

Corporate Social Responsibility in Algeria

Empirical Study of Many Corporations

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واقع المسؤولية الاجتماعية للمؤسسات في الجزائر

دراسة ميدانية لبعض المؤسسات

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Summary :

The study aimed to find out the reality of the practice of social responsibility in the Algerian economic corporations, and the extent of awareness of managers and directors of the concept of corporate social responsibility and the extent of its application and the degree of adoption in the Algerian corporations.

The study was conducted on a set of economic corporations that are active in all of the state of Setif, Bordj Bou Arreridj. Where the study form distribution frames this corporations, and we came in the end that there is a lack of social responsibility as a concept in the enterprise strategy under study while we found variation in the exercise of these corporations of their responsibility social.

Key words: corporate social responsibility (CSR) , concept, practices

(JEL) Classification: M14

المخلص:

هدفت الدراسة لمعرفة واقع ممارسة المسؤولية الاجتماعية في المؤسسات الاقتصادية الجزائرية، ومدى إدراك المديرين والمدراء لمفهوم المسؤولية الاجتماعية للمؤسسات ومدى تطبيقها ودرجة تبنيها في المؤسسات الجزائرية. وتمت الدراسة على مجموعة من المؤسسات الاقتصادية التي تنشط في كل من ولاية سطيف وبرج بوعرييج، حيث تم توزيع استمارة الدراسة على إدارات هذه المؤسسات، وتوصلنا في النهاية إلى أن هناك غياب للمسؤولية الاجتماعية كمفهوم في استراتيجية المؤسسات محل الدراسة بينما وجدنا تباين في ممارسة هذه المؤسسات لمسؤوليتها الاجتماعية.

الكلمات المفتاحية: المسؤولية الاجتماعية للمؤسسات، المفهوم، الممارسات

رموز JEL: M14

Introduction

The modern business environment is facing many variables, such as harsh competition, technological revolution in the field of production, information systems, the philosophy of administration and the decision making process, production methods, customers' relationship, social performance and finally moral responsibility. These variables constitute the most important challenges for business organizations.

Business organizations are expected to adopt all the concepts, programs, ideas that serve its interests and guarantee its continuity and development. It is also expected to take many responsibilities. Besides the responsibilities of making profits, increasing its market share, it also has to be socially and environmentally responsible.

Social responsibility has become one of the most important concepts in the business world. Business organizations are now citizens like any other citizens, enjoying rights and performing duties. Some of the most distinguished duties it has to perform are serving the community and participating to its development.

In most cases, social responsibility is not mandatory. Most business organizations choose to adopt it because it helps guaranteeing its continuity and success. In addition to the fact that this commitment must be anchored in the organization's culture and values.

The question of the present study is the following:

What is the reality of corporate social responsibility among business executives in Algeria, and how far are the Algerian business organizations committed to social responsibility?

In order to answer these questions, the following hypotheses have been formulated:

Hypothesis n°1: The concept of social responsibility is absent among the Algerian business organizations. However, it is present as a practice.

Hypothesis n°2: Not all the Algerian business organizations have the same commitment toward social responsibility.

Objectives of the study:

The present study aims to achieve the following objectives:

1. Clarifying the most important concepts that are related to social responsibility ;
2. Shedding light on social responsibility in the Islamic thought ;
3. Identifying the position of social responsibility among the Algerian business organizations.
4. Figuring out how conscious are the Algerian business organizations regarding social responsibility.

Methodology:

The present study follows both the descriptive and the analytical methods. The descriptive method has been employed in order to establish a theoretical framework, based on the existing literature (books and journals). The analytical method has been applied on data and information

that has been collected during the empirical study. The latter was conducted in form of a survey. Ninety-five managers from sixteen business organizations have participated to it. These business organizations are from the provinces of Setif and Bordj Bou Arreridj

I. Social responsibility: Concept and Content

In the present section, we will present a historical background about the origination of social responsibility in business organizations. We will also focus on its definition, its benefits and the studies that dealt with it.

1. Social responsibility: a historical background

The concept of social responsibility is not new. It is related to the development of management and the changes that have occurred to it. On one hand, there is the belief that business organizations will not run efficiently unless if it focuses on profit maximization. These organizations were free to do whatever it takes to achieve these economic goals. On the other hand, there is the belief that business organizations are here to serve the welfare of society and to develop it. The latter is known as social responsibility.

