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Of Competitive Advantage**
- Case Study on Algérie Télécom - Laghouat -**

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**2021/2022**

## Dedication

*To my father  
To my mother  
my brothers  
to me*

*rida*



## Dedication

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

To my beloved mother,

My dear father,

My sisters,

My little brother Khaled,

Lamine and sweet Alaa,

My family,

My friends, each in his and her name,

My teachers since day one,

To sweet Awi,

To me.

To everyone who gave so much and got so little in return. This work is dedicated to you.

Islam.

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## **Abstract**

The aim of this study is to identify the key sources of Corporate Social Responsibility and Competitive Advantage and to analyze the relations between them. Corporate Social Responsibility is an aspect of any business, Not only does it enables businesses and organizations to connect with customers but it also creates space for corporations to engage with the world around them in a positive way. Furthermore, Competitive Advantage distinguishes a company from its competitors. It contributes to higher prices and brand loyalty, establishing such an advantage is one of the most important goals of any company. The study structure is represented by CSR as independent variable and the competitive advantage as dependent variable. Also, this research is to reach the study goal of the questionnaire that was handed to a randomized sample of 45 staff members in Algeria Telecommunications Corporation in Laghouat. The survey was analysed through Structural equation modeling (SME) to form the structure of the study. The latter was carried out by the SPSS and Smart PLS softwares for the statistical analysis to determine the link and to test the hypotheses under the available data we have.

**Keywords:** organization, corporate social responsibility, social responsibility, competitiveness, competitive advantage.

## الملخص

الهدف من هذه الدراسة هو تحديد المصادر الرئيسية للمسؤولية الاجتماعية للشركات و الميزة التنافسية وتحليل العلاقات بينهما. المسؤولية الاجتماعية للشركات هي جانب من جوانب أي عمل تجاري ، فهي لا تتمكّن الشركات والمؤسسات من التواصل مع العملاء فحسب ، بل إنّها تخلق أيضاً مساحة للشركات للتفاعل مع العالم من حولهم بطريقة إيجابية. علاوة على ذلك ، تميز الميزة التنافسية الشركة عن منافسيها. تساهم في ارتفاع الأسعار والولاء للعلامة التجارية، ويعد إنشاء مثل هذه الميزة أحد أهم أهداف أي شركة. يتم تمثيل هيكل الدراسة في المسؤولية الاجتماعية للشركات كمتغير مستقل والميزة التنافسية كمتغير تابع. كما يهدف هذا البحث إلى الوصول إلى هدف الدراسة من الاستبيان الذي تم تسليمه لعينة عشوائية من 45 موظفًا في مؤسسة اتصالات الجزائر في الأغواط. تم تحليل المسح من خلال نمذجة المعادلة الهيكلية (SME) لتشكيل هيكل الدراسة. تم تنفيذ هذا الأخير بواسطة برنامجي SPSS و Smart PLS للتحليل الإحصائي لتحديد الارتباط واختبار الفرضيات وفقًا للبيانات المتاحة لدينا.

الكلمات المفتاحية: المؤسسة ، المسؤولية الاجتماعية للشركات ، المسؤولية الاجتماعية، التنافسية ، الميزة التنافسية.

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**List of Abbreviations**

Abbreviation	Description of abbreviation
CSR	Corporate Social Responsibility
CA	Competitive Advantage
ATC	Algeria Telecommunication Corporation
SEM	Structural Equation Modeling
GoF	Goodness of Fit

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# **Introduction**

## **1. Introduction**

The effectiveness and productivity of the organization have always been a major concern for all business groups and managers to this day cause of the multiplicity of viewpoints, the saturation of research and the large number of opinions in this context. As the traditional viewers see that corporate social responsibility lies in its importance to maximising profits, and considering any societal or charitable costs or any of those related to improving the work's environment for employees as only financial losses for businessmen and investors.

But with the emergence of modern hypothesis that calls for companies to commit themselves to their environment and the society in which they operate, the administration has become responsible not only for achieving the economic efficiency of the institution's activities through maximizing profits, but also for what the institution must do towards the social problems resulting from the performance of those activities, the thing which made it obligatory for these institutions to adopt the type of responsibilities as a new dimension of competitiveness between institutions, which would support and strengthen the image of the institution and thus a source for achieving its competitive advantage.

From what is stated above, corporate social responsibility is considered as an important source in contributing to achieve competitive advantage. On that basis, the majority of companies have become aware of the importance of customers and employees as the main pillar for their success through their satisfaction and loyalty. If they adopt the philosophy of social responsibility, this will enhance their reputation and brand. To delve into the subject much more and to see whether all what had been said is true or not. Some questions arose in need of answers.

## **2. Problem statement**

Despite the growing interest in corporate social responsibility, there are still some concerns among capital owners due to fixed costs, which are considered a loss of money, and dispensing with them is a profit because the institution aims to profit and its responsibility to achieve the maximum returns. Therefore, from the latter, we can ask the following questions:

A. How can Corporate Social Responsibility be a source of Competitive Advantage?

### **2.1 Research questions**

There are sub-questions linked to the main problematic. They are as follow:

- What is Corporate Social Responsibility?
- What is Competitive Advantage?
- What is the link between Corporate Social Responsibility and Competitive Advantage?

### **2.2 Hypotheses**

In light of the research problem, we can formulate the following hypothesis:

#### **A. Main hypothesis:**

Corporate Social Responsibility can be a source of Competitive Advantage through its demotions

#### **B. Sub-hypotheses:**

- There is no statistically effect of economic responsibility on competitive advantage
- There is no statistically effect of law responsibility on competitive advantage

- There is no statistically effect of ethical responsibility on competitive advantage
- There is no statistically effect of philanthropic responsibility on competitive advantage
- There is no statistically effect of environment responsibility on competitive advantage

### **2.3 Study Reasons:**

#### **A. Subjective:**

- The increasing interest of institutions to adopt social responsibility because of its importance and the profits resulting from it
- The evaluation of institutions no longer depends only on their profitability, and these institutions no longer depend on building its reputation by achieving the best financial positions, but also on the extent of the institution's contribution to the development of society and the environment.

#### **B. Objective:**

- This research is to examine how CSR can contribute to build CA, which can serve as a useful resource to develop sustained competitive advantage for organizations. In addition, to help CSR managers attain strategic objectives of business, the concept attempts to develop a model that could provide managers with a mechanism by which they can integrate their CSR-related activities to gain strategic organizational outcomes.
- Given the changing world and the attention being paid to CSR by investors and the societal outlook as a whole, that will make it seen more as ethically and responsibly to ensure the public perceive them in a positive light to

increase company's reputation as they are seen to be eco-friendly. It may also attract new customers. Thus working with it is a victory for the organizations who want to be the leader of the future.

### **3. Importance of the study**

#### **A. Scientifically:**

- CSR and CA are two major concepts that any student may come across in his studies. As our research states and discovers the link between the two, it will be easier for all university students to understand and work with the CSR and CA freely and independently.
- This study will enrich the department's and university's library with a very interesting topic related to business management.

#### **B. Practically:**

- Companies that practice CSR are perceived as good by governments and other important stakeholders. CSR initiatives can also help a company build and enhance its reputation in industry and may have a direct impact on how investors, consumers, and employees view that company.
- By improving the commitment and motivation of their staff, increasing innovative activities, and fostering a positive image with stakeholders, socially responsible enterprises gain competitive edge over other market players.
- The implementation of CSR to enterprises has a statistically significant effect on attaining CA in the market.

## **4. Methodology**

In this research we selected two effective methods, which are divided into: the descriptive method and the analytical one.

- **Samples of the Study:**

A sample of employees was selected randomly among the main groups to questions them through a prepared questionnaire.

Sources of Data were taken from the organization that has been selected to clear out the information that was needed for this study.

### **4.1 Tools**

This research used different variety of tools in order to fulfil the goal wanted at the end:

- Microsoft word, PowerPoint, for the treatment and editing plus presenting the study case.
- Smart PLS as a main tool for statistic analysis and the SPSS as input data tool.
- Different resources which include: books, articles and dissertations about the different aspects of this study.

### **4.2 Study lines**

#### **A. Timeline:**

- The study was executed from the day of the agreement till the day it was presented in the Academic year of 2021/2022.

#### **B. Place line:**

- This study was applied on the organization of Algeria telecommunications Corporation in Laghouat section.

### **C. Subject line:**

- The study was applied on random sample of employees in different positions in the company.

## **5. Research objectives**

The aim of this research is to examine how CSR can contribute to build competitive advantage, which can serve as a useful resource to develop sustained competitive advantage for organizations. In addition, it seeks to help CSR managers attain strategic objectives of business.

### **5.1 Literature Review**

Our research has relied upon some very interesting and beneficial books in the first place and articles also, where these resources were reviewed to understand the whole subject matters and to construct the study conducted later on in the practical chapter.

#### **1. Strategy & Society, The Link Between Competitive Advantage and Corporate Social Responsibility by Mark Kramer & Michael E. Porter (2006):**

The study aimed to clarify the relationship between competitive advantage and corporate social responsibility in the United States of America, where the theoretical study was based mainly on a review of the theoretical field of the relationship between social responsibility and competitive advantage in business. As the third part in the first chapter of our research that presents the integration between them, which reflects its competitive advantage and through its elements represented in the general social issues that are very important to society, which often have an impact on the operations of the organization, as well as the effects of the value chain, which affect its activities significantly as well as to the social dimension of the competitive

content, which is represented by the external environmental factors that affect the competition vectors within the scope of the organization's work.

## **2. Corporate Social Responsibility As a Source of Competitive Advantage in Large Enterprises by Marakova, V., Wolak-Tuzimek, A., & Tuckova, Z. (2021):**

The aim of the study is to identify the key sources of competitive advantage of large enterprises. This study is very similar to our research, in the empirical one especially. It was handed to identify the key sources of competitive advantages of large enterprises. By improving the commitment and motivation of their staff, increasing innovative activities, and fostering a positive image with stakeholders and it was carried out to analyze whether the application corporate social responsibility by enterprises have a statistically significant effect on gaining competitive advantage in the market. It was verified on the basis of the study of 253 large enterprises operating in Poland by means of exploratory factor analysis.

### **5.2 Research Limitation**

The limitation of this study includes: time which was limited to conduct study. The student was not able to communicate with the departments of many sections in the practical side of the study and the lack of credibility as well as seriousness in answering the questionnaire provided by employees.

### **5.3 Structure of the Study**

This research is divided into two chapters. The first chapter is theoretical and the second chapter is related to the field study.

- Chapter One will present the background of both CSR and CA, their definitions, their evolution, their principles, their Modals provided, and then the relationship between the two: CSR and CA.
- Chapter Two will deal with the data analysis. The latter obtained from the questionnaires will be analyzed and interpreted so to help in confirming or referring the hypotheses given through different methods and tools.

# **Theoretical Framework**

### **Introduction**

For a long time ago, within the field of business, all what mattered was making money and increasing the shareholders profits. However, a movement, if we can call it so, called Corporate Social Responsibility (CSR) changed the perspective of conducting business and reaching success. This latter can be a source of Competitive Advantage (CA) that puts the company in a favourable business position in comparison with other competitors. Hence, in this first chapter we will understand the meaning of CSR and CA, their importance in business, their models and principles and so much more. Finally, it will be illogical and incomplete unless we shed the light on the link between the two concepts (CSR and CA) and that's the end of our chapter.

### **1. Corporate Social Responsibility**

#### **1.1 Background of Corporate Social Responsibility**

According to Joan Carlini in his doctoral thesis who gathered definitions and went through the evolution of CSR, the latter goes by<sup>1</sup>:

The earliest conceptualisation of social responsibility of businesses can be traced back to the seminal work of Howard Bowen in 1953. Because of Howard Bowen's early work in relation to the social conscience of business into the future, he is also known as the "Father of Corporate Social Responsibility". Essentially, Bowen questioned the obligations of businessmen (in their pursuit of for profit), in terms of societal values and suggested a "stewardship" where business leaders are servants of society. Bowen's book was the starting point for the development of corporate social responsibility.

#### **A. CSR in the 1960s**

In the 1960's there was substantial growth to formalise the concept of CSR. One of the prominent writers for this period was Keith Davis argued that, while a business is an economic unit, it also has an obligation to society to nurture and develop human values (such as morale, cooperation, motivation and self-realisation at work). Due to the notion of power and responsibility going hand in hand, Davis thought that businessmen bore the obligation of social responsibility. Furthermore, he also predicted that avoidance of such responsibility would lead to a gradual erosion of social power and that other groups would step up and accept these responsibilities (e.g., other businesses or legislation). He concluded that social responsibility is a "nebulous idea when used within a management context". As a result, the late 1960's became a time of hot debate as to whether social responsibility was an organisational

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<sup>1</sup> Carlini, Joan. The Influence of Corporate Social Responsibility on Employees: The CSR Employer Brand (CSReb) Model. Doctor of Philosophy. Department of Marketing, Griffith Business School, Griffith University. 2015. pp13-19.

or government concern. In opposition to Davis's views, Milton Friedman argued that a business' sole responsibility was to make a profit for shareholders and that using company funds for other (social) purposes was inappropriate. This view was widely accepted at the time, due to lack of association between CSR and profit at that time.

### **B. CSR in the 1970s**

In the 1970's, authors such as Sethi pointed out that the phrase, "corporate social responsibility", had been used in so many different contexts that it had lost its meaning. As a result, the notion of corporate social responsibility was coined under a new label, that being "corporate social performance" (CSP). CSP was argued to include dimensions that could be defined and measured, thus, providing an evaluative link between corporate activities and changes in societal moods and expectations. The notion of CSP suggests that organisations can assess current and future needs and, as a result, undertake future oriented planning. CSP was later defined by Wood as "a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships."<sup>1</sup>

Johnson first presented what he termed "conventional wisdom," which he defined as the following: "A socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation"<sup>2</sup>

The corporate social performance model integrates principles of social responsibility, the institutional processes of social responsiveness and the organisational orientation of policies of social issues management. Carroll produced a three dimensional model, in which the dimensions included CSR (economic, legal,

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<sup>1</sup> Ibid, p15.

