates clearly that the responsibility of management is not just creating wealth for the business, but for the society too.

Another significant writer on CSR in the 1970s was George Steiner who tended to differ to Davis' and Frederick's definitions of CSR; he related his views on the subject as<sup>4</sup>: Business is and must remain fundamentally an economic institution, but it does have responsibilities to help society to achieve its basic goals and does,

<sup>&</sup>lt;sup>1</sup> Bowen. Howard. R, Social responsibilities of the businessman, Harper and Row, New York, 1953, p6.

<sup>&</sup>lt;sup>2</sup> Davis. K, Can business afford to ignore social responsibilities? California Management Review, 2, 1960, p 70.

<sup>&</sup>lt;sup>3</sup>Frederick,W.C, The growing concern over business responsibility,

California Management Review, 2, 1960, p54-61.

<sup>&</sup>lt;sup>4</sup> Steiner, G. A, Business and society, Random House, New York 1971, p 164.

therefore have social responsibilities. The larger a company becomes, the greater are these responsibilities, but all companies can assume some share of them at no cost and often at a short-run as well as a long-run profit.

The assumption of social responsibilities is more of an attitude regarding the way that the manager approaches his decision-making task, than a great shift in the economics of decision making. SR is a philosophy that looks at the social interest and the enlightened selfinterest of business over the long run as compared with the old, narrow, unrestrained short-run self-interest.

In 1980, Jones Thomas entered the CSR discussion at an interesting perspective, he defined CSR:

Corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract.<sup>1</sup>

Indicating that a stake may go beyond simple ownership; both aspects of the definition are important:

• The obligation must be voluntarily adopted, behavior influenced by the obligatory forces of union contract or law is not voluntary.

• the obligation is a large one, extending beyond the traditional duty for shareholders to other societal groups like customers, employees, suppliers, and neighboring communities.

Carroll's four parts definition of CSR was originally stated as follows: "Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic)

<sup>&</sup>lt;sup>1</sup> Jones, T.M. Corporate social responsibility revisited, redefined. *vol. 22, n° 3, California Management Review*, 1980, pp59-60.

expectations that society has from organizations at a given point in time"<sup>1</sup>

The concept of CSR' which illustrates the changing relationship between business and society is:

Business is being asked to assume broader responsibilities to society than ever before and to serve a wider range of human values. In effect, Business enterprises are being asked to contribute more to the quality of American life than just supplying quantities of goods and services in asmuch as business exists to serve society, its future will depend on the management response quality to the changing expectations of the public<sup>2</sup>.

### **1.2 By International Organizations:**

A landmark contribution to the concept of CSR came from the Committee for Economic Development (CED) which got into this topic by observing that "business functions by public consent and its basic purpose is to serve constructively the need society to the satisfaction of society"<sup>3</sup>.

The CED noted that the social contract between business and society was changing in substantial and important ways.

The United Nations (UN), After the Rio Conference on Environment and Sustainable Development in 1992, the UN invited multinational enterprises to assume a commitment towards society and the environment by including clauses in their commercial agreements which protecting basic human rights, workers' rights and the environment.

This CSR concept is closely linked to the notion of sustainable development defined by the World Commission on Environment and

<sup>&</sup>lt;sup>1</sup> Carroll, Archie .B, a three-dimensional conceptual model of corporate social performance. *Academy of Management Review*, n<sup>o</sup>4, (1979), p 500

<sup>&</sup>lt;sup>2</sup> Carroll, Archie .B, Corporate social responsibility, business and society, 1999, p274.

<sup>&</sup>lt;sup>3</sup> CED, Social Responsibilities of Business Corporations, 1971, p11.

Development in 1987 as: "development that meets the needs of the present generations without compromising the ability of future ones to meet their own needs."