The concept of social responsibility came with the failure of business organizations in responding to the needs of other counter parts, including the society. We will present the different stages that lead to the development of the concept of social responsibility as it is known today. There are mainly three stages. During the first stage, it was widely believed that the main goal of any business organization is to maximize profits. The welfare of the business owners will lead to the welfare of the society in general. However, this belief did not last for long, as many economic crises occurred during the twentieth century. This stage has witnessed the raise of ideas that claim better working conditions and more rights for workers, in addition to the necessity of meeting the needs of the society and all parties that are related to the business organization. The third stage has witnessed the true raise of social responsibility. Technological development and media have played a key role in spreading the concept of social responsibility and the protection of the environment from pollution.

2. The definition of social responsibility

The society has gained its fight against business organizations by pushing it to adopt and commit to social responsibility. Business organizations are whether obliged by law or consciously choosing to be socially responsible. [1]

There are many definitions of social responsibility. We will present the most important ones.

Peter Drucker (1970) defined social responsibility as: "The commitment of the business organization toward the society" [2]. This definition focuses on the relationship between the organization and the society. It is considered as a contract in which the business organization commits to serve the needs of the society and commits to guarantee its welfare.

Holmes defines it as "The commitment of the business organization towards the surrounding society. This commitment is translated into the participation at multiple social activities such fighting poverty, improving health care services, combating pollution, creating new job opportunities, solving the problem of housing and improving the transportation system". This definition is seen as a detailed version of the previous one. In some cases it is exaggerated, in the

sense that it charges business organizations with duties that are in contradiction with its own interest.

Paul Samuelson defines it as: "The concept of social responsibility is related to the economic and the social aspects together. He also highlights the fact that business organizations must go deeper in the process of exercising social responsibility. In fact, it must adopt it with innovation. This will most likely benefit the organization on the long run, as well as it will keep its interests safe with other partners. In addition, it will help avoiding any kind of pressure from governments" [3]. This definition is less exaggerated than the previous one. It introduces social responsibility in a way that guarantees both the business organization's and the other parties' interests. Samuelson states that when the organization tries to maximize its own profits it will inevitably serve the public interest.

The European Union defines social responsibility as: "The way that corporations must follow in order to integrate the social, the environmental and the economic concerns in the decision making process, the strategies, the policies, the values, the culture, the operations and the activities inside the corporation in all transparency. The corporation must watch over the application of law and instructions that are related to the combat of corruption and bribery. In addition, it must care about the environment, employees and human rights." [4]

Being one of the experts in the field of social responsibility, **Caroll** defines it as: "what the society expects from organizations regarding the economic, the legislative, the ethical and the estimation aspects." [5]. Caroll focused on four aspects namely, the economic, the legislative, the ethical and the charitable one.

Christian Brodhag defines it as: "The act of voluntarily taking into consideration the social and the environmental aspects while doing business. Social responsibility does not only mean following what law says. It is the act of going further and investing in human capital, the environment and in its relationship with other parties." [6]. This definition adds the aspect of voluntarism. While trying to achieve their own interest, business organizations will spontaneously care about social responsibility. In addition, Brodhag extended the concept of social responsibility to the investment in human capital and the environment. This will inevitably benefit the society and the stakeholders. As we have seen, there are multiple definitions of social responsibility. Each definition represents the point of view of the researcher or the economist that has implemented it, which make it hard to give social responsibility one specific definition. However, we can summarize all the previous in one definition: social responsibility is a voluntary act by business organizations towards the society and the related parties. This will lead to the achievement of mutual benefits, where the organization will perform its duties toward the environment and the society in an attempt to realize the welfare of all stakeholders.

3. The benefits and the importance of adopting social responsibility

The choice of adopting or not adopting social responsibility is based on the environment in which the business organization are working. Social responsibility has become a necessity whether on the national or the international level.