<sup>2</sup> ARCHIE B. CARROLL, Corporate Social Responsibility Evolution of a Definitional Construct, 1999, p7.

ethical and philanthropic), social issues involved (consumerism, environment, discrimination, product safety, occupational safety and shareholders) and philosophy of social responsiveness (reaction, defence, accommodating and proactive). Due to this model providing a mechanism by which performance could be assessed, it immediately gained wide acceptance by the CSR profession.<sup>1</sup>

### **C. CSR in the 1980s**

The 1980's brought about few definitions for CSR, although there was an increase in related research in concepts such as social responsiveness, corporate social performance (CSP) and business ethic. Jones entered the CSR discussion with a definition that firstly summarised CSR and then restated the voluntary and broad nature of the concept. In addition, Jones's major contribution to the debate was his emphasis on the concept that CSR was a process and highlighted the difficulty in reaching agreement as to what constitutes socially responsible behaviour. In addition, Wartick and Cochran pursued the CSP model expanding on Carroll's three dimensions. Wartick and Cochran argued that Carroll's CPS model, failed to include the identification of social issues and, therefore, the CPS model was expanded to include social issue management, which focussed on an organisational level to identify, analyse and develop responses and policies in a changing social environment. However, this expanded CPS model fell short of expectations, due to the lack of ability for empirical testing and, subsequent, difficulty in linking investment to outcome. Acceptance of the model was impaired because it did not reduce uncertainty of engaging in CSR.

As carroll explained, this context gave way for scholars to begin looking into alternative themes, and during the 1980's the concepts of business ethics and

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<sup>1</sup> Carlini, Joan, Op.Cit, p15.

stakeholder management became part of the business vocabulary being part of a wider discussion around the corporate behavior of the time.<sup>1</sup>

### **D. CSR in the 1990s**

The 1990s continued the tendency of the previous decade in terms of putting emphasis on the development of CSR-related concepts rather than the extension of its definition. According to Carroll stakeholder theory, business-ethics theory, and corporate citizenship were the major themes that took center stage in the 1990s.<sup>2</sup>

The definitions of CSR did not evolve much in the next decade. Carroll revisited his earlier definition, this time clarifying that his discretionary component as being philanthropic and suggesting a move toward corporate citizenship. Carroll's pyramid proposed that economic and legal responsibilities are socially required, ethical responsibilities are socially expected, and philanthropy is socially desired. Fulfilment of these four inherent responsibilities by business ensures that businesses are being profitable (legally), while minimising harm and maximising stakeholder benefits. During this time, Elkington also put forward his triple bottom line (TBL) model of sustainability, whereby the business bottom line must balance the environment, economic and social demands. The TBL theory exemplified the notion that economic benefits could be maximized in line with decision-making that benefited key stakeholders and the environment, later in the 1990's, Maignan, Ferrell, and Hult put forward a similar definition to Carroll. Their re-conceptualisation of CSR was performance-oriented and included meeting the responsibilities of stakeholders, as opposed to having responsibilities themselves. During the 1990's the stakeholder model (theory) was embraced by both management and academics to help solve the problem of CSR measurement. This stakeholder perspective enabled organisations to better understand their

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<sup>1</sup> <https://jcsr.springeropen.com/articles/10.1186/s40991-018-0039-y#Bib1> , (2021.12.22 - 15:14).

<sup>2</sup> Ganna Vlyalko, Rummenigge Wilson, Corporate Social Contract: An Analysis of Corporate Perspectives on the Concept, 2012, p23.

responsibility and relationships to employees, customers and society. however, this new strategic view of CSR introduced other considerations, such as environmental, diversity, affirmative action and transparent accounting practices.<sup>1</sup>

### **E. CSR in the 21<sup>st</sup> Century**

In 21st century, growing attention is directly to the internal stakeholders, specifically the employee, through the field of organisational behaviour and human resource management.<sup>2</sup>

Emerged as a decade where CSR moved into core of businesses by becoming part of strategic policies. As companies recognized CSR's role in fulfilling its capitalist goals while achieving accountability towards stakeholders, society and environment.<sup>3</sup>

The CSR debate has continued moving in new directions, including corporate citizenship, strategic focus and a shared value approach. Firstly, Matten and Crane propose that the term CSR be replaced with the term 'corporate citizen' (CC). The authors suggest that an organisation is a legal entity (a type of artificial person with moral and legal rights and responsibilities) and has unavoidable responsibilities to the community in which it operates. However, Lee argues that the term "corporate citizen" is simply a substitute for CSR and that there are no major differences. However, in opposition to this criticism, Matten and Crane believe that corporate citizenship is, in fact, a legitimate way of characterising the situation of an organisation in modern society.<sup>4</sup>

The second emergent theme is "CSR strategic focus". Berkhout suggests that CSR strategic focus involves organisations no longer looking at CSR as a moral

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<sup>1</sup> Carlini, Joan. Op.Cit, p17.

<sup>2</sup> Smita Mishra, Evolution and benefits of CSR in 21st Century, 2018, p31.

<sup>3</sup>[https://www.researchgate.net/publication/350524161\\_CORPORATE\\_SOCIAL\\_RESPONSIBILITY\\_CSR\\_IN\\_THE\\_GLOBALISING\\_WORLD](https://www.researchgate.net/publication/350524161_CORPORATE_SOCIAL_RESPONSIBILITY_CSR_IN_THE_GLOBALISING_WORLD), (2022.01.13 - 16:14).

<sup>4</sup> Carlini, Joan, Op.Cit, p18.

responsibility, but as a commercial resource to improve the bottom line performance. Undoubtedly, this contemporary “CSR strategic focus” links CSR to CSP, which is underpinned by empirical testing that has identified organisational benefits through competitive advantage. Under this approach, a link between CSR and beneficial outcomes is highlighted, supporting the argument for organisational investment, when CSR is espoused as a core value. However, most CSR is still viewed as being peripheral with initiatives being limited to donations, which does not exemplify the strategic approach.

The third main area of development of CSR is that of creating a “shared value approach”. Creating shared value involves creating economic value while improving the quality of life to society. The concept of shared value in CSR is built on previous related theories such as the stakeholder model and corporate social performance. For example, the CSR definition by the World Business Council for Sustainable Development shows a sign of movement towards a shared value approach as it proposes that businesses contribute to economic development and also identifies the stakeholder groups that should benefit as part of the development. Subsequently, Waldman and Siegel take their definition another step further. Firstly, the authors identify each stakeholder group, whereas previous definitions commonly use the term society or community. Secondly, employees and suppliers are identified as stakeholder groups. This is a leap forward compared to other definitions, because identifying these stakeholders’ signals that CSR can improve the service profit chain by including employees. Additionally, CSR can be used in supply chain management to innovate key processes integrating supplier, organisation and consumer.<sup>1</sup>

Jack and suzy welch made this point years ago. They wrote, “In this enlightened day and age, whether times are good or bad, companies must be socially responsible.

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<sup>1</sup> Carlini, Joan, Op.Cit, p18.

but leaders today do need to pin down, CSR's place among the company's priorities.<sup>1</sup>

### **1.2 Definition of Corporate Social Responsibility**

There is no specific or particular definition of Corporate Social Responsibility (CSR). It varies and differs according to writers and textbooks here and there. Therefore, CSR can be defined as:

- The broadest definition of corporate social responsibility is concerned with what is – or should be – the relationship between global corporations, governments of countries and individual citizens. More locally the definition is concerned with the relationship between a corporation and the local society in which it resides or operates. Another definition is concerned with the relationship between a corporation and its stakeholders<sup>2</sup>.
- Broadly defining the concept of Corporate Social Responsibility (CSR) we can state that it denotes the three-valent relation between employees, businesses and the state, or, in other words – the social partnership. In general, there are three models of CSR<sup>3</sup>.
- There is no so called “true” definition of CSR. The definition of the notion varies and different papers and textbooks define it differently, depending on the time the literatures were written and the ideological belief behind it. In general you could define CSR as how the corporation deals and communicates with its stakeholders<sup>4</sup>.
- According to the definition of the European Commission's Directorate-General for Enterprise and Industry, CSR is “A concept whereby companies

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<sup>1</sup> <https://enterrasolutions.com/blog/corporate-social-responsibility-21st-century/#> , (2022.01.15 - 01:34).

<sup>2</sup> Crowther, David and Guler Aras. Corporate Social Responsibility. Ventus Publisher. 2008. P11.

<sup>3</sup> Vevere, Velga and Anna Svirina. Business Ethics and Corporate Social Responsibility. EKA University of Applied Science. Ekonomikas un kulturas augstskola Publisher. P8.

<sup>4</sup> Sepahvand, Mohammad, Analyzing The Concept of Corporate Social Responsibility with the monetary and ethical approach. Uppsala University, Department of Business Administration, Bachelor thesis, 2009, p14.

integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”<sup>1</sup>.

- Corporate social responsibility is a responsibility of for-profit and not-for-profit organizations for their impact on stakeholders, natural environment, and wider society; it focuses on accountability and transparency of corporate actions that include social, ethical, environmental, and economic efforts, which are often voluntary and placed within and outside of market and commercial transactions<sup>2</sup>.

Following the previous definitions above, we can sum up a definition of SCR into:

- Corporate Social Responsibility is a process done by the company where it goes beyond the mere concern of its financial situation to the society's favour. That is to say, looking for not only the profit but also the people, communities and the environment. CSR means in a nutshell that the corporate must take care of the its stakeholders: its workers, suppliers and vendors, costumers, investors or business partners and even the government and community members.

### 1.3 Criticism of Corporate Social Responsibility

Joan Carlini expressed in his work that the recent escalation of corporate social responsibility is substantiated with research by Cone Communication finding that more than 90% of American's believe that organisations should be involved with social and environmental issues, with only 7% believing that businesses should only consider their bottom line (Cone Communication, 2013). However, there are a number of criticisms of CSR that require exploration.<sup>3</sup>

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<sup>1</sup> CEC. *green paper promoting a european framework for corporate social responsibility*. commission of the european communities. 2001. p6.

<sup>2</sup> Riano, J.C. and Yakovleva, Corporate Social Responsibility, Switzerland, 2019, p1.

<sup>3</sup> Carlini, Joan, Op.Cit, p 31.

Visser claims that CSR has failed, if it is assumed that success or failure of CSR is measured in terms of the net impact of business on society and the environment. Visser suggests that a different kind of CSR is required to reverse the impacts of the world's social, environmental and ethical worries. In particular, one of the problems with CSR is that organisations need to be dealing with the same concept and have the same understanding. CSR has evolved over the last 50 years, from the 'social responsibility of the business man' to being linked to a 'business case' requiring measured outcomes.<sup>1</sup>

Although consensus on a CSR definition is not attainable, some authors suggest that the philosophical origin of CSR is of importance. However, the lack of conceptual grounding encourages organisations to focus on what is important to them, this is referred to as 'cherry picking'. Cherry choosing is Self-regulation, wherever organisations assess their own performance, permitting scope for false claims and recognition of just some aspects of the organisation's practices ignoring aspects where they will be behaving irresponsibly. Hollender and Breen believe the sentiment, proposing that the majority property and CSR programs are regarding being less dangerous instead of building a accountable company.

Whilst the discussion in the failings of CSR is noted, it must also be understood that there are organisations that are committed to behaving ethically and contributing to economic development while improving the quality of life of the community. Thus, there must be continued systematic analysis of CSR that leads to conceptual enhancement.

In summary, the preceding sections highlighted four key issues;

- Employees play a major role in CSR strategy;
- challenges arise because employees represent the "executers" of CSR strategy and the "recipients" of CSR benefits;

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<sup>1</sup> Ibid, p33.

- the literature does not sufficiently address CSR from the employee stakeholder perspective;

### **1.4 The effects of organisational activity**

It is apparent of course that any actions which an organisation undertakes will have an effect not just upon itself but also upon the external environment within which that organisation resides. In considering the effect of the organisation upon its external environment it must be recognized that this environment includes both the business environment in which the firm is operating, the local societal environment in which the organisation is located and the wider global environment. This effect of the organisation can take many forms, such as:<sup>1</sup>

- The utilization of natural resources as a section of its production processes
- The impacts of competition between itself and different organisations within the same market
- The enrichment of a neighborhood community through the creation of employment opportunities
- Transformation of the landscape thanks to material extraction or waste material storage
- The distribution of wealth created inside the firm to the house owners of that firm (via dividends) and therefore the employees of that firm (through wages) and the effect of this upon the welfare of people
- And a lot of recently the best concern has been with temperature change and therefore the means during which the emission of greenhouse gases are aggravating this.

It can be seen therefore from these examples that any organisation can have a very significant effect upon its external environment and can actually change that environment through its activities. It can also be seen that these different effects can

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<sup>1</sup> Crowther, David and Guler Aras. Corporate Social Responsibility. pp14-16.

in some circumstances be viewed as beneficial and in other circumstances be viewed as detrimental to the environment. Indeed the same actions can be viewed as beneficial by some people and detrimental by others.