The world business council for sustainable development (WBCSD) defined CSR as firms' commitment to contribute in sustainable economic development by working with employees, their families, the local community and society at large, to improve their quality of life.<sup>1</sup>

The International Labour Organization (ILO) has recently defined CSR as "a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods or processes and in their interaction with other actors. CSR is a voluntary enterprise driven initiative and refers to activities that are considered to exceed compliance with the law".<sup>2</sup>

The European Commission (EU), among various definitions, one was proposed by EU in 2006 is widely accepted, CSR is "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis". <sup>3</sup>

However, the European Commission altered the definition of CSR dated at 2006, in October 2011 adding that CSR should have in place a process to integrate social, environmental, ethical and human rights concerns into their business operations and core strategy in close collaboration with their stakeholders.

Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing more

<sup>&</sup>lt;sup>1</sup> WBCSD, corporate social responsibility: Meeting changing expectation, Geneva, 1998.

<sup>&</sup>lt;sup>2</sup> In Focus Initiative on Corporate Social Responsibility: Strategic Orientations, See:

<sup>&</sup>quot;http://www.ilo.org/public/english/standards/relm/gb/docs/gb295/pdf/mne-2-1.pdf"t.

<sup>&</sup>lt;sup>3</sup>The European Commission "Enterprise and Industry, (2011). "Retrieved, from http://ec.europa.eu/ enterprise/ policies/ sustainable-business/corporate-social-responsibility.

into human capital, the environment and the relations with stakeholders.

The International Standards Organization (ISO) has created an international standard for the social responsibility of private corporate and public sector organizations. ISO 26000 establishes seven core subjects of social responsibility, which represent all parts of most current CSR definitions:<sup>1</sup>

- Organizational governance;
- Community involvement and development;
- Human rights;
- Labour practices;
- The environment;
- Fair operating practices;
- Consumer issues.

The seven core subjects are in effect heuristics for a corporation to follow, which can be valuable for corporations to create programs around the areas ISO believes CSR should embrace.

#### 2 The models of CSR

## 2.1Carroll pyramid model:

The model after profit obligation developed by Carroll is presented as a pyramid of corporate social responsibility and it is composed of four dimensions:<sup>2</sup>

Economic: this is recognized as the most important dimension, because it attaches with the heart of being able to finance corporate social responsibility. This means that the company should focus on making smart strategic decisions that will enable it to achieve the

<sup>&</sup>lt;sup>1</sup> Richard Smith, defining CSR: a system approach for socially responsible capitalism, Master of philosophy thesis, university of Pennsylvania, US, 2011, p4.

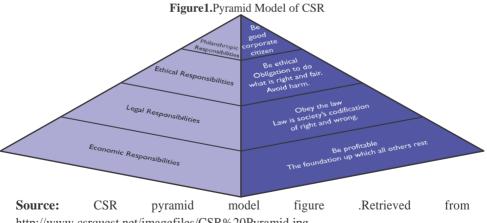
<sup>&</sup>lt;sup>2</sup> Carroll. A and Buchholtz. A, business and society, ethics and stakeholder management, stamford, p31-32

main goal of profitability by maximizing sales and minimizing costs. If the company operates at a loss, there is no question of taking social actions.

Legal: this is the second level of the pyramid, which is connected in the fact that an entity fulfills its objectives with respecting the law, including following the rules and regulations concerning business operations, environmental protection, consumer rights, and business commitments and so forth.

Ethical: this dimension of social responsibility highlights the organization's needs for fair and equitable operations which should be consistent with the morality principles in the region and the country in which the company operates. It manifests itself in forms like avoiding malpractice and undesirable behavior.

Philanthropic: Carroll located this dimension at pyramid top. The enterprise's philanthropic dimension is the dedication of part resources to bring specific material assistance to the needy and to solve social problems by promoting education, sports, health and charitable activities.