Social responsibility has gained such an importance mainly because of the following factors[7]:

- a) *The rise of society's pressure;*
- b) *The major role that can be played by business organizations in improving the quality of life;*
- c) *The urge of promoting human values;*
- d) *The importance of acquiring the society's acceptance regarding the company's goals and working methods;*
- e) *The evolution of human consciousness;*
- f) *The interest of academia to the relationship between business organizations and the society;*
- g) *The accumulation of a respectable literature in the field of corporate social responsibility.*

The benefits of committing to social responsibility for business organizations

Committing to social responsibility will benefit both the society and the business organization that has moved into it. Some of these benefits are:

- a) *Improving the organization's image in front of the society as well as giving a positive aspect to the customers, employees and the community members in general. Especially in the case where the organization adopts social responsibility spontaneously and without any pressure;*
- b) *Improving the working environment inside the business organization. This will result in better cooperation and stronger ties inside the organization;*
- c) *It represents an effective response towards the needs of the society and the individuals;*
- d) *The financial return, the developed performance, the social acceptance and the positive relationship with the society.*

The benefits of committing to social responsibility for the society

The main benefits that will return to the society are the following:

- a) *The improvement of life quality whether from the infrastructures or the cultural side;*
- b) *The social stability that is due to the presence of social justice and equitable opportunities;*
- c) *Providing the public with the necessary information will strengthen the ties between the different levels of the society;*
- d) *Boosting solidarity between the different classes. As well as creating a feeling of importance when it comes to individuals with special needs, those who have low qualifications, minorities, women and youth;*
- e) *The increasing awareness about the importance of integration between the organization and the society;*
- f) *The social role that is played by the business organizations will yield a positive return, a lower rate of differences between the administration and the employees, as well as the community that is dealing with it.*

Governments will also benefit from the adoption of social responsibility by business organizations.

The next table shows the economic impact of adopting social responsibility:

Table 01 : The economic impact of adopting social responsibility

Criteria	Application or not	The used means	The strategy benefits	Economic benefits on the short run	Economic benefits on the long run
Protection of the environment	Yes	<ul style="list-style-type: none"> • Innovation • New technology • Clean production 	The lead in caring about the environment	<ul style="list-style-type: none"> • Higher invested capital • Lower financial results 	<ul style="list-style-type: none"> • Higher market share • Higher financial results
	No	II. Paying taxes and fees	No	No changes in the financial results	III. Lower market shares IV. Lower financial results
- The quality of products - Relationship with customers	Yes	<ul style="list-style-type: none"> • Innovation • Quality control 	<ul style="list-style-type: none"> • Customer loyalty • Higher market share 	<ul style="list-style-type: none"> • Higher invested capital • Lower financial results 	<ul style="list-style-type: none"> • Higher market share • Better financial results
	No	No	<ul style="list-style-type: none"> • Losing customers • Lower profit margin 	<ul style="list-style-type: none"> • Lower financial results 	<ul style="list-style-type: none"> • Lower financial results
Human resource management	Yes	<ul style="list-style-type: none"> • Training programs • Employees mobility 	<ul style="list-style-type: none"> • Stable social environment • Well integrated employees 	<ul style="list-style-type: none"> • Higher productivity 	<ul style="list-style-type: none"> • Higher competitiveness and results
	No	No	<ul style="list-style-type: none"> • Unstable social environment • Higher costs of reducing the number of jobs 	<ul style="list-style-type: none"> • Lower productivity 	<ul style="list-style-type: none"> • Bad financial results
Application of governance	Yes	<ul style="list-style-type: none"> • Application of transparency and disclosure policies 	<ul style="list-style-type: none"> • Attracting new investors 	<ul style="list-style-type: none"> • Good governance 	<ul style="list-style-type: none"> • Higher market value
	No	No	<ul style="list-style-type: none"> • Subject to the pressure of the stock market 	<ul style="list-style-type: none"> • Losing control of the company 	<ul style="list-style-type: none"> • Lower market value
Integration in the society	Yes	<ul style="list-style-type: none"> • Main actor in local development 	<ul style="list-style-type: none"> • Improve the image and the reputation of the company 	<ul style="list-style-type: none"> • Good communication with the main actors in the society 	<ul style="list-style-type: none"> • The contribution of local partners in reaching the goals of the company
	No	No	No	No	No

Source: Abderahman EL AYEB, 2011, controlling the total performance of the Algerian corporation under the challenges of sustainable development, PhD thesis, University of Setif 1, Algeria, p67.