### **1.5 The principles of Corporate Social Responsibility**

Because of the uncertainty surrounding the nature of CSR activity it is difficult to define CSR and to be certain about any such activity. It is therefore imperative to be able to identify such activity and we take the view that there are three basic principles which together comprise all CSR activity. These are<sup>1</sup>:

- Sustainability
- Accountability
- Transparency

#### **A. Sustainability**

This is concerned with the effect which action taken in the present has upon the options available in the future. If resources are utilised in the present then they are no longer available for use in the future, and this is of particular concern if the resources are finite in quantity.

Approaches to CSR vary. Some companies invest in CSR as reputation management or to sustain the profitability of a company, and some invest in CSR out of a sense of moral obligation to society. These resources focus on sustainability and CSR primarily in terms of moral obligation, and offer insight into ethics concepts relevant to economic sustainability, environmental sustainability, and social equity.<sup>2</sup>

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<sup>1</sup> Ibid, p14.

<sup>2</sup> <https://ethicsunwrapped.utexas.edu/subject-area/sustainability-csr>, (2022.02.03 - 18:09).

Sustainability therefore implies that society must use no more of a resource than can be regenerated. This can be defined in terms of the carrying capacity of the ecosystem and described with input – output models of resource consumption. Thus the paper industry for example has a policy of replanting trees to replace those harvested and this has the effect of retaining costs in the present rather than temporally externalising them.<sup>1</sup>

### **B. Accountability**

This is concerned with an organisation recognising that its actions affect the external environment, and therefore assuming responsibility for the effects of its actions. This concept therefore implies a quantification of the effects of actions taken, both internal to the organization and externally. More specifically the concept implies a reporting of those quantifications to all parties affected by those actions. This implies a reporting to external stakeholders of the effects of actions taken by the organisation and how they are affecting those stakeholders.<sup>2</sup>

This idea consequently implies a reputation that the organization is a part of a much wider societal community and has duties to all of that community instead of simply to the proprietors of the organization. Alongside this popularity of obligation consequently ought to be a reputation that the ones outside stakeholders have the energy to have an effect on the manner wherein the ones movements of the organization are taken and a position in determining whether or not or now no longer such movements may be justified, and in that case at what fee to the organization and to different stakeholders.

Accountability therefore necessitates the development of appropriate measures of environmental performance and the reporting of the actions of the firm. This necessitates costs on the part of the organisation in developing, recording and

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<sup>1</sup> <https://ethicsunwrapped.utexas.edu/subject-area/sustainability-csr>, (15/02/2022 – 13:05).

<sup>2</sup> Crowther, David and Guler Aras, Op.Cit, p15

reporting such performance and to be of value the benefits must exceed the costs. Benefits must be determined by the usefulness of the measures selected to the decision-making process and by the way in which they facilitate resource allocation, both within the organisation and between it and other stakeholders. Such reporting needs to be based upon the following characteristics:

- Understandability to all parties concerned;
- Relevance to the users of the information provided;
- Reliability in terms of accuracy of measurement, representation of impact and freedom from bias;
- Comparability, which implies consistency, both over time and between different organisations.

Inevitably but such reporting will contain qualitative statistics and decisions in addition to quantifications. This qualitiveness will inhibit comparison over the years and could have a tendency to intend that such influences are assessed in another way via way of means of one-of-a-kind customers of the information, reflecting their man or woman values and priorities.

A lack of precise understanding of effects, coupled with the necessarily judgmental nature of relative impacts, means that few standard measures exist. This in itself restricts the inter-organisation comparison of such information. Although this limitation is problematic for the development of environmental accounting it is in fact useful to the managers of organisations as this limitation of comparability alleviates the need to demonstrate good performance as anything other than a semiotic.<sup>1</sup>

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<sup>1</sup> Ibid, p15

### C. Transparency

Transparency, as a principle, means that the external impact of the actions of the organisation can be ascertained from that organisation's reporting and pertinent facts are not disguised within that reporting<sup>1</sup>. Thus all the effects of the actions of the organisation, including external impacts, should be apparent to all from using the information provided by the organisation's reporting mechanisms. Transparency is of particular importance to external users of such information as these users lack the background details and knowledge available to internal users of such information. Transparency therefore can be seen to follow from the other two principles and equally can be seen to be a part of the process of recognition of responsibility on the part of the organisation for the external effects of its actions and equally part of the process of transferring power to external stakeholders.<sup>2</sup>

### 1.6 Models of Corporate Social Responsibility

Many models have been discussed and gathered by researchers and scholars to add a meaning to the way can a corporate be socially responsible. We name from them<sup>3</sup>:

- Friedman Model,
- Ackerman Model,
- Carroll Model,
- Environmental Integrity and Community Model,
- Corporate Citizenship Model,
- Stockholders and Stakeholders Model,
- New Model of CSR

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<sup>1</sup> <https://www.coursehero.com/file/p7drbj2/The-principles-of-CSR-Sustainability-Accountability-Transparency-Sustainability/>, (2022.01.13 - 07:20).

<sup>2</sup> Crowther, David and Guler Aras, Op.Cit, p17.

<sup>3</sup> Murthy, N.Krishna. Corporate Social Responsibility. REGISTRAR OF COMPANIES, HYDERABAD, ANDHRA PRADESH AND TELANGANA. pp9-20.

### **1.6.1 Friedman Model (1962-1973)**

A businessmen should perform his duty well, he is performing a social as well as a moral duty.

A businessmen has no other social responsibility to perform except to serve his shareholders & stockholders.

### **1.6.2 Ackerman Model (1976) (see figure.1.)**

The model has emphasized on the internal policy goals & their relation to the CSR.

Four stages involved in CSR.<sup>1</sup>

- Managers of the company get to know the most common social problem & then express a willingness to take a particular project which will solve some social problems.
- Intensive study of the problem by hiring experts & getting their suggestions to make it operational.
- Managers take up the project actively & work hard.
- Evaluating of the project by addressing the issues.

Six Strategies in the adoption of CSR.<sup>2</sup>

- Rejection strategy
- Adversary strategy
- Resistance strategy
- Compliance strategy
- Accommodation strategy

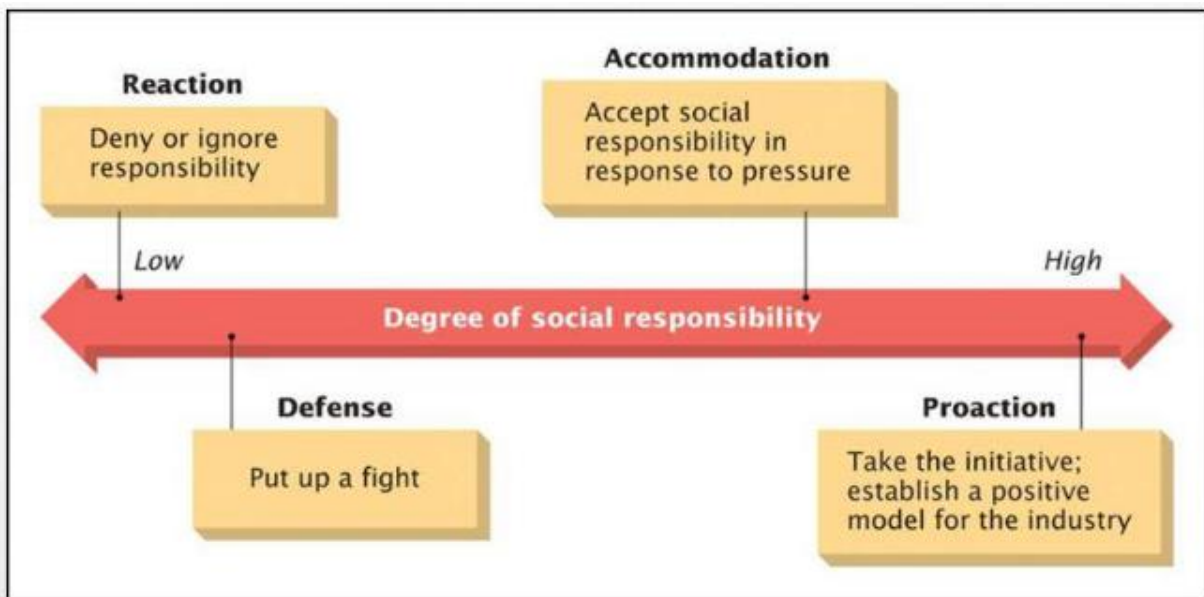
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<sup>1</sup> Ibid, p11

<sup>2</sup> <https://www.slideshare.net/shrinivas1648/corporate-social-responsibility-73391016>, (2022.01.13 - 09:34).

- Proactive strategy

**Figure.1. Ackerman Model**



**Source:** Murthy, N.Krishna. Corporate Social Responsibility, p13

### 1.6.3 Carroll Model (1991) (see figure.2.)

- **Philanthropic requirements:** It includes involvement in charitable activities, donations, sponsorship, or providing employee expertise and time to noble and worthy causes<sup>1</sup>, They are guided by business's desire to participate in social activities that are not mandated, not required by law, and not generally expected of business.<sup>2</sup>
- **Ethical responsibility:** means ensuring a business engages in fair business practices across the board including treating all employees, stakeholders, and customers ethically and with respect.<sup>3</sup>
- **Economic responsibility:** The first and foremost social responsibility of business is economic in nature. Before anything else, the business institution

<sup>1</sup>Karpal Singh Dara Singh, Contemporary CSR Model: Conceptualization, Scale Development, and Validation to Measure Consumer Perceptions, Int. Journal of Business Science and Applied Management, Volume 16, Issue 3, 2021, p69

<sup>2</sup> Carroll International Journal of Corporate Social Responsibility, 2016, p4.

<sup>3</sup> <https://www.pacificoaks.edu/voices/business/breaking-down-the-4-types-of-corporate-social-responsibility/>, , (2022.01.13 - 11:16).

is the basic economic unit in our society. As such it has a responsibility to produce goods and services that society wants and to sell them at a profit.<sup>1</sup>

- **Legal responsibility:** A company's legal responsibilities are the requirements that are placed on it by the law, Next to ensuring that organisation is profitable, ensuring that it obeys all laws<sup>2</sup>, as a partial fulfillment of the "social contract," it has also laid down the ground rules the laws and regulations - under which business is expected to operate. Society expects business to fulfill its economic mission within the framework of legal requirement.<sup>3</sup>

**Figure.2:** Carroll Model



**Source:** Murthy, N.Krishna. Corporate Social Responsibility, p14

<sup>1</sup>archie B. Caroll, A Three-Dimensional Conceptual Model of Corporate Performance, University of Geo, 2018, p500

<sup>2</sup> Ezekiel S. Asemah, Ruth A. Okpanachi, Leo O.N. Edegoh, Business Advantages of Corporate Social Responsibility Practice: A Critical Review, Kogi State University, Anyigba, Nigeria, 2013, p47

<sup>3</sup> Ibid.

### 1.6.4 Environmental Integrity and Community Health Model

Its Redman's model is very famous amongst US corporations. It focuses more on environmental integrity and human health.<sup>1</sup>

- Corporate contribution towards environmental integrity & human health, there will be greater expansion opportunities.
- Healthy people can work more & earn more.
- CSR is beneficial for the corporate sector.
- CSR in a particular form is welcome.

### 1.6.5 Corporate Citizenship Model

To be a corporate citizen, a corporate firm has to satisfy four conditions:<sup>2</sup>

- Consistently satisfactory
- Sustainable economic performance
- Ethical actions
- Behaviour.

A particular firm's commitment to corporate citizenship requires the fulfillment of certain social responsibility.

### 1.6.6 Stockholders and Stakeholders Model (see figure.3.)

- Productivists believe that the only mission of a firm is to maximize the profit.
- Philanthropists who entertain the stockholders. CSR is dominated by moral obligations & not self-interest.
- Progressivists believe the corporate behaviour basically motivated by self interest & should have ability to transform the society for good.

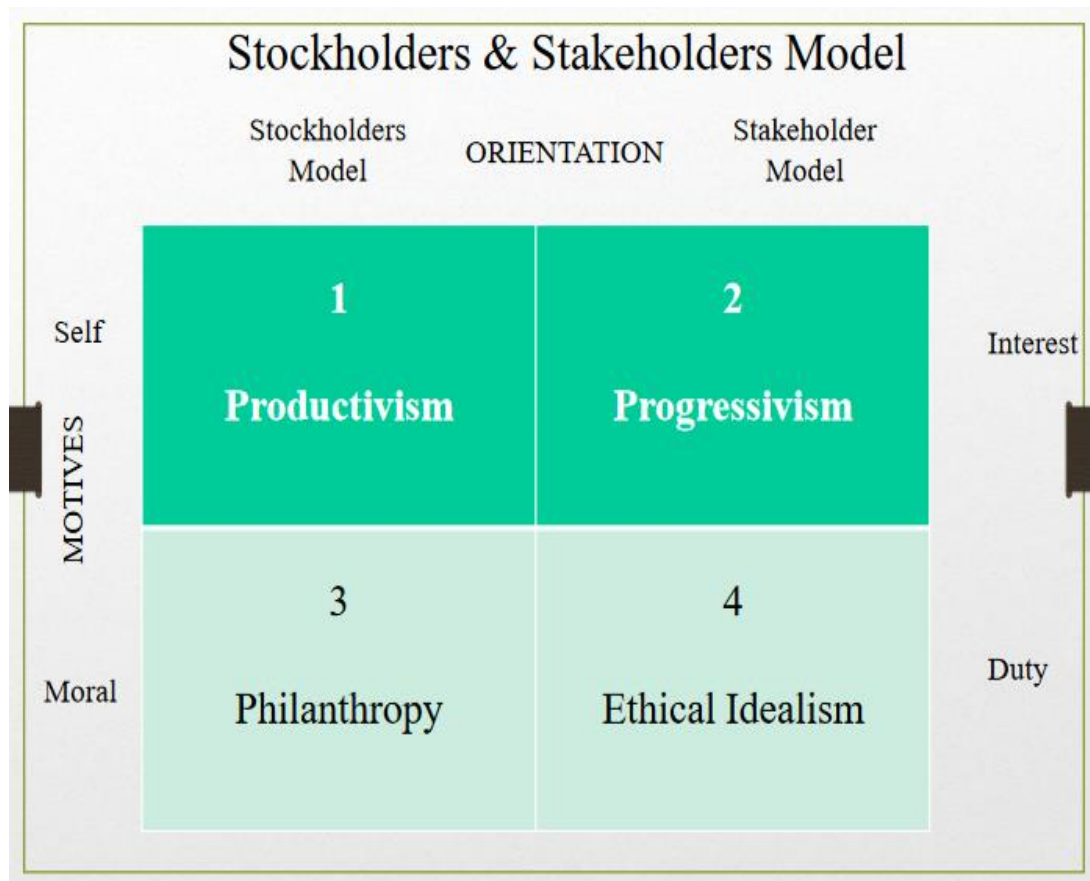
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<sup>1</sup> <https://www.linkedin.com/pulse/what-csr-different-models-ushma-rathi>, (2022.03.13 - 11:14).