## 2.2 Kang and Wood model:

Kang and Wood have contributed to the formation of another model concerning the modern concept of corporate social responsibility. Their before profit obligation model implies that the essence of company's activities should also include moral values. This model is based on three main dimensions:<sup>1</sup>

Individual: describing the individuals' moral responsibility, including board members, managers and employees, who during decisionmaking, may or may not submit for the applicable laws regarding social and ethical standards, thus their decisions are not only guided by the choice between profit and risk, but also, or even primarily, by their personal preferences;

Organization: referring to the connection between the company social responsibility and stakeholders, companies are obliged to take into account the stakeholders' expectations and put them on a par with their own objectives;

Institutional: showing the institution economic responsibility as participants in the business world; the authors placed the generation of profit and charity action at the top pyramid.

The main distinctive feature characterizing the models is the fact that the Kang-Wood model assumes freedom of choice and responsibility in the area of objectives, methods and the means of their implementation, while Carroll's model states that in the area of economic responsibility there is only a choice between profit and risk. Another important difference between the discussed models is the range of perception to charity, which in the before profit obligation model goes far beyond philanthropy. In the Kang-Wood model, philanthropy consists of two elements. The first one comprises the companies' social and moral obligations in relation to their

<sup>&</sup>lt;sup>1</sup> Slawomir Czarniewski, CSR as value for the customer, international journal of academic research in accounting, finance and management sciences, vol4, n°4, 2014, p138.

stakeholders, the second points at the company's voluntary involvement in solving social problems on macro level.

## 3 Practices of SR in NCA-Rouiba Company.

## 3. 1NCA -Rouiba's profile:

NCA- Rouiba is a family-owned business founded in 1966 under the name of new Algerian factory for tinned food in Rouiba zone, over many decades, it is being a company which has reinvented itself and developing its know-how and experience in the agribusiness sector, especially by dealing with the same activity fruit processing and providing to the public wide range variety of drinks (cocktail fruit "pulp", "excellence", "light"....).

Due to the effort result of enlarging and specializing in activities, NCA Rouiba becomes Algerian leader in fruit juices.

After 2010, NCA- Rouiba was listed in the Algerian stock exchange, and has been available for Algerians wishing to invest or join it. Furthermore, in intention to display the products, the company has chosen the export as strategic priority throughout it is being the main effective actor in the Maghreb markets( Libya, Tunisia, Mauritania..), and distributing the products in the European market (France, Belgium, England) and North America (Canada) as well.<sup>1</sup>

Meanwhile, the way of managing the activities and how to react towards the environment enable the company to get ISO 9001, ISO 14000, ISO 22000 certificates and to engage fully in process of 26000 standards.

During the execution of activities, the company's results have been revealing a continual growth concerning the creation of wealth which isn't only the product of constant innovation, but also the outcome of efforts made by the company's workforce, men and women.

Recently, the company's industrial capacity and workforces are composed of 536 collaborators, who team up in a large field of work

<sup>&</sup>lt;sup>1</sup>From <u>http://www.rouiba.com.dz/home</u> page

that is covering many departments such as production, human resources, marketing... in adequate compliance with the business needs.

# 3.2 Company's commitment to SR.

As above-mentioned, the commitment to Quality which is materializing in various certificates, NCA -Rouiba has been selected to represent Algeria as a pilot company in the RS-MENA (Middle East North Africa )project with ISO and IANOR (Institut Algérien de Normalisation) in order to implement and promote the new ISO 26000 on Social Responsibility and sustainable Development.