4. The dimensions of social responsibility

Depending on each researcher's point of view, there exists different dimensions of social responsibility. We will introduce the most important dimensions and then, choose those who serve the present study. According to Pride and Ferrell, there are four dimensions to social responsibility:

a) **The human dimension:** the business organization is expected to participate in the process of development. In addition, it is expected to provide better quality of life.

b) **The ethical dimension:** The business organization is expected to do the rights things when needed. It is also expected to refrain from hurting others.

c) **The legal dimension:** The business organization must respect the laws and gain the trust of others through the execution of legal lawful practices.

d) The economic dimension: *The business organization is expected to be economically useful, aiming to provide security to others.*

Professor Donna Wood who has applied the MHC's social responsibility program defines its dimensions as the following: the principles of social responsibility; the operations of social responsibility; and the outputs. This program is considered as a system that has an input, a process and outputs. However[8], Wolfgang (2000) has pointed out in a research he conducted at the University of California that social responsibility has only three dimensions:

a) Responsibility towards the society and the culture: *how active is the organization in the cultural life of the society?*

b) Responsibility towards the individuals that are related to the organization's activity: *such as the relation with consumers, employees and stakeholders.*

c) Responsibility towards the environment: *this is translated by the commitment to protect ecological systems and natural resources.*

Caroll, who is considered as the first researcher to define social responsibility in business organizations. As well as the first to set the theoretical framework in the field, identifies four dimensions of social responsibility: the economic responsibility, the ethical, the legal and the charity. Caroll has also sat three concepts for social responsibility[9]:

a) The responsibility towards making profits: *which is about the economic responsibility.*

b) The responsibility towards stakeholders: *the obligation of satisfying consumers and employees etc.*

c) The responsibility towards the society: *the obligation of committing towards the society and the environment.*

Business organizations have no choice but to make profits. In addition, in order for it to survive, it must respect the laws and keep distant from any legal disagreements[10].

II. Empirical study

In this section we will introduce the selected population, the targeted sample and the results.

1. The population and the sample

Data consists of ninety five surveys that have been distributed on management officials from sixteen business organizations. These business organizations are mainly located in the provinces of Setif and Bordj BouAriridj and are specialized in the food, beverages and the electronics industries. The study went from December 2014 until June 2015.

The following table summarizes the data specifications starting from the number of employees, the sector, the nature of the property and the acquired international standards (ISO).

Table 02 : Data specification

N°	Company name	N° of employees	Sector	Nature of property	ISO 9001	ISO 14001	ISO 26000	N° of distributed surveys
1	BCR	442	Production	State owned	Yes	Yes	No	07
2	Riad Setif	50	Production	State owned	Yes	No	No	06
3	SADI GROUPE	200	Production	Private	No	No	No	05
4	Cement company AIN EL KEBIRA	400	Production	State owned	Yes	Yes	No	08
5	Sarmouk beverages	275	Production	Private	Yes	No	No	10
6	EL HIDHAB carpenter Ain Oulmene Setif	130	Production	State owned	No	No	No	07
7	BATICIM	130	Production	Mixed	Yes	Yes	No	06
8	Zahra plastic	80	Production	Private	No	No	No	01
9	ENPEC	230	Production	State owned	Yes	No	No	07
10	Kawane food (nuts and dried food)	24	Production	Private	No	No	No	01
11	GALAXY plastic injection	40	Production	Private	No	No	No	02
12	Chiali Profiplas	205	Production	Private	Yes	No	No	06
13	MAMI beverages	300	Production	Private	No	No	No	07
14	Condor electronics	4000	Production	Private	Yes	Yes	No	10
15	IRIS electronics	1505	Production	Private	Yes	No	No	05
16	SAFCER National company of porcelain production	461	Production	Private	Yes	No	No	07

Source: Prepared by researcher

It is clear from the previous table that the whole data set is composed of productive businesses. Where eleven are private, four are state owned. Only one company is mixed. Concerning the obtainment of the ISO 9001, there are ten out of sixteen companies who have acquired it, with an equivalent percentage of 62%. The ISO 14001 was less popular among these companies, only four out of sixteen have acquired it. The companies are: Condor, BATICIM, Ain ELKEBIRA CEMENT and BCR. Finally, the ISO 26000 has not been acquired by none of the sixteen companies. The latter ISO certificate is related to social responsibility. It has been introduced in 2010 by the International Organization of Standardization. According to one of our previous empirical investigations in April 2015, Rouiba beverages and packaging company is the only Algerian company to hold this certification. Currently, there are thirteen Algerian business organizations that have joined the R.S.MENA social responsibility program in order to acquire the ISO 26000. Among these companies there is Condor, Sonatrach, Mobilis and Cosider.