<sup>2</sup> Murthy, N.Krishna, Op.Cit, p20

- Ethical Idealism concern with sharing of corporate profits for humanitarian activities.<sup>1</sup>

**Figure.3:** Stockholders and Stakeholders Model.



**Source:** Murthy, N.Krishna. Corporate Social Responsibility, p18

### 1.6.7 New Model of CSR

We can explain the new model in few words which are: the only case where CSR is positive (+) i.e. the firm or the company is socially responsible is when both the ethical rooting and the financial capability are strong. (see figure.4.)<sup>2</sup>

<sup>1</sup> Ibid, p17

<sup>2</sup> Ibid, p20

**Figure.4:** the New Model of CSR

		Ethical Rooting	
		Strong	Poor
Financial Capability	Strong	CSR (+)	CSR(-)
	Poor	CSR(-)	CSR(-)

**Source:** Murthy, N.Krishna. Corporate Social Responsibility, p20

### 1.7 The importance of Corporate Social Responsibility

No one is out there in the field of business can deny the importance of CSR. As Ellie Collier stated in her article<sup>1</sup>:

It's incredibly important that your company operates in a way that demonstrates social responsibility. Although it's not a legal requirement, it's seen as good practice for you to take into account social and environmental issues.

consumers are increasingly aware of the importance of social responsibility, and actively seek products from businesses that operate ethically. CSR demonstrates that you're a business that takes an interest in wider social issues, rather than just those that impact your profit margins, which will attract customers who share the same

<sup>1</sup> Collier, Ellie. The Importance of Corporate Social Responsibility for Your Business. <https://www.highspeedtraining.co.uk/hub/importance-of-corporate-social-responsibility/>, (2022.02.20 - 19:19).

values. Therefore, it makes good business sense to operate sustainably. Some clear benefits of corporate social responsibility are:

- Improved public image. This is crucial, as consumers assess your public image when deciding whether to buy from you. Something simple, like staff members volunteering an hour a week at a charity, shows that you're a brand committed to helping others. As a result, you'll appear much more favourable to consumers.<sup>1</sup>
- Increased brand awareness and recognition. If you're committed to ethical practices, this news will spread. More people will therefore hear about your brand, which creates an increased brand awareness.
- Cost savings. Several straightforward changes in favour of sustainability, like victimisation less packaging, will facilitate to decrease your production costs
- a plus over competitors. By clutches CSR, you stand out from competitors in your industry. you identify yourself as a corporation committed to going one step any by considering social and environmental factors.
- augmented client engagement. If you're using property systems, you must shout it from the rooftops. Post it on your social media channels and build a story out of your efforts. Furthermore, you must show your efforts to native media retailers within the hope they'll provides it some coverage. Customers can follow this and have interaction along with your whole and operations
- bigger worker engagement. almost like client engagement, you furthermore may have to be compelled to make sure that your staff grasp your CSR strategies. It's evidenced that employees relish operating additional for a corporation that incorporates a smart public image than one that doesn't. Furthermore, by showing that you're committed to things like human rights, you're rather more seemingly to draw in and retain the highest candidates

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<sup>1</sup> Ibid

- More benefits for employees. There are also a range of benefits for your employees when you embrace CSR. Your workplace will be a more positive and productive place to work, and by promoting things like volunteering, you encourage personal and professional growth.<sup>1</sup>

## **2. Competitive Advantage**

### **2.1 Defining Competitive Advantage**

So many scholars and researchers have taken the concept of competitive advantage as a center of discussion in business field. Richard P. Rumelt, Harry and Elsa Kunin, professors of Business and Society at the Anderson school at UCLA have summarized the definitions of competitive advantage. Although none of them is more of a definition than an opinion or a thought.

They are as follows<sup>2</sup>:

- Porter says “competitive advantage is at the heart of strategy, and achieving competitive advantage requires a firm to make a choice-if a firm is to attain a competitive advantage”<sup>3</sup>
- Barney says that “a firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors.”<sup>4</sup>
- Ghemawat and Rivkin say that “A firm such as Schering-Plough that earns superior, long-run financial returns within its industry is said to enjoy a competitive advantage over its rivals.”<sup>5</sup>

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<sup>1</sup> Ibid

<sup>2</sup> Rumlet, P.Richard et al. What in the World is Competitive Advantage?. The Anderson School at UCLA. Policy Working Paper, 2003,. Pp 1-2.

<sup>3</sup> Porter, M. E, Competitive strategy, The Free Pres, 1980, p12

<sup>4</sup> J. Barney, Firm resources and sustained competitive advantage, from Journal of Management, Texas A&M University, 1991, p102

<sup>5</sup> <https://hbsp.harvard.edu/product/798062-PDF-ENG> , (2022.01.14 - 08:03).

- Besanko, Dranove, and Shanley say “When a firm earns a higher rate of economic profit than the average rate of economic profit of other firms competing within the same market, the firm has a competitive advantage in that market.”<sup>1</sup>
- John Kay defines distinctive capabilities “A distinctive capability becomes a competitive advantage when it is applied in an industry or brought to a market.”<sup>2</sup>

Shedding the light on these previous thoughts and comments of Competitive Advantage, we can come out of a definition of our own saying that:

- Competitive Advantage is that the company must be unique and distinct from its competitors through an effective competitive strategy and product innovation, which will enable it to grow and stay in the market for much longer. We can say that a corporate has achieved the competitive advantage, when it achieves the added value, when its competitors are unable to do so and when it is difficult to them to imitate it, and it can be achieved by lowering costs, excellence in the service provided, and the ability to quickly adapt to the evolving environment, including the needs and desires of customers.

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<sup>1</sup> Besanko, David, David Dranove, and Mark Shanley Economics of Strategy, 6<sup>th</sup> Ed, us,1955, p295

<sup>2</sup> Kay, John, Foundations of Corporate Success. oxford university press, 1993, p194.

### 2.2 The importance of Competitive Advantage

No one would deny the benefits behind a company with a competitive advantage in business. There are many points to be considered and we may sum up the latter into, achieving competitive advantage can:<sup>1</sup>

- increase certainty within the company,
- enable you to maximize the use of your resources (time, talent, and money),
- make your revenue sources more consistent and predictable,
- achieve organizational influence,
- cut marketing, recruitment, and fundraising costs that aren't essential,
- make the company attract top personnel, strategic partnerships, and issue-focused investors (donors, foundations),
- measure progress accurately and gradually,
- contribute to improved profit margins,
- attract more clients on a more regular basis,
- maintain brand loyalty and reliability,
- add predictability and consistency of your company's income streams,
- attract more brand partnerships, talent, and potential investors.

#### A. The four building blocks of Competitive Advantage

Efficiency, Quality, Innovation, and Customer responsiveness are four features which lead a corporate towards building and sustaining competitive advantage. According to Kang<sup>2</sup>, these are the generic building blocks of competitive advantage that any company can adopt, regardless of its industry, or the products and services it provides. Each factor is the result of the way the various value-chain activities within an enterprise is performed. By performing value-chain activities to achieve

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<sup>1</sup> Ibid, p195.

<sup>2</sup> Kang, HA application of 'building blocks of competitive advantage' approach to the U.S. cereal market leaders. International Journal of Management Studies, .2018, pp 4-6.

superior efficiency, quality, innovation, and customer responsiveness, a company can (1) differentiate its product offerings, and hence offer more value to its customers, and (2) lower its cost structure.

Although these factors seem independent from each other, they are interrelated. For example, superior quality can lead to superior efficiency, while innovation can enhance efficiency, quality and customer responsiveness.

### **A. Superior Efficiency**

A business is a transformation process of inputs to outputs. Inputs are the basic factors of production such as material, labor, time, equipment, capital, and technological skills and know-how. Outputs are the goods and services that the business produce. The more efficient a company is, the fewer the inputs that are required to produce a given output. Efficiency helps the company attain a competitive advantage by lowering the cost structure. Superior efficiency is viewed from the perspective of the producers in an industry. It is one of the major sources of competitive advantage as it allows companies to increase the productivity of its employees and capital, and thus reducing its cost structure. Moreover, efficiency can help a company attain a competitive advantage by providing a lower cost structure. Superior efficiency is viewed from the perspective of the producers in an industry.<sup>1</sup>

### **B. Superior Quality**

Quality is commonly viewed as excellent product attributes and superior reliability. Agus (2008) has indicated that quality is viewed as a fundamental source for firms to develop competitive advantage. High quality increases the utility to customers, which allows businesses to manage the flexibility of their pricing. In

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<sup>1</sup> Hill, C., Schilling, M., & Jones, G, Strategic management theory: An integrated approach, 12th ed., South-Western Cengage Learning, 2016, p140.

contrast to superior efficiency, superior quality is viewed from the perspective of the customers.

A product is a collection of various attributes. The attributes of any product includes the form, features, options, performance, durability, reliability, style, and design of the product. A product is said to have superior quality when the attributes of the product is perceived by the customer as those with greater value than the attributes of products sold by rivals, the impact of high quality products on competitive advantage is twofold:<sup>1</sup>

- The supply of high-quality products would increase its value (utility) to customers which provides the opportunity for companies to charge a higher price for their products.
- Greater efficiency and lower unit costs associated with reliable products of high-quality would improve competitive advantage. When products are reliable, the employee's time will not be wasted making defective products or providing substandard services. Therefore, the lesser the time spent fixing the mistakes, the higher it will be for employee productivity that would lead to lower unit costs.

### **C. Superior Innovation**

Innovation refers to the act of creating new products or processes. There are two main types of innovation: <sup>2</sup>

- product innovation and process innovation.
- Product innovation is the development of products that are new to the world or have superior attributes than the existing products.

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<sup>1</sup> Kang, Op.Cit, p04

<sup>2</sup> Kang, Op.Cit, p05

- Process innovation is the development of a new process to produce products and deliver them to customers.
- Product innovation creates value through the development of new products and improving current existing products that customers perceive as having more value. This allows the option for companies to charge a higher price.
- Process innovation often allows a company to create more value by lowering production costs.

In the long run, innovation of products and processes will essentially be an important building block for developing competitive advantage in any businesses. Moreover, competition between companies are viewed as a process driven by innovation in both products and processes.<sup>1</sup>

### **D. Superior Customer Responsiveness**

If a company does a better job than their competitors in identifying and satisfying customer needs, wants and cravings, therefore, this source of competitive advantages is regarded as superior customer responsiveness. Customer responsiveness allows a company to customize its offerings, improve response time, and provide superior service. Customers will then attribute more value to the products, creating a competitive advantage based on differentiation. Improving the quality of a company's product offering is consistent with achieving customer responsiveness as the newly developed products will have features that may not be present in existing products. Additionally, another factor that may stand out is the need to customize goods and services to the unique demands of individual customers or customer groups.<sup>2</sup>

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<sup>1</sup> Ibid, p05

<sup>2</sup> Ibid, p06

### 2.4 Models of Competitive Advantage

According to Oriana Helena<sup>1</sup>:

The eternal competitive struggle in any activity sector or industrial branch is a confrontation (or competition) for advantages. The goal of the company's strategy is that by creating and maintaining the strategic advantage achieved, the objectives of the business management can be reached. For this, the company's strategy must be directed towards creating new advantages, which will lead to increased customer satisfaction and asymmetry towards competitors. By doing so, the advantage may be extended, while reducing or eliminating the competitors advantage. The literature offers a series of models dedicated to analyzing the competitive advantage, of which:

- **The Ansoff model (1965)**

It offers a practical framework for finding fresh chances for rapid business growth. The business management creates a matrix with the strategic options based on market-product variables after studying the current competitive advantage and context of the competitive environment. An opportunity for a higher market share on existing markets is being considered in this regard, and market penetration tactics should be used in this case. The company must use market development methods if new markets may be found or created for the current items. Product development tactics should be used to create new items that may be of interest to emerging markets. Additionally, the business should implement development methods when management is focused on creating new products for fresh markets.

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<sup>1</sup> Helena, Oriana negulescu, the importance of COMPETITIVE ADVANTAGE ASSESSMENT IN SELECTING THE ORGANIZATION'S STRATEGY. Review of General Management. Volume 29, Issue 1, 2019. Pp 76-81.

- **The SPACE analysis model (Rowe et al., 1982)**

It introduces additional elements in the the competitive advantage analysis, namely the strength of the industry, the financial strength of the firm and the stability of the environment. Depending on the extent to which the four elements of the analysis model are found in the company system, the four main strategies mentioned in Table 1 can be approached.<sup>1</sup>

- **Porter's generic strategy model (1995)**

It examines the organization's competitive advantage in relation to its competitive purpose. The model, which is very useful in managerial practice, combines the two dimensions, generating strategic alternatives that underpin the competitive environment approach and the effective market positioning of the organization.