The Worldwide project for promotion of this norm (published in 2010) has been funded by the Swedish organization SIDA (Swedish International Development Agency) and concerns eight pilot countries: Algeria, Tunisia, Egypt, Jordan, Lebanon, Syria, Iraq and Morocco. ISO 26000 provides guidelines for all types of organizations seeking to assume the responsibility related to their decisions and activities by satisfying seven main questions which are summarizing as followed:<sup>1</sup>

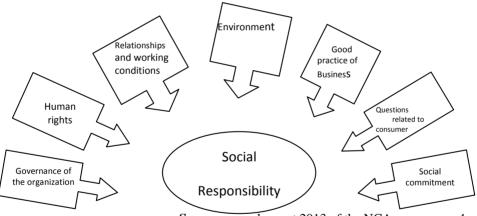
- Governance of the entity: This question makes the possibility to structure the organization's decision-making body according to the social responsibility.
- Human Rights: This issue lays emphasis on the centrality of human beings in social responsibility.
- Relationships, working conditions: This aspect reflects the good relationship between the employer and employees regarding to the contract, social dialogue and collective representation.
- The environment: This question analyzes the links between the organization and the environment.

<sup>&</sup>lt;sup>1</sup> annual report (2013)of the company, p10.

- Loyalty of practices: This aspect should ensure the integrity and honesty principles between the organization and its stakeholders, in particular consumer and competitors.
- Consumer issues: transparency and accountability principles become high challenges as long as the relationship among consumers and organizations evolves.
- Social commitment for community and local development: This topic deals with the organization's relationship towards territories and communities in which it operates.

In the purpose of bearing social responsibility according to ISO 26000, Rouiba has adopted a fitted policy which embodies the paramount axes depicting in the graph below:

Figure 2: Social Responsibility



Source: annual report 2013 of the NCA- company p4

To transform the guidelines in actual actions NCA Rouiba has strived to:

- Maintaining and developing a lasting relationship with all stakeholders by ensuring an effective and interactive communication.
- Providing the customers and consumers products and services, which meet their needs with legal and regulatory requirements that were established by the quality standards.

- Practicing a rigorous and transparent management to ensure the resource availability and return on investment.
- Promoting clean- recycling technologies and preventing pollution risks to optimize the use of natural resources.
- Covering all aspects for employees' safety and health in workplace and preclude accidents and incidents by complying with hygiene and safety standards.
- Advocating participative management by developing individual responsibility, and stimulating innovation in addition of systematic improvement process.
- Promoting social dialogue and fighting against discrimination forms.

## A Quality, Management System of food safety (ISO 22000):

Food safety represents a vital axis in NCA Rouiba's quality policy, through which the company attempts to provide the customers and consumers many products and services that meet legal requirements and fill precondition standards.Therefore, ensuring food security product protects consumers against all known hazards:

microbiological hazards and chemical or physical ones.

In order to furnish healthy and safe products to consumers, the procedures including good hygiene, manufacturing practices and protocols have been implemented to master the risks and potential dangers. Since 2011,NCA Rouiba started a project for setting up a new food management system, the outcome of this plan could be reached only through high involvement of corporate's different structures.

In January 2013, an ISO 22000 certificate occurred to crown the efforts made over two years in attention to strengthen NCA- Rouiba's commitments towards the customers and consumers who have an additional guarantee of quality by choosing NCA- Rouiba's products.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> annual report (2013) of the company, p7.

#### **B** Environment:

Assuming the mission of Corporate Citizenship, NCA-Rouiba contributes in the preservation of the environment through an approach which aims to save natural resources with using clean technologies, and exploiting the recycling processes.

As it is known, water is the main ingredient in NCA-Rouiba's products, it is used in the plants for the industrial equipment operations as well as for supplying the network against fires, so the responsibility towards this resource is very important.

A monthly and regular monitoring of water consumption has introduced since 2002, also in intention to satisfy the industrial equipment requirements, NCA-Rouiba has been equipped by a process of reversed osmosis for the water treatment.

In 2012, the raw water consumption from both wells was about 451  $871 \text{ m}^3$  to produce a 86.3 million liters of finished products, around 5.2 liter of water per juice liter. This is unusual ratio when using the reverse osmosis technique which is characterized by a maximum output of 75%, One year after, the raw water consumption from two wells was 432 670 m<sup>3</sup> to get a 88.3 million liters of finished products, about 4.9 liter of water per juice liter.