2. Data Collection tools

Data has been collected through surveys and interviews. Several business organizations have participated to this study. The present study is composed of three sections:

Section one: General information: It contains data about the: gender, education, career level, years of experience, the activity of the company, nature of the property, number of employees and finally the number and nature of ISO certifications that have been acquired.

Section two: The case of social responsibility among these companies: This section contains questions about the concept and the principles of social responsibility.

Section three: It contains ten questions on the activities of the company that are related to social responsibility. These activities generally deal with the society, employees, consumers and the protection of the environment.

3. Statistical treatment

Data has been processed using SPSS 22. The following statistics have been included:

- a) Percentages and frequencies;
- b) Arithmetic mean, standard deviation and the weighed percentage.

4. Results analysis

After the treatment of data using SPSS 22, we have reached the following results:

a) General Information

Table 03: Sample distribution according to personal data

Variable	Frequency	% Percentage
Gender	Male	72.6
	Female	27.4
Education	Elementary	0
	Middle high school	6.3
	High school	23.2
	College	70.5
Careen level	Director	6.3
	Head of department	12.6
	Head of service	30.5
	Executive	50.5
Experience	Less than 5 years	28.4
	5-10 years	28.4
	10-15 years	23.2
	More than 10 years	20
Total	95	100%

Source: SPSS/22

The above table shows that 72.6% of the data sample are males, which reflects the fact that the majority of executives and managers in the Algerian business companies are males. Concerning the years of experience, the sample is quite well balanced. In addition, 70% of the companies' managers went to college and have obtained high qualifying degrees. The latter point has helped in making the present survey much accessible.

b) The reality of the concept of social responsibility

This section contains five open and closed questions with suggestions. The results are as in the following:

Question one: It is an open question and is formulated as: "what is your point of view about social responsibility?"

According to the results, 80% of the subjects did not answer this question. This is a strong indication that they are not aware of the concept of social responsibility, even if it has been created in the 1950's.

Only 20% were able to answer this question. More precisely, there was only 9 executives who provided a concise definition of social responsibility. The definition is: "Social responsibility is an **ethical and voluntary act from the business organization towards its internal and external**

environment. This environment is represented by the different parties such as employees, society, investors, competitors, consumers, environment and the government. Social responsibility means integrating the previous prerogatives into the management system”.

The study found out that five executives have linked social responsibility with the societal and the environmental aspects only. The remaining six executives have considered social responsibility in a narrower sense, where the employee commits to his organization and vice versa.

Question two: social responsibility is a commitment towards: society, individuals, consumers, environment, lobbyist, owners, government, all of the previous.

Results are summarized in the following table:

Table 04: The sample answers to the second question

Expression	Frequency	Percentage %	Arithmetic mean	Weighted percentage
1. Society	50	52.6	0.53	26.5
2. Individuals	17	17.9	0.18	9
3. Consumers	37	38.9	0.39	19.5
4. Environment	31	32.6	0.33	16.5
5. Owners	26	27.4	0.27	13.5
6. Lobbyist	9	9.5	0.09	4.5
7. Government	13	13.7	0.14	7
8. Competitors	14	14.7	0.15	7.5
9. All of above	37	38.3	0.39	19.7

Source: SPSS/22

The above table shows that 52.6% of the subjects consider that social responsibility should be towards all of the previously cited elements. The first choice “commitment towards society” has ranked first with a weighted percentage^[1] of 26.5. This is confirmed by the value of the arithmetic mean^[2](0.53), which is above the calculated value. In the second place, comes the expression “commitment towards consumers” with a weighted percentage of 19.5.

It looks also that 38.3% of the companies’ executives perceive social responsibility as a commitment towards stakeholders all together. This is what some of the executives have expressed during the interview. They also supported the fact that the expression “commitment towards all of the above” has ranked second with a weighted percentage equal to 19.5.

Question three: “social responsibility is an act of voluntarism that is adopted voluntarily, without any pressure of doing it”.

This question is a yes or no question. Results were as following: 56.8% of the subjects have considered that social responsibility is an act of voluntarism that is adopted voluntarily and without pressure. However, the remaining 43.2% had an opposing point of view and considered that social responsibility is a mere legal issue. This shows that a significant percentage of executives have a wrong perception about social responsibility, even if this concept has been introduced in the 1950’s. It is a voluntary act and there are currently no laws that oblige business organizations to commit to it.