- **The Prahalad and Hamel model (1990)**

It proposes as an essential element the organization's awareness of the environment in which it operates and its own portfolio of capabilities and resources that can be used to achieve competitive advantage. In this context, the authors argue that the basis of the competitive advantage is the ability of the company to leverage resources and capabilities.

- **The Peteraf model (1993)**

It makes a clear distinction between the resources of the organization and its capabilities, and develops criteria for their assessment. From the point of view of the Peteraf model of analysis, a firm determinant for a competitive advantage, is the ability of business management to identify the resources at its disposal, resources needs and typology, to give them a high degree of utilization, as well as knowing the

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<sup>1</sup> Ibid, p78

skills of the firm so that, through a judicious allocation of resources available, it will optimally combine the resources-capabilities mix to obtain the maximum results that can be achieved by the business.<sup>1</sup>

- **The Grant model of success factors (1997)**

It focuses the analysis on the demand for existing products or services in the market segment served, as well as the conditions required for the organization's survival in a competitive environment. The model proposes identifying the success factors that will allow the company to thrive in its industry. The essence of the model is business management's ability to understand the competitive environment in which it operates, as well as customer demand for products or services that are or may be required.

- **The resource-based model**

Is a model that sees resources as key to superior firm performance, the model analyzes the complex, dynamic and intangible resources of family businesses that make competitive advantage and performance. The model could be a synthesis of alternative applied models however that acceptable tiny family businesses. the subsequent table represents an outline to the various models of Competitive Advantage, their purpose, their criteria, dimension and their organization strategy.

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<sup>1</sup> Ibid, p78

**Table.1:** Competitive advantage and organization strategy

The model	Purpose	Dimensions / Criteria	Organization strategy
<p style="text-align: center;"><b>The Ansoff model (matrix)</b></p>	<p>proposes a useful framework for detecting new opportunities for intensive growth</p>	<ul style="list-style-type: none"> <li>- perfecting current products;</li> <li>- identifying new offer opportunities.</li> </ul> <p>Oriented towards:</p> <ul style="list-style-type: none"> <li>- existing markets; - identifying and developing new markets.</li> </ul>	<p>The strategy of market penetration;</p> <ul style="list-style-type: none"> <li>- The strategy of developing new markets;</li> <li>- The strategy of developing new products;</li> <li>- The strategy of diversification.</li> </ul>
<p style="text-align: center;"><b>The SPACE analysis (Strategic Position and Action Evaluation) (matrix)</b></p>	<p>highlights different types of strategies</p>	<ul style="list-style-type: none"> <li>- industry force;</li> <li>- the competitive advantage of the business;</li> <li>- the financial strength of the firm;</li> <li>- environmental stability</li> </ul>	<ul style="list-style-type: none"> <li>- Defensive strategies</li> <li>- Conservative strategies</li> <li>- Aggressive strategies</li> <li>- Competitive strategies</li> </ul>
<p style="text-align: center;"><b>The Generic Strategies Model (Porter) (matrix)</b></p>	<p>generates strategic alternatives that underpin the way to approach the competitive environment and the effective positioning of the organization on the market</p>	<ul style="list-style-type: none"> <li>- the competitive advantage</li> <li>- the competitive purpose</li> </ul>	<ul style="list-style-type: none"> <li>- Leading through cost strategy - Focusing on costs strategy -</li> <li>Differentiation strategy - Focusing on differentiation strategy</li> </ul>

## Theoretical Background

<p style="text-align: center;"><b>Prahalad and Hamel Model</b></p>	<p>the company's awareness of the environment in which it operates and its own portfolio of capabilities and resources that can be used to gain competitive advantage</p>	<p style="text-align: center;">- resources - capabilities</p>	<ul style="list-style-type: none"> <li>- Allocation of resources replaced by leveraging resources with the organization capabilities;</li> <li>- The competence portfolio</li> </ul>
<p style="text-align: center;"><b>Peteraf Model</b></p>	<p>analyzing the contribution of resources and capabilities of the company in the process of obtaining the competitive advantage</p>	<p style="text-align: center;">- resources - capabilities</p>	<ul style="list-style-type: none"> <li>- Identifying the resources available to the company, the resources needed, and their typology, in order to give them a high degree of use;</li> <li>- Optimally combining resource-capability mix to maximize results.</li> </ul>
<p style="text-align: center;"><b>Grant Model of Success Factors</b></p>	<p>knowledge of the competitive environment</p>	<ul style="list-style-type: none"> <li>- the company's ability to permanently provide products / services that customers want to purchase;</li> <li>- the company's ability to adapt to environmental conditions, being able to survive and thrive in competition</li> </ul>	<ul style="list-style-type: none"> <li>- Identifying the company's success factors;</li> <li>- Comparative analysis of the company's capabilities in the competitive environment.</li> </ul>

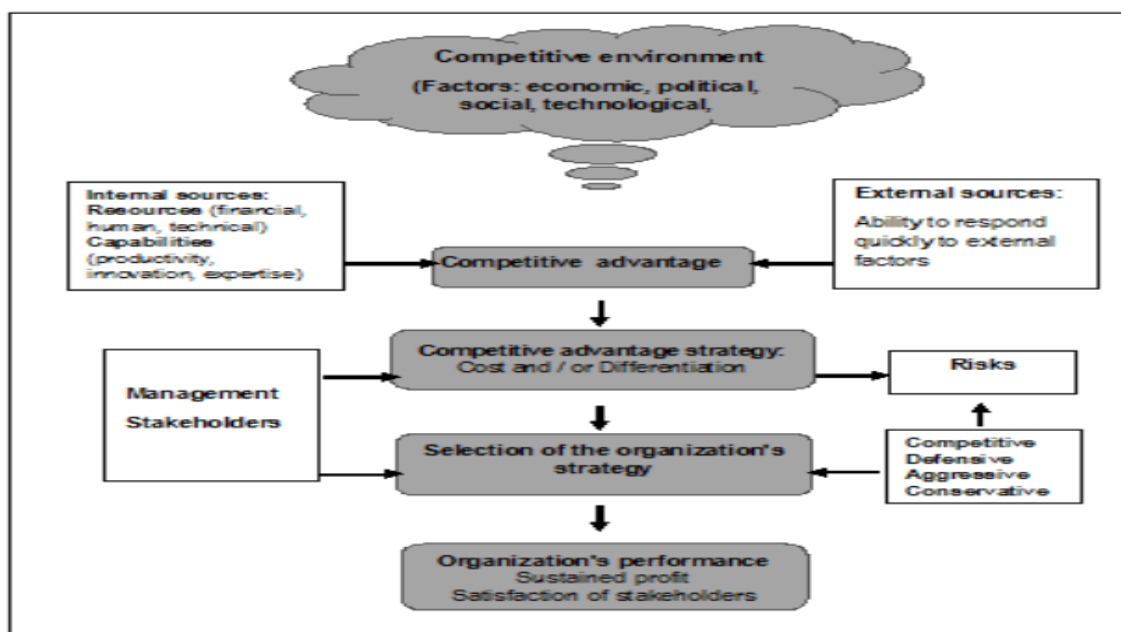
## Theoretical Background

<b>Resource Based Analysis (Habbershon &amp; Williams)</b>	Assessing the Strategic Advantages of Family Firms	- Strategic resources and capabilities controlled over the long term - The company performance	Investment in completing, updating and increasing the company's resources and capabilities
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**Source:** H, Oriana. the importance of competitive advantage, review of general management, 2019, p76

The analysis of the models given shows that the most coordinates of getting and maintaining the competitive advantage are the resources and also the capabilities of the organization. In essence, the results of the analysis light-emitting diode to the identification of a abstract model of the competitive advantage of the organization (Figure 9).

**Figure .5:** Conceptual model of the competitive advantage



**Source:** H, Oriana. the importance of Ccompetitive advantage, review of general management, 2019, p80

The proposed model is a simple one, but its implementation involves a multitude of complex activities. Thus, the four stages of the process are:<sup>1</sup>

- The competitive advantage analysis: which are the sources? What do they consist of? What actions should be taken to increase resources and capabilities? What are the opportunities to develop the competitive advantage?
- The strategy selection to get the competitive advantage: cost or differentiation or the combination of cost and differentiation.
- Choosing the organization's strategy according to the competitive advantage: competitive, defensive, aggressive or conservative?
- Obtaining and monitoring performance: is the profit sustained? Are the stakeholders satisfied?

The complexity of activities results from:

- the permanent scanning of the competitive environment and the development of management skills to respond quickly to changes;
- the competitors assessment; identifying the stakeholders needs and expectations;
- identifying the risks of the strategy selection;
- securing the strategic resources (by investing in technology and human resources);
- developing capabilities (through innovation, expertise, productivity).

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<sup>1</sup> Ibid, p80

### **2.5 Generic Competitive Strategies**

The pioneer and the founder of the modern strategy, Michael Porter, one of the world's most influential thinkers on management and competitiveness, talked in details about the essential three generic competitive strategies and he tackled others more. Here is a summary of it<sup>1</sup>.

The relative position of a firm within its industry is the second central question in competitive strategy. Positioning determines whether a firm's profitability is higher or lower than the industry average. A firm can have two types of competitive advantage: low cost or differentiation. The importance of any firm's strength or weakness is ultimately determined by its impact on relative cost or differentiation. Cost advantage and differentiation are, in turn, the result of industry structure. They are the result of a firm's ability to cope with the five forces better than its competitors, and the two basic types of competitive advantage, combined with the scope of activities for which a firm seeks them, lead to three generic strategies for achieving above-average performance in an industry: cost leadership, differentiation, and focus. The focus strategy has two variants, cost focus and differentiation focus.

Each of the generic strategies involves a fundamentally different route to competitive advantage, combining a choice about the type of competitive advantage sought with the scope of the strategic target in which competitive advantage is to be achieved. The cost leadership and differentiation strategies seek competitive advantage in a broad range of industry segments, while focus strategies aim at cost advantage (cost focus) or differentiation (differentiation focus) in a narrow segment. The specific actions required to implement each generic strategy vary widely from industry to industry, as do the feasible generic strategies in a particular industry. While selecting and implementing a generic strategy is far from simple, however,

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<sup>1</sup> Porter, M. E. Creating and Sustaining Superior Performance, With a new introduction. The free press. 1985. Pp 11-17.

they are the logical routes to competitive advantage that must be probed in any industry. As it shown in Figure.10.<sup>1</sup>

**Figure.6:** Three generic strategies

		COMPETITIVE ADVANTAGE	
		Lower Cost	Differentiation
COMPETITIVE SCOPE	Broad Target	<b>1. Cost Leadership</b>	<b>2. Differentiation</b>
	Narrow Target	<b>3A. Cost Focus</b>	<b>3B. Differentiation Focus</b>

**Source:** Porter, M. E. Creating and Sustaining Superior Performance, 1985, p12

The idea behind the concept of generic strategies is that competitive advantage is at the heart of any strategy, and that achieving competitive advantage requires a firm to make a decision - if a firm wants to gain competitive advantage, it must choose the type of competitive advantage it seeks and the extent to which it will achieve in it.

### Cost Leadership

Cost leadership is perhaps the most obvious of the three general strategies. In it, the company intends to become the low-cost producer in its industry, increasing profits by reducing costs, while charging industry average prices, the company has a wide range and serves many sectors of the industry, and may even operate in related industries - the breadth of the company often be significant for the cost

<sup>1</sup> Ibid, p11

advantage. The sources of cost advantage are varied and depend on the industry structure. It may include striving for economies of scale, proprietary technology, preferential access to raw materials, cost advantage requires very low cost, abundant source of low cost labor.

If a firm can achieve and sustain 'overall cost leadership, then it will be an above-average performer in its industry provided it can command prices at or near the industry average. At equivalent or lower prices than its rivals, a cost leader's low-cost position translates into higher returns. A cost leader, however cannot ignore the bases of differentiation. If its product is not perceived as, comparable or acceptable by buyers, a cost leader will be forced to discount prices well below competitors' to gain sales. This may nullify the benefits of its favorable cost position.