In 2014, the raw water consumption from both wells is 423,367  $M^3$  to obtain 104 million liters of finished products, around 4.7 liters per juice liter. This evidence of improving the ratio demonstrates the optimization related to operation of reverse osmosis and continuous reduction of water consumption.

#### **B.1** The treatment of waste water:

Industrial liquid wastes are collected in an equalization tank with a capacity of 200  $\text{m}^3$  commissioned since the second semester of 2012. These procedures permit the folding of the pollutant load before the evacuation via the public sewage network to Regalia's treatment plant.

The monitoring of used water quality by external laboratories has shown that the level of pollution parameters is less than the threshold tolerated by the regulations.

## **B.2 Environment Protection:**

Undoubtedly, the environmental protection represents company's major concern. It is marked by improvement in the collection, sorting and recyclable waste recovery (cardboard, PET, plastic, casks, drums, pallets ...).

Recyclable waste: The company generates Recyclable wastes which are made of cardboard, plastic, bottles and PET performs, metal drums and plastic drums. All wastes are collected, sorted and made available to authorized recyclers. The company has succeeded to decrease the quantities of waste generated till 29%, this reduction is achieved due to the efforts made by all staff to cut down losses in packaging.

Tetra Pak packaging waste: the cartons of Tetra Pak are composed of 73% cardboard, 23% polyethylene and 4% of aluminum. These materials are necessary to preserve products quality. Reducing the environmental impact of the activities, controlling losses and recycling Tetra Pak packaging is one of ANC Rouiba's priorities. An action concerning the topic has been taken in collaboration with Tetra Pak and companies of paper and cardboard (PAPCAS, a subsidiary of the GIPEC Group), Demonstrating the technical feasibility regarding recovering and separating the various materials; to illustrate, during 2013 the company reused 60,000 packages or 1.7 tons for the manufacture of bags from recycled cardboard.<sup>1</sup>

#### C human resources and management:

The NCA-Rouiba's success and expertise are fundamentally based on its employees, this is why NCA-Rouiba constantly endeavors to make recognition for workers through a fair compensation policy

<sup>&</sup>lt;sup>1</sup> annual report (2013) of the company, p12-13, adapted text.

followed with internal, geographical mobility and personal, individualized professional development plan.<sup>1</sup>

As long as Rouiba is an opened entity to external world, it makes spread solidarity an actual priority within human resources policy, thus actions are taken in this field such as supporting the most vulnerable employees, as well as favoring social dialogue.

#### C.1 Developing employees' professional skills:

Employees benefit from studied training policy which enables them to acquire skills for better performance in their functions and leads to lasting evolution.

Employees' functional mobility is the most company's fundamental developments. So, employees are offered an internal mobility program relating to common principles; from the staff recruitment an integration plan which includes internal training and individualized personal sponsorship is implemented to enable employees getting a comprehensive knowledge of business.

NCA Rouiba allows the employees to perform several professional courses in various departments (Human Resources, Finance and Accounting, Production, Logistics, Sales and Marketing, ...) The daily exercise of these functions requires a sense of initiative and responsibility, This is why NCA Rouiba adopts a special organization, which promotes entrepreneurial spirit and gives opportunity for everybody

The company tries to assist all employees by the means needed, to develop them professionally and intensify their skills in different aspects that are constantly evolving; a vital importance is given to human development, through:

• An ambitious training plan which covers almost 10 000 hours per year.

<sup>&</sup>lt;sup>1</sup> annual report (2015)of the company, p7

• Sometimes, a number of employees (assets of business) take advantage from a special training to prepare them for assuming management positions.

Training projects are always considered as appreciated investment by which the company would like to be a model for managing the human capital and assuring the motivation and development of human resources. For instance Between 2012 and 2013, the budget allocated to training Almost doubled, and representing in 2013 close to 3% of wage bill and involved 407 people; Below are listed some subjects of training:<sup>1</sup>

- Waste sorting and Good Hygienic Practice;
- Internal audit of management system;
- Aseptic packaging;
- Training on maintenance techniques;
- English language training;
- Negotiation of contracts.