¹ Weighted percentage = (Arithmetic mean /2) X 100

² Arithmetic mean calculation tool : (1+0)/2=0.5

Question four: "We adopt the dimensions of social responsibility and we look forward to integrate it into our organizational culture, our policies and our procedures". The suggested answers were: I strongly agree, I agree, I disagree, I strongly disagree and neutral.

Results are summarized in the following table:

Table 05: The sample answers to the fourth question

Strongly agree		Agree		Disagree		Strongly disagree		Neutral		Arithmetic mean	Standard derivation
F	%	F	%	F	%	F	%	F	%		
19	20	45	47.2	11	11.6	4	4.3	16	16.8	3.67	1.11

Source: SPSS/22

We found that 64% (between those who agree and those who strongly agree) of the data sample are trying to adopt and integrate the dimensions of social responsibility into their organizational culture. This is mainly because they represent the executives of their own organizations and also because they are responsible of applying these dimensions. Whereas we found that 20% (between those who disagree and those who strongly disagree) think that their organizations do not adopt social responsibility. This may be caused by the fact that these companies are not aware of the importance and the benefits of adopting such measures. These organizations may also be unaware of the mid and long term competitive advantages that lay behind it. The remaining 16.8% of the executives have been neutral to this question.

Question five: It was an open question formulated as the following: "What do you know about ISO 26000?"

The obtained results show that only 12 out of 95 executives were able to answer this question. These executives are the same who gave an accurate definition of social responsibility in question number one. Some of those who have answered the present question have even given details such as the year of introduction of the ISO 26000. The remaining executives have briefly pointed out that this certification contains guidelines about the practice of corporate social responsibility. Conversely, we found out that 87% of the sample were unaware about the ISO 26000.

c) The social responsibility practices of the studied organizations

This section contains ten paragraphs. Each paragraph shows an activity or a practice that is related to social responsibility. Results are summarized in the following table:

Table 06: The sample answers to the CSR practices

Expression	Strongly agree		Agree		Disagree		Strongly disagree		Neutral		Arithmetic mean	Weighted percentage
	F	%	F	%	F	%	F	%	F	%		
1.Your company supports charity associations	21	22.1	44	64.3	15	15.8	6	6.3	9	9.5	3.62	72.4
2.Your company supports youth activities	11	11.6	46	48.4	22	23.2	4	4.2	12	12.6	3.4	68
3.Your company supports projects of environment protection	26	27.4	34	35.8	17	17.9	3	3.2	15	15.8	3.66	73.2
4.Your company provides employees with the safety equipment	35	36.8	55	57.9	2	2.1	0	0	3	3.2	4.29	85.8
5.Your company offers training	22	23.2	50	52.6	17	17.9	1	1.1	5	5.3	3.79	75.8

courses to its employees on a regular basis												
6.Your company offers loans to its employees	18	18.9	50	52.6	21	21.1	3	0	6	6.3	3.68	73.6
7.Your company participates in the activities of the consumer protection association	5	5.3	35	36.8	26	27.4	1	3.2	26	27.4	3.14	62.8
8.Your company cares about customer's satisfaction	7	7.4	34	35.8	33	34.7	8	8.4	13	13.7	2.99	59.8
9.Your company listens to customers complaints	23	24.2	60	63.2	6	6.3	1	1.1	5	5.3	4.03	80.6
10.Your company takes into account customer's suggestions	19	20	58	61.1	11	11.6	0	0	7	7.4	3.89	77.8

Source: SPSS/22

The previous table shows that the sample was positive towards these ten expressions. The average mean was higher than the measuring tool ^3. It turns out that the expression number four, that is related to whether the company provides safety equipment to its employees, has obtained the most positive note. The second most positive note is attributed to expression number eight, which is related to whether the company listens to customers' complaints. This expression is directly related to social responsibility towards consumers with an average of 4.03 and a weighted percentage of 80.6%. Expression number nine is related with whether the company does any kind of surveys about its products. This expression has ranked last with the lower weighted percentage (59.8%). This is due to the fact that these companies do not care about customers' and consumers' point of view concerning their products.