The strategic logic of cost leadership usually requires that a firm be the cost leader, not one of several firms vying for this position. Many firms have made serious strategic errors by failing to recognize this. When there is more than one aspiring cost leader, rivalry among them is usually fierce because every point of market share is viewed as crucial.<sup>1</sup>

- **Differentiation**

The second generic strategy is differentiation. In a differentiation strategy, a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. It selects one or more attributes that many buyers in an industry perceive as important, and uniquely positions itself to meet those needs. It is rewarded for its uniqueness with a premium price.<sup>2</sup>

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<sup>1</sup> Ibid, p13

<sup>2</sup> Ibid, p14

Create of differentiation may be in different forms. Ideally, companies differentiate themselves in several dimensions.<sup>1</sup>

The means for differentiation are peculiar to each industry. Differentiation can be based on the product itself, the delivery system by which it is sold, the marketing approach, and a broad range of other factors and the firm that can achieve and sustain differentiation will be an above-average performer in its industry if its price premium exceeds the extra costs incurred in being unique. A differentiator cannot ignore its cost position, because its premium prices will be nullified by a markedly inferior cost position. A differentiator thus aims at cost parity or proximity relative to its competitors, by reducing cost in all areas that do not affect differentiation, the logic of the differentiation strategy requires that a firm choose attributes in which to differentiate itself that are different from its rivals'. A firm must truly be unique at something or be perceived as unique if it is to expect a premium price<sup>2</sup>, the aim is to make a difference in aftermarket and customer service offerings. In addition, maximizing sales through analysis, planning, implementation and controlling sales force activities is a key point.<sup>3</sup>

- **Focus**

In this strategy the firm concentrates on a select few target markets. It is also called a focus strategy or niche strategy. It is hoped that by focusing your marketing efforts on one or two narrow market segments and tailoring your marketing mix to these specialized markets, you can better meet the needs of that target market. The firm typically looks to gain a competitive advantage through effectiveness rather than efficiency. suitable for relatively small firms but can be used by any company as a focus strategy it may be used to select targets that are less vulnerable to

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<sup>1</sup> Hojjat V, Seyed H, Neda S, Generic Competitive Strategies toward Achieving Sustainable and Dynamic Competitive Advantage, 2018

<sup>2</sup> Porter, M. E, Op.Cit, p13

<sup>3</sup> [https://essay.utwente.nl/69653/1/URAL\\_MA\\_BMS.pdf](https://essay.utwente.nl/69653/1/URAL_MA_BMS.pdf) ,(23/04/2022-18:31)

substitutes or where a competition is weakest to earn above-average return on investment.<sup>1</sup>

### **2.6 The Value Chain in Competitive Advantage**

Every firm is a collection of activities that are performed to design, produce, market, deliver, and support its product. All these activities can be represented using a value chain shown in figure.11. A firm's value chain and the way it performs individual activities are a reflection of its history, its strategy, its approach to implementing its strategy, and the underlying economics of the activities themselves.<sup>2</sup>

The relevant level for constructing a value chain is a firm's activities in a particular industry (the business unit). An industry- or sector-wide value chain is too broad, because it may obscure important sources of competitive advantage. Though firms in the same industry may have similar chains the value chains of competitors often differ. Low cost and full-service airlines both compete in the airline industry, for example, but they have very different value chains embodying significant differences in boarding gate operations, crew policies, and aircraft operations. Differences among competitor value chains are a key source of competitive advantage. A firm's value chain in an industry may vary somewhat for different items in its product line, or different buyers, geographic areas, or distribution channels. The value chains for such subsets of a firm are closely related, however, and can only be understood in the context of the business unit chain.<sup>3</sup>

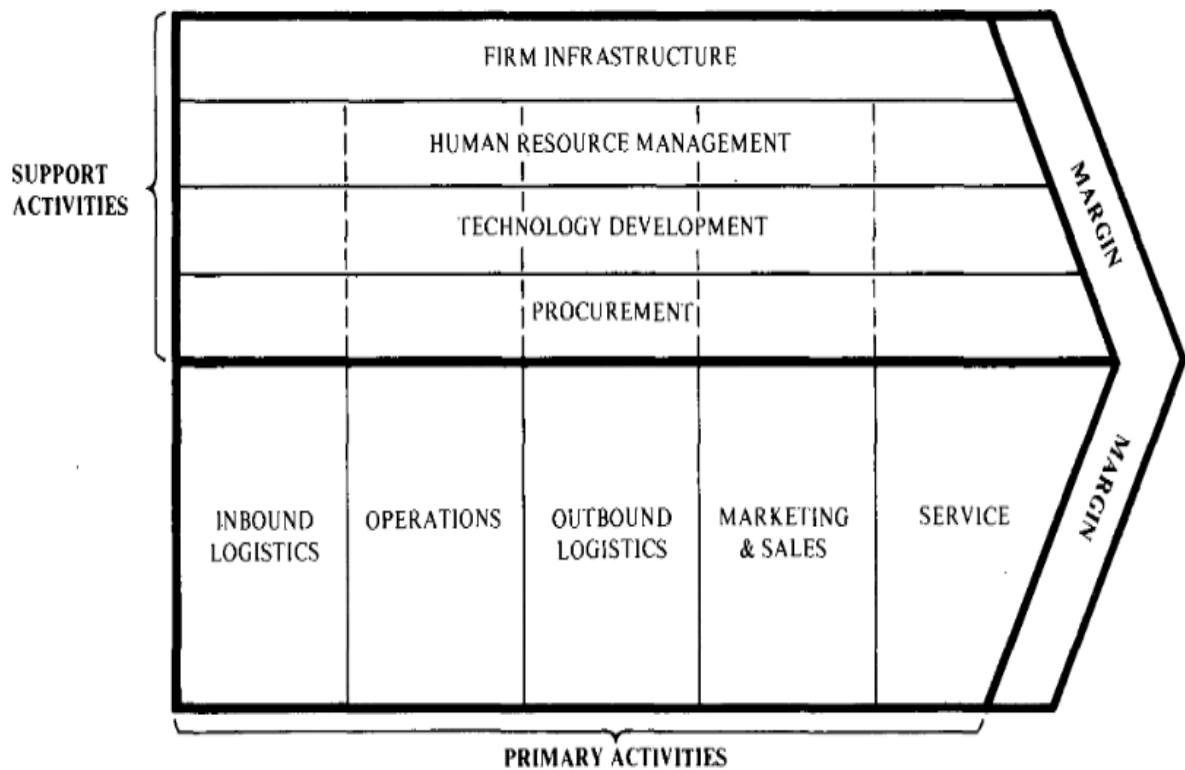
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<sup>1</sup> Ritika Tanwar, Porter's Generic Competitive Strategies, Journal of Business and Management, 2013, p14

<sup>2</sup> Porter, M. E, Op.Cit, p36

<sup>3</sup> Ibid.

**Figure.07.** The Generic Value Chain



**Source:** Porter, M. E. *Creating and Sustaining Superior Performance*, 1985, p37

In competitive terms, value is the amount buyers are willing to pay for what a firm provides them.

Every value activity employs purchased inputs, human resources (labor and management), and some form of technology to perform its function. Each value activity also uses and creates information, such as buyer data (order entry), performance parameters (testing), and product failure statistics. Value activities may also create financial assets such as inventory and accounts receivable, or liabilities such as accounts payable. <sup>1</sup>

<sup>1</sup> Ibid, p38

Value activities may be divided into 2 broad types, primary activities and support activities. Primary activities, the activities concerned within the physical creation of the merchandise and its sale and transfer to the customer moreover as after-sale assistance. In any firm, primary activities can be divided into the 5 generic categories. (Handout) Support activities support the first activities and every alternative by providing purchased inputs, technology, human resources, and varied firm-wide functions. The dotted lines replicate the very fact that procurement, technology development, and human resource management can be related to specific primary activities as well as support the whole chain. Firm infrastructure isn't related to specific primary activities however supports the whole chain

Value activities are therefore the discrete building blocks of competitive advantage. How each activity is performed combined with its economics will determine whether a firm is high or low cost compared to competitors. How each value activity is performed will also determine its contribution to buyer needs and hence differentiation. Comparing the value chains of competitors exposes differences that determine competitive advantage. <sup>1</sup>

### **A. Identifying Value Activities**

Identifying value activities requires the isolation of activities that are technologically and strategically distinct. Value activities and accounting classifications are rarely the same. Accounting classifications (e.g., burden, overhead, direct labor) group together activities with disparate technologies, and separate costs that are all part of the same activity. <sup>2</sup>

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<sup>1</sup> Ibid

<sup>2</sup> [http://people.tamu.edu/~v-buenger/466/Value\\_Chain.pdf](http://people.tamu.edu/~v-buenger/466/Value_Chain.pdf), (27/04/2022-04:20)

### A. Primary Activities

There are five generic categories of primary activities involved in competing in any industry. Each category is divisible into a number of distinct activities that depend on the particular industry and firm strategy:<sup>1</sup>

- **Inbound Logistics**

Activities associated with receiving, storing, and disseminating inputs to the product, such as material handling, warehousing, inventory control, vehicle scheduling, and returns to suppliers.

- **Operations**

Activities associated with transforming inputs into the final product form, such as machining, packaging, assembly, equipment maintenance, testing, printing, and facility operations.

centers on the production process of a good or service.<sup>2</sup>

- **Outbound Logistics**

Activities related to collecting, storing, and bodily dispensing the product to buyers, which includes completed items warehousing, fabric handling, transport car operation, order processing, and scheduling.

- **Marketing and Sales**

Activities such as advertising, promotion, sales force, quoting, channel selection, channel relations, and pricing are associated with providing a means for buyers to purchase the product and inducing them to do so.

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<sup>1</sup> [http://people.tamu.edu/~v-buenger/466/Value\\_Chain.pdf](http://people.tamu.edu/~v-buenger/466/Value_Chain.pdf), (27/04/2022-04:25)

<sup>2</sup> [https://www.mindtools.com/pages/article/newSTR\\_66.htm](https://www.mindtools.com/pages/article/newSTR_66.htm), (28/04/2022-15:15)

- **Service**

Activities associated with providing service to enhance or maintain the value of the product, such as installation, repair, training, parts supply, and product adjustment.<sup>1</sup>

Each of the categories may be vital to competitive advantage depending on the industry. For a distributor, inbound and outbound logistics are the most critical. For a service firm providing the service on its premises such as a restaurant or retailer, outbound logistics may be largely nonexistent and operations the vital category. For a bank engaged in corporate lending, marketing and sales are a key to competitive advantage through the effectiveness of the calling officers and the way in which loans are packaged and priced. For a high-speed copier manufacturer, service represents a key source of competitive advantage. In any firm, however, all the categories of primary activities will be present to some degree and play some role in competitive advantage activities are:<sup>2</sup>

### **B. Support Activities**

The second part of the value chain is the upper section which contains all the overhead service elements required by the firm:<sup>3</sup>

- **Procurement**

This has to do with acquiring resources or inputs. Although theoretically the purchasing department is in charge of this, practically every employee of the company is involved in making purchases. While the cost of procurement is generally low, the impact can be extremely big.

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<sup>1</sup> [http://people.tamu.edu/~v-buenger/466/Value\\_Chain.pdf](http://people.tamu.edu/~v-buenger/466/Value_Chain.pdf), (27/04/2022-04:40)

<sup>2</sup> Porter, Op.Cit, p40.

<sup>3</sup> McGee, J., Wilson, D. and Thomas, H, Strategy Analysis and Practice, 2nd ed, 2010, p01.

- **Technology Development**

This is concerned with the tools, resources, software, technological know-how, etc. that the company uses to convert inputs into outputs. Some of these abilities fall within the category of science, and in this regard, they may be compared to the value-added element of the experience effect.

- **Human Resource Management**

This consists of all activities involved in recruiting, hiring and training, developing, rewarding, and sanctioning the people in the organization.<sup>1</sup>

- **Firm Infrastructure**

Necessary company activities such as legal, general management, administrative, accounting, finance, public relations.<sup>2</sup>

### **B. Defining the Value Chain**

To diagnose competitive advantage, it is necessary to define firm's value chain for competing in a particular industry. Starting with the generic chain, individual value activities are identified in the particular firm. Each generic category can be divided into discrete activities.<sup>3</sup>

It is necessary to segregate activities with discrete technologies and economies in order to define meaningful value activities. It is necessary to break down broad operations like production or marketing into activities. This can be accomplished with the use of the product flow, order flow, or paper flow. Activities can be further broken down into ever-narrower, to some extent separate activities. For instance,

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<sup>1</sup> Ibid

<sup>2</sup> [https://www.techtarget.com/searchcio/definition/value-chain#:~:text=The%20value%20chain%20framework%20is,technological%20development%20and%20company%20infrastructure.,\(29/04/2022-03:25\)](https://www.techtarget.com/searchcio/definition/value-chain#:~:text=The%20value%20chain%20framework%20is,technological%20development%20and%20company%20infrastructure.,(29/04/2022-03:25))

<sup>3</sup> Porter, Op.Cit, p41

each machine in a factory may be thought of as a distinct activity. Consequently, there are frequently a lot of different potential activities.

The appropriate degree of disaggregation depends on the economics of the activities and the purposes for which the value chain is being analyzed. Though I will return to this question in later chapters, the basic principle is that activities should be isolated and separated that: (1) have different economics, (2) have a high potential impact of differentiation, or (3) represent a significant or growing proportion of cost. In using the value chain, successively finer disaggregation's of some activities are made as the analysis exposes differences important to competitive advantage.<sup>1</sup>

A primary or support activity should include all of a company's activities. Labels for value activities should be used to give the greatest understanding of the business because they are arbitrary. Due of the frequent interdependence of operations, marketing, and after-sale assistance, labeling efforts in service sectors sometimes results in misunderstanding. Although the sequence of the activities should generally follow the process flow, ordering also involves making judgments. Businesses frequently carry out simultaneous tasks, whose sequencing should be chosen to improve managers' intuitive understanding of the value chain.

### **2.7 The link between Corporate Social Responsibility and Competitive Advantage**

Porter & Kramer introduce in their book a framework that individual companies can use to identify the social consequences of their actions; to discover opportunities to benefit society and themselves by strengthening the competitive context in which they operate; to determine which CSR initiatives they should address; and to find the most effective ways of doing so, The following part of the first chapter clearly shows their perspective<sup>2</sup>.

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<sup>1</sup> Porter, Op.Cit, p41

<sup>2</sup> Michael E. Porter and Mark R. Kramer. Strategy & Society: The Link Between Competitive Advantage and

Governments, activists, and therefore the media became adept at holding corporations to account for the social consequences of their activities. Myriad organizations rank corporations on the performance of their company social responsibility (CSR). Several corporations have already done abundant to boost the social and environmental consequences of their activities, however these efforts haven't been nearly as productive as they might be for 2 reasons:

- They pit business against society, once clearly the 2 square measure mutualist,
- they pressure corporations to consider company social responsibility in generic ways in which rather than within the approach most acceptable to every firm's strategy.