# C.2 Providing favourable working conditions:

The company considers the human resources as the centerpiece of the entity, so their health and safety prevention belongs firstly to company's top daily activities.

In this field, the company has implemented a policy of protecting employees against occupational hazards, earlier it creates a fully equipped medical office which is supervised by medical specialists for assuring screenings campaigns to employees and keeping good health. In addition to well-being, NCA-Rouiba supports occupational medicine and it doesn't hesitate to undertake additional efforts, namely the Free charge taken by the company towards the workers' children through signing Two agreements with pediatricians, as well as Dental, radiological and surgical cares.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> annual report (2013)of the company, p34

<sup>&</sup>lt;sup>2</sup> Ibid, p34

As result for these actions, Healthy employees and performance have been permanently developed.

## C.3 Motivation and compensation:

The company has always been convinced that the performance is the result of an intelligent combination of various factors affiliated to competence and motivation. Based on this observation with a lot of conviction, the management decided to set up a remuneration system founded on a new thinking for the posts and built around a fixed salary plus an annual advancement, an end-of-year bonus and a variable compensation linked to the Company performance with an Approach of fairness throughout management areas.

Variable compensation related to performance represents an evolutionary system in three steps that relies on economic performance, the results of Different collectives (production department, Marketing...) and Individual's results. The design and modeling of this New remuneration system which is linked to the performance, was the output for many exchanges with All stakeholders (Management, Trade Union and Workers), and its implementation was programmed successfully in 2014.<sup>1</sup>

## **D** Shareholders:

NCA Rouiba, first family company listed on the Algiers stock Market, Despite the uncertain economic context (the dinar slip, slide of purchasing power, inflation level,...) the

enterprise has been growing by 6% on average.

In line with objectives to create value and make growth, 2015 was up to the expectations, the record sales achieving 7490167 KDA for turnover and industrial performance emanates the output of 112 million liters and the exportation makes a quantity leap with huge growth till 173% on Libyan and Tunisian markets.

<sup>&</sup>lt;sup>1</sup> management annual report (2014)of the company, p15.

Briefly, comparing to previous general statement, the company's total balance sheet has grown by 1.130 billion dinars and the company has made or recorded the following movements:<sup>1</sup>

- Investment of more than 2.7 billion dinars over the last 2 years
- Distribution of dividends for more than 143 million dinars over the last 2 years

Evolution of Turnover:

Growth of 6% in 2013 referred to 2012.

Growth of 17% in 2014 referred to 2013.

Growth of 6% in 2015 referred to 2014.

Net results:

Growth of 34% in 2013 referred to 2012.

Growth of 36% in 2014 referred to. 2013.

E The NCA-Rouiba's organization(management and governance)

The company has always adopted a dynamic organization that complies with environment evolution and need market; naturally this state allows the workforce to ensure consistency between the company's objectives and deployed resources.

To illustrate, the year 2013 has seen an evolution in Organizational structure, especially at the

Sales Department to:

- Respond to market needs by greater proximity to the consumer.
- Be more present and visible at sale points.
- Increase the market share, especially within local territories.

As a result of the new organizational structure, Rouiba has implemented an internal promotion policy that has affected many jobs on commercial structure and generated several positive career developments (salespersons become supervisors, supervisors become zone heads, area managers become regional managers).

# F The citizens' commitments:

<sup>&</sup>lt;sup>1</sup> financial and management annual reports (2013,2014,2015) of the company.

The NCA-Rouiba is a company engaged in Algeria with more attentive to social developments in the country. The commitments are developed around Youth the most fundamental pillar of society.<sup>1</sup>

The know-how of senior executives belonging to the company was put at the service of the INJAZ Association, thus in the third year, INJAZ saw the participation of six senior executives from NCA-Rouiba as volunteer coaches.