It is also clear that the overall average of the third section's expressions (3.649) is higher than the measuring tool (3). This reflects the positive trend towards adopting social responsibility.

5. Answering hypotheses

Based on the results of the second and the third section, we can answer the hypotheses as following:

Hypothesis n°1: The concept of social responsibility is absent among the Algerian business organizations. However, it is present as a practice.

The first part of the hypothesis has been accepted. Meaning that social responsibility as a concept is absent from the Algerian business organizations. This is confirmed by the results of the first question, where we found out that only twenty executives among ninety five were aware of this concept. This is equivalent to a percentage of 21% of the overall sample. Only nine of them had a correct and a comprehensive answer. In addition to the results of the second question, where we found out that 38.3% of the sample perceived social responsibility as a commitment towards stakeholders.

Concerning the results of the third section, that are related to the different activities of these companies regarding social responsibility. It turns out that the second part of the first hypothesis is accepted, meaning that the companies under study do commit to social responsibility towards the different stakeholders. This conclusion is supported by the positive responses of the surveyed executives, where the overall mean reached 3.64 and surpassed the arithmetic mean of the

³ Average mean of the measuring tool : (5+4+3+2+1)/5=3

measuring tool. In addition, the results of the fourth question of the second section were pretty much conclusive, it turns out that 64% of the sample admitted that their respective companies were working on the adoption of social responsibility within their organizational culture. As a conclusion, the first hypothesis has been accepted.

Hypothesis n°2: Not all the Algerian business organizations have the same commitment toward social responsibility.

Based on the results of the third section, that are mainly related with the activities of these companies regarding social responsibility, we found out that these companies have some activities in this field. This statement is confirmed by the survey, where the overall mean of the third section's expressions (3.64) has exceeded the arithmetic mean of the measuring tool (3). However, there is a clear difference in the way each company practices social responsibility. The expressions that are related to the commitment of the companies towards individuals (4-5-6) have ranked first, with a weighted percentage of 78.4%. While the commitment towards the society represented in expressions (1-2-3) has ranked second with the weighted percentage of 71.2%. Then comes the commitment towards consumers with a weighted percentage equal to 70.25% in the expressions (7-8-9-10).

This is a clear evidence of the difference of commitment to social responsibility between companies towards the different stakeholders. It is concluded that the second hypothesis is accepted.

III. Results

The study has reached the following conclusions:

1. Concerning the theoretical framework about social responsibility, researchers have not, until now, put a unique and a comprehensive definition. However, we have tried to put one: "Social responsibility is the voluntary act by business organizations towards the society and the related parties. This will lead to the achievement of mutual benefits, where the organization will perform its duties toward the environment and the society in an attempt to realize the welfare of all stakeholders";
2. The commitment of the company towards social responsibility has many benefits for the company itself, for the local society and for all the concerned parties. By committing to social responsibility, companies will offer healthy and high quality products and services. Customers will be satisfied, the environment will be preserved, the company will get a better reputation and a better relationship with employees, investors and stakeholders;
3. Concerning the empirical study that has been conducted on ninety five executives from sixteen business organization, it turns out that the concept of social responsibility is unknown among these companies. Only nine percent of the sample have provided a comprehensive definition of social responsibility. Eighty percent of the sample have admitted that they are unaware of this concept;
4. The study has concluded that there is an application of social responsibility by the companies under study. Even if they are unaware about the concept itself. The application of social responsibility has until now been related to individuals, society and the environment. This

commitment is motivated by legal concerns in some times, but in many cases it is a voluntary act from the company itself;

5. *The study also shows that there is a contrast between companies in applying social responsibility. We found out that social responsibility towards individuals is the most important priority. This is expressed by the facts that companies provide an adequate working environment and a high level of safety for its employees. In addition to the organization of training courses that aim to strengthen employees' qualifications. The second most important priority is the commitment towards the society. After that, comes the protection of consumers in varying degrees.*

Conclusion:

As a conclusion, we can say that the financial performance is no longer the only indicator of a company's success. Social responsibility has become one of the most important indicators that are used in ranking companies. The Algerian business organization must understand that social responsibility is not just an optional act. In fact, it has become an ethical commitment that provides it with a competitive advantage on the mid and long term. Companies must perceive social responsibility as an investment, and as a return, not as a cost. This is confirmed by the recent studies and the empirical experience.

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