Porter & Kramer propose a replacement thanks to examine the link between business and society that doesn't treat company success and welfare as a game. The very fact is, the prevailing approaches to CSR square measure thus fragmented and then disconnected from business and strategy on obscure several of the best opportunities for corporations to profit society. If, instead, firms were to research their prospects for social responsibility mistreatment constant frameworks that guide their core business selections, they'd discover that CSR is rather more than a value, a constraint, or a charitable deed it is a supply of chance, innovation, and competitive advantage

### **Four Prevailing Justifications for CSR :**

CSR have used four arguments to make their case: moral obligation, sustainability, license to operate, reputation.<sup>1</sup>

- **Moral obligation:** firms have a obligation to be smart voters and to “do the proper thing”

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Corporate Social Responsibility, harvard business review, 2006, Pp 1 – 12.

<sup>1</sup> Ibid, p04

- **Sustainability:** emphasizes environmental and community spot, Meeting the requirements of this while not compromising the ability of future generations to fulfill their own needs.
- **License to operate:** is that each company desires implicit or specific permission from governments, communities, and diverse alternative stakeholders to try business.
- **Reputation:** is employed by several firms to justify CSR initiatives on the grounds that they're going to improve a company's image, strengthen its complete, enliven morale, and even raise the worth of its stock.

### **A. Mapping Social Opportunities:**

The firm can focus its particular CSR activities to best effect. Rather than merely acting on well-intentioned impulses or reacting to outside pressure, the organization can set an affirmative CSR agenda that produces maximum social benefit as well as gains for the business. When a company uses the value chain to chart all the social consequences of its activities, it has, in effect, created an inventory of problems and opportunities mostly operational issues—that need to be investigated, companies should attempt to clear away as many negative value-chain social impacts as possible, In addressing competitive context, companies cannot take on every area in the diamond. Therefore, the task is to identify those areas of social context with the greatest strategic value. A company should carefully choose from this menu one or a few social initiatives that will have the greatest shared value, benefit for both society and its own competitiveness, it can take two forms<sup>1</sup>:

- **Looking Inside Out: Mapping the Social Impact of the Value Chain**

The value chain depicts all the activities a company engages in while doing business. It can be used as a framework to identify the positive and negative social impact of those activities.

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<sup>1</sup> Ibid, p06

- **Looking Outside In: Social Influences on Competitiveness**

This form affects its ability to improve productivity and execute strategy.

### **B. Integrating Business and Society**

Many firms' corporate social responsibility (CSR) efforts are counterproductive, for the two reasons mentioned at the beginning. When CSR is approached strategically, it generates opportunity, innovation, and competitive advantage for corporations while solving pressing social problems, and the Competitive context can be divided into four broad areas:<sup>1</sup>

- The quantity and quality of available business inputs—human resources;
- The rules and incentives that govern competition;
- The size and sophistication of local demand influenced;
- The local availability of supporting industries.

### **C. Choosing which social issues to address**

No business can solve all of society's problems or bear the cost of doing so. Instead, each company must select issues that intersect with its particular business. Other social agendas are best left to those companies in other industries, or government institutions that are better positioned to address them. The essential test that should guide CSR is not whether a cause is worthy but whether it presents an opportunity to create shared value that is, a meaningful benefit for society that is also valuable to the business.

Our framework suggests that the social issues affecting a company fall into three categories<sup>2</sup>:

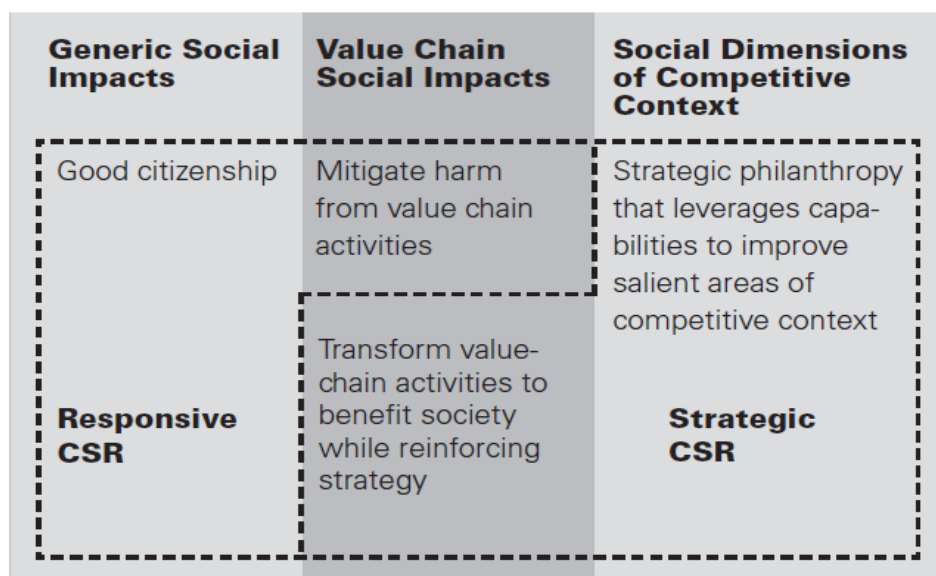
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<sup>1</sup> Ibid, p08

<sup>2</sup> Ibid, p10

- **Generic social issues:** may be important to society but are neither significantly affected by the company’s operations nor influence the company’s long-term competitiveness.
- **Value chain social impacts:** are those that are significantly affected by the company’s activities in the ordinary course of business.
- **Social dimensions of competitive context:** are factors in the external environment that significantly affect the underlying drivers of competitiveness in those places where the company operates.

**Figure.08:** Corporate Involvement in Society: A Strategic Approach.



**Source:** Strategy & Society, harvard business review, 2006, p10

### D. Creating a corporate social agenda

Such a social agenda must be responsive to stakeholders, but it cannot stop there. A substantial portion of corporate resources and attention must migrate to truly strategic CSR. (See figure.13.) It is through strategic CSR that the company will make the most significant social impact and reap the greatest business benefits<sup>1</sup>.

<sup>1</sup> Ibid, p11

### **1. Responsive CSR:**

- acting as a good corporate citizen, attuned to the evolving social concerns of stakeholders,
- mitigating existing or anticipated adverse effects from business activities.

Good citizenship is a sine qua non of CSR, and companies need to do it well. Many worthy local organizations rely on corporate contributions, while employees derive justifiable pride from their company's positive involvement in the community.

### **2. Mitigating the harm arising from a firm's value chain activities:**

It is primarily Associate in operational challenge. as a result of there area unit a myriad of doable worth chain impacts for every business unit, several firms have adopted a list approach to CSR, exploitation standardized sets of social and environmental risks. firms would like a additional proactive and tailored internal method.

### **3. Strategic CSR:**

It moves on the far side sensible company citizenship and mitigating harmful price chain impacts to mount atiny low variety of initiatives whose social and business advantages ar giant and distinctive. Strategic CSR involves each wrong-side-out and outside-in dimensions operating in cycle. it's here that the opportunities for shared price actually lie. several opportunities to pioneer innovations to learn each society and a company's own aggressiveness will arise within the product giving and also the price chain.

### **Chapter Conclusion**

As we can see, CSR is not a simple subject to go through since dawn. It leads to a variety of opinions and still now do. But no matter which model of CSR is followed, it is always the principles that must be taken in consideration to be applied in the business of any firm. Therefore, CSR is very important not only in making profits but also in serving and protecting the interests of the costumer, the worker and the society within its environment as a whole. Moreover, in any business that seeks gains, we find competitors and competitive corporations around the scene. Each one of them is looking for the best reputation and trying to be the leader of the group. Therefore treating the stakeholders, either employees or consumers, in the right way, would benefit the company of the advantage they are looking for to compete with their competitors in the business world and even to excel way far from them. On the light of the latter, we would delve into the second chapter trying to test the hypotheses given before through a practical procedure.

*C a s e*

*S t u d y*

### **Introduction**

In order to gain insight and familiarity with the aspects of the study, as well as trying to understand how CSR can be a source of competitive advantage by studying the case of Algeria Telecommunications Corporation (ATC).

The study basically divided this chapter to three main points:

**First:** The introduction of ATC the principal and the state section;

**Second:** The methodological and practical side of the field study;

**Third:** The results of the Study and hypothesis Testing.

### 1. Introducing the subject of the study:

#### 1.1 Introducing Algeria Telecommunications Corporation (ATC)

Algeria Telecommunications Corporation is the state-owned telecom operator in Algeria. It is a public company active in the fields of fix and mobile telephony, Internet and satellite communications.

Algeria Telecom is the leader in the Algerian telecommunications market, which is experiencing a strong growth. Offering a full range of voice and data services to customers residential and professional.

Algeria Telecom, is a joint-stock company with public capital operating on the electronic communications networks and services the birth of the corporation was enshrined by the law act 2000/03 of 5 August 2000 laying down the general rules on post and telecommunications and the resolutions of the National Council of the State participations of 1 March 2001 on the creation of a Company Public Economic called "Algérie Télécom".

Algeria Telecom is therefore governed by this law which confers on it the status of a public company in the legal form of a joint-stock company SPA with the share capital of 50,000,000,000 Dinars and registered in the center of the commercial register on May 11, 2002.

Officially in operation on 1 January 2003, it is committed to the world of telecommunication and Communication Technologies with three objectives:

- Profitability.
- Efficiency.
- Quality of service.

Its ambition is to have a high level of technical, economic, and social performance.

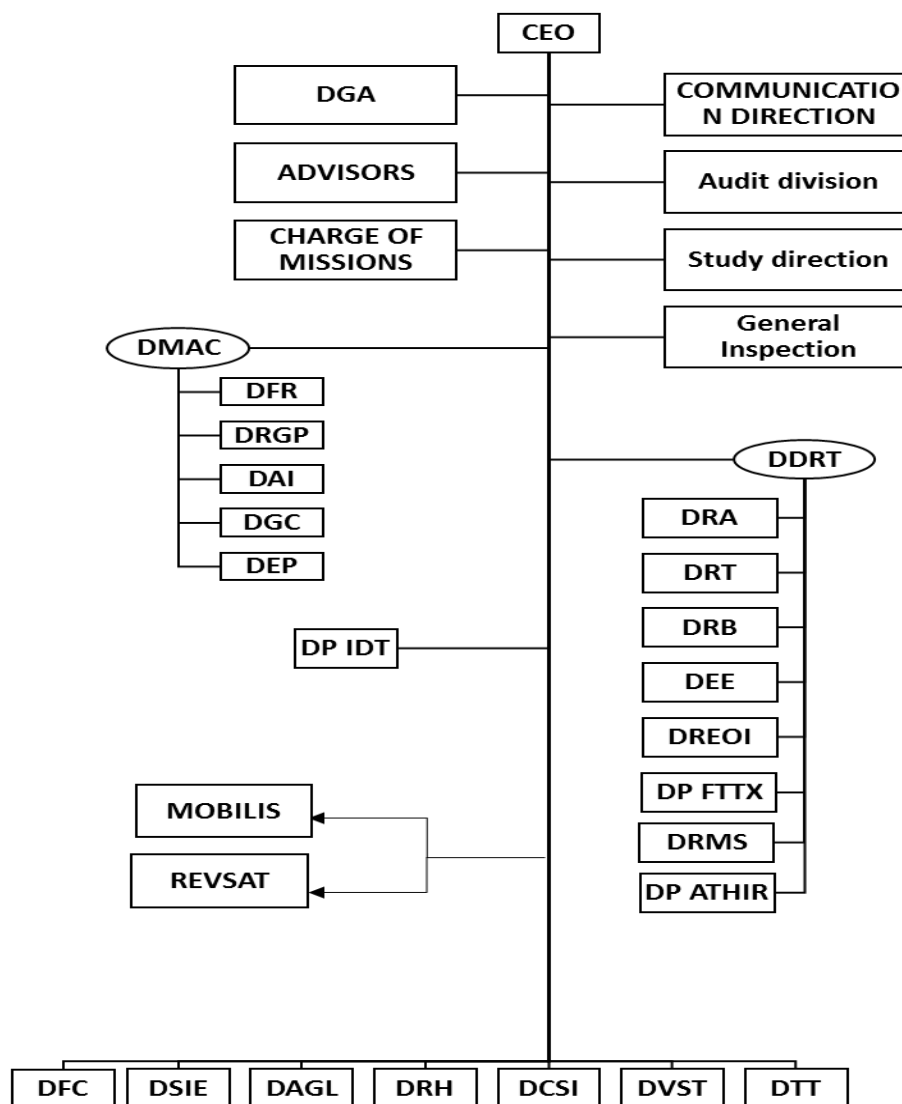
to maintain a lasting leader in its field, in an environment that has become competitive. Its concern is also to preserve and develop its international dimension. and participate in the promotion of the information society in Algeria.

**1.2 Presenting the Organizational Structure of ATC:**

Algeria Telecom is organized into Directions Regional and Directions

Operational activities for that ATC uses a traditional organizational structure divided according to the functions of the organization that includes several poles around the country:

**Figure 09:** the Organizational Structure of ATC



**Source:** From the Organization data handed to the student

The table below describes the main positions according to the ATC structure:

**Table 02:** the main positions according to ATC structure:

Code	Designation
CEO	Chairman and Chief Executive Officer
DAGL	Supply Chain and Logistics Management
DAI	International Affairs Department
DCSI	Central Directorate of Internal Security
DDRT	Telecommunications Network Development Division
DEE	Energy and Environment Department
DEP	Studies and Programs Department
DFC	Finance and Accounting Department
DFR	Billing and Collection Department
DGA	Deputy Chief Executive Officer
DGC	Major Accounts Department
DMAC	Marketing and Commercial Actions Division
DP ATHIR	Direction Project ATHIR
DP FTTX	Project Direction FTTX (Fiber to the x)
DP IDT	IDT Project Department (telecoms computerization)
DRA	Access Networks Directorate
DRB	Directorate of Basic Networks
DREOI	Corporate Networks and Integrated Offers Department
DRGP	General Public Relations Department
DRH	Human Resources Department
DRMS	Multi-Service Network Directorate
DRT	Transport Networks Department
DSEI	Systems and Equipment Department
DSEIDSVT	Strategy and Technology Watch Department
DTT	Territorial Department of Telecoms

MOBILIS	MOBILIS Direction Territorial AT group
REVSAT	Algeria Telecom Satellite (ATS)

**Source:** From the organization data handed to the students

As we can tell from the ATC organizational structure the corporation has a major role in delivering its services to the market there for the main ATC activities that includes five main domains:

- Fixed telephone: with two million lines in service and a wide growing network
- Mobile phone: activity through a Mobilis subsidiary, which owns a share 13% market.
- Data transmission: a data network activity for companies.
- Internet access through: ADSL and recently FIBRE services.
- Satellite network: telecommunications services based on VSAT, Inmarsat the Thuraya network.

### **1.3 Introducing ATC Laghouat Section:**

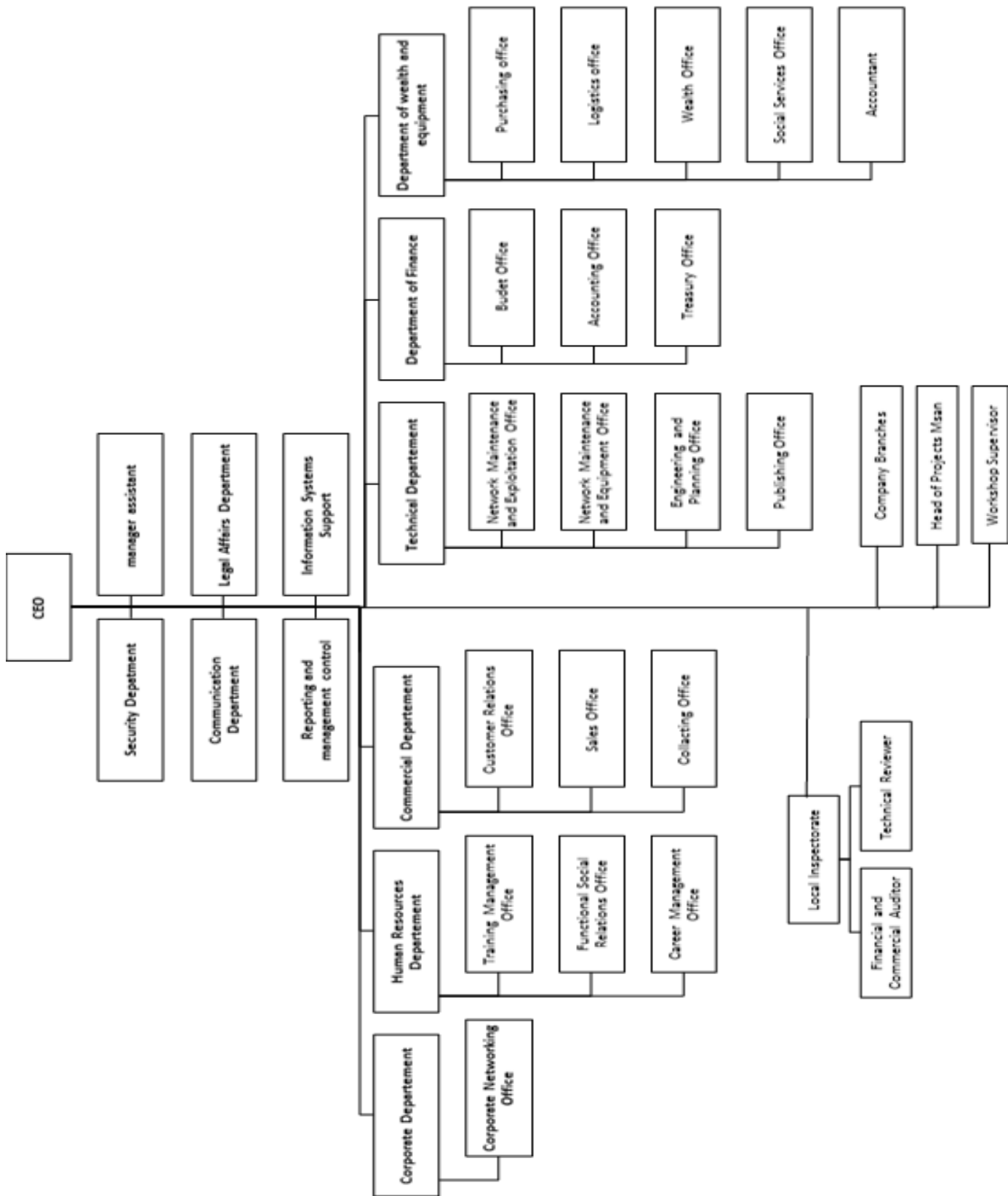
It is one of the departments with regional competence that undertakes the process of supervising three states in terms of administrative, commercial, and technical management and the states are Laghouat, Djelfa and El Bayadh, in addition to its direct management of the so-called regional centers of communications, each according to its specialization in the areas of communications, for example:

- Regional center for maintenance of correspondence equipment.
- The regional center for the maintenance of rural radio.
- Regional Center for Network Maintenance.

### **1.4 Presenting the Organizational Structure of ATC Laghouat:**

ATC Laghouat uses a traditional Structure divided by tasks and activities to maintain the sector performance:

**Figure 10:** The organizational structure of ATC Laghouat



Source: From the organization data handed to the students

➤ **Unit Director:** He is trusted with the basic tasks:

Directing and supervising, issuing organizational and administrative decisions, following up on the implementation of the annual achievement plans, closely following up the achievement of the top management objectives set annually and divided in the form of plans every two months.

➤ **Department of Wealth and Means:** Among its tasks:

- Execution of the established projects of the unite within the framework of the equipment budget
- Announcement of deals for the Directorate
- Follow up on projects from inception to final delivery
- Acquisition of means (office furniture, paper, cabinets)
- Annual inventory of office supplies and equipment.... etc.

➤ **The Finance Department:** It is responsible for the following:

- Preparing the unit's draft budget on the basis of the suggestions of the heads of departments and the director of the unit,
- Follow up the implementation of the unit's budget,
- Follow-up on the financing of projects in the process of completion and the payment of their own expenses
- Monitoring management, transactions, budget execution, financial positions and accounting records, as well as extra-budgetary operations,
- Monitoring all operations in the unit, including financial appropriations, invoices, depreciation, compliance with laws, good management, etc.

➤ **The Technical Department:** It takes care of the following:

- Follow up network maintenance,
- Solve all network related technical problems,
- Ensure good network utilization,
- Spreading and expanding the network across the entire territory of the state,
- Developing the network by introducing new technologies and the latest

equipment in the world of information and communication, and so on.

➤ **The Commercial Department:** It undertakes the following:

- Follow up on the goals set by the senior management, especially in terms of the number of new customers, debt collection ... etc.
- To meet the growing demand for subscribing to fixed-line and internet services,
- Follow-up on all operations concluded by the institution with customers, whether individuals or institutions,
- Cares about customers represented by individuals and institutions, by informing them and consolidating their relationship with them, gaining their trust and loyalty, following up on their issues and working to address their problems that may result from their dealings with the company,
- Ensure that various products reach the points of sale and follow up on their work on an ongoing basis,
- It is concerned with conducting marketing research and working on developing the institution's market.

➤ **Human Resources Department:** Its tasks include:

- Follow-up the career path of workers from employment to retirement, as well as preparing training programs in coordination with senior management,
- Preparing studies and following up on management and performance indicators,
- Helping the various departments to achieve the set goals, and it also helps in the process of making some decisions related to the work of the departments,
- Studying the various problems facing the work and workers side of the organization, and working to find successful solutions to these problems.
- Developing different abilities and skills for all employees, each according to the nature of his work, with fairness and equality without favoring one at the expense of others.
- Attracting competencies from outside the institution, and supervising the appointment process in cooperation with the rest of the directorate's

frameworks.

- Preparing reports related to the performance of employees, and attempting to correct the course of the employees whose mistakes appeared.

➤ **Companies Department:** It works through its interests to:

Follow-up on all the operations concluded by the institution with the rest of the institutions that are its customers, and develop this sector of the market, as well as the consolidation of the relationship with its clients from institutions.

- Ensure after-sales services for this category of customers and develop possible technical solutions in coordination with the technical department.

### 1.5 Goals and Activities of ATC Laghouat:

➤ The activities of the complex revolve around:

- Financing telecommunications services to allow the transmission of image, sound, written messages and digital data;
- development, maintenance and operation of public and private telecommunication networks;
- The establishment, investment and management of internal communications with all operators of the communications network;
- Ensuring the right to communicate for everyone through telephone offers and facilitating the process of obtaining various communication services for the largest possible number of customers, especially in isolated areas.

With regard to the company's objectives, the company seeks to achieve:

Quality, effectiveness and quality of services, three main objectives on which the Algiers Telecom Group depends on: The management of the Algeria Telecom complex has written in its program from the beginning three main objectives on which the company is work by: quality, efficiency, and quality of services. These three objectives set by Algeria Telecom allowed it to remain in the lead and the number one dealer in the Algerian telecom market.

### **2. The methodological and practical side of the field study:**

In this topic, we will present the methodology that we will follow to carry out the field study, where we will address the study model by highlighting the problems and hypotheses of the study, then to the study tools and clarifying its validity and reliability, and from it to a community and a sample selection Finally, we will discuss the most important methods of analysis used in the study, as well as the reasons for choosing modeling with equations constructivism.

#### **2.1 Building principles for the field study:**

Through this part, we address the most important problem of the study and its structural model, and the most important hypotheses that have been developed to verify them during this study.

##### **2.1.1 The problem of the field study:**

The main problem of the field study is formulated as follow:

**“Is there a statistically effect that CSR is a source of CA at Algeria Telecommunications Corporation at the 5% significance level? “**

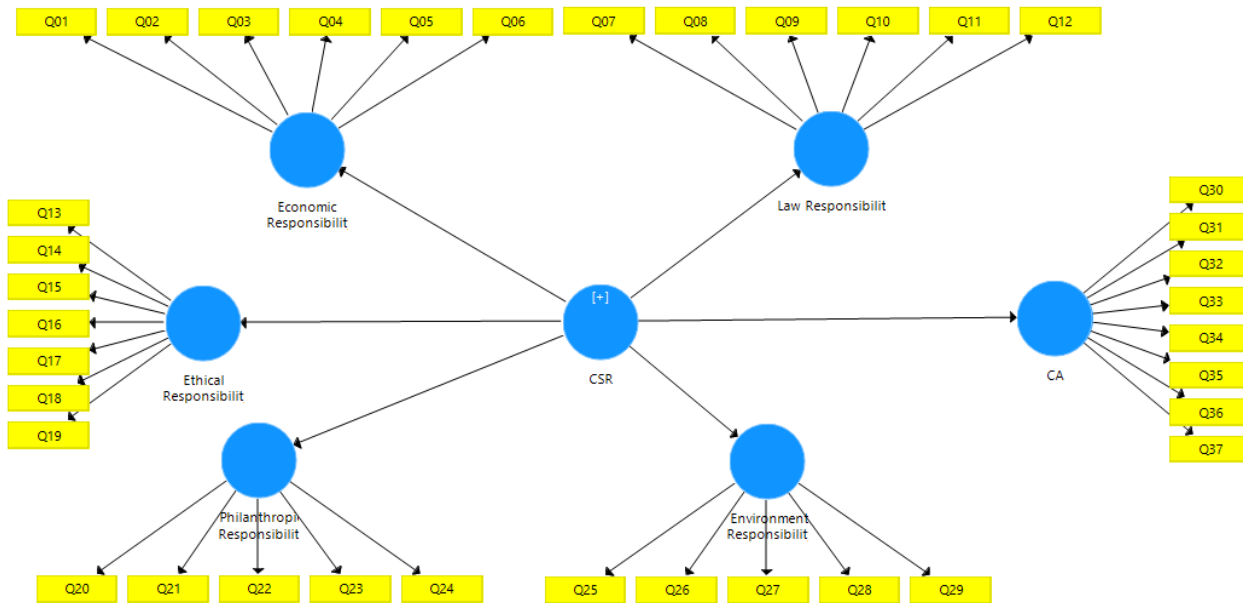
The sub-problems of the field study can be presented in the following statistical forms:

- “Is there a statistically effect of **Economic Responsibility** on **CA** at the 5% significance level?”
- “Is there a statistically effect of **Law Responsibility** on **CA** at 5% significance level?”
- “Is there a statistically effect of **Ethical Responsibility** on **CA** at 5% significance level?”
- “Is there a statistically effect of **Philanthropic Responsibility** on **CA** at 5% significance level?”
- “Is there a statistically effect of leaders **Environment Responsibility** on **CA** at 5% significance level?”

**2.1.2 The Study Model:**

The following study model was designed by the students to show each of the two variables, the independent which is represented by **CSR** and the dependent variable represented in **CA**.

**Figure 11:** The structural model of the study.



**Source:** Made by the students based on the outcomes of SmartPLS 3 outputs.

As we can see from the structural model of the study above, the study includes two variables, the 1st, the independent variable which is “**CSR**” by its five dimensions (Economic responsibility, Law responsibility, Ethical responsibility, Philanthropic responsibility, Environment responsibility) and the dependent variable which is the “**CA**”.

The study model variables consist of:

**a. Independent variable: CSR with its five dimensions:**

➤ **The