In this prospect, NCA Rouiba has exhibited its experience as Success project at several events:

• Open Day on the theme "ISO 26000 and Sustainable Entrepreneurship", organized by the DEVED-GIZ program.

• Sustainable Development and CSR Conference: Growth Levers for SMEs CGD

• Workshop on ISO 26000, organized by the APAB (Association des Producteurs Algériens de Boissons)

• Algerian-Swedish Day on Corporate Social Responsibility, organized by the Swedish Embassy

• Conference on Corporate Social Responsibility at National school specializing in technology

• Five days for national awareness organized by IANOR in: Algiers, Annaba and Oran.

• The ISO Regional Workshop: Marrakech - Morocco.

• Presentation of Algerian experience (NCA Rouiba) on ISO 26000 in developing Country Workshop in Geneva-Switzerland.

Refer to these actions, the company affirms its willingness to become an important social player, taking part in the desired change by the academic institutions, which aims to propel the young people's potential and supports their employability, promoting their entrepreneurial spirit and stimulating the environment for creating new economic enterprises.

<sup>&</sup>lt;sup>1</sup> annual report (2013)of the company, p36

By benefiting from this transfer of skills and competences, these young students see their mastery, their combativeness and their ability become stronger and tend towards promising future with full opportunities.

### F.1 Associative commitments:

NCA-Rouiba is an element founding for Association of Algerian Beverage Producers (APAB), the company has been actively involved since the association creation in 2003. Various participations have been carried out such as:

• Elaboration the study of the subsidiary drinks in Algeria.

• Contribution in the development of manual Procedures and technical reference of the collective brand "Drink Quiet".

• The development of a guide to food additives in beverages.

The company is also a founding member and proposal force for Circle of Action and Reflexion about the Company (CARE) and the Algerian Institute of Corporate Governance (Hawkama El Djazair).

#### **F.2** Others contributions, actions for communities:

The company believes deeply in all initiative taken to promote different bodies of society and doesn't save any efforts to encourage people's layers in different fields, in this direction the company participates voluntarily in many events like: <sup>1</sup>

• allowance the visit of school children to the company, and give them more explanations about NCA Rouiba's products and resources.

• encouraging the sport clubs via acts of sponsoring, for instance the company helps financially Itihad Boufarik team for basketball and sport of karting.

•NCA Rouiba participates at renovation of lady Santa Crus statue in Oran, the act which allow to keep the Algerian history divisions.

**Conclusion:** We sum up the outcomes of the study as follows:

\* Throughout The article we have presented an overview about definition of CSR by different actors; authors and organization, and

<sup>&</sup>lt;sup>1</sup> annual report 2015 of NCA NCA-Rouiba p5, adapted text.

we deduce that enterprises have some responsibilities to society with an extent balance beyond of making profits for the shareholders.

\* It appears that CSR is all about how a company supervises its relations with different stakeholders, in spite of the fact that there is a lack of a commonly accepted definition to this concept.

\* NCA-Rouiba considers CSR as a source of social capital (assets) and an opportunity to enlarge the limited resources.

\* In our case study the relationship between CSR and financial performance statement is very positive.

\* The pressures of local and international organizations and requirements of changing in practicing business push Algerian economic enterprise to adopt CSR, NCA Rouiba represents an successful example to ape by other companies.

\* Using communication campaign by concerned bodies (commerce chambers, unions, civilian communities...) to spread and strengthen the spirit and culture of social responsibility mainly at staff enterprises level.

\* It is expected that the knowledge gained from this study will contribute to increase the perception and practice of business responsibility especially by Algerian economic enterprises; in addition it enhances business management, social life and economic growth in general

\* Practitioners and policy makers can use the outcomes of this study to improve and reorient their plans so that can increase the SR participation rate of economic enterprises. This can potentially improve both the standards of social life and national economy in macro scale.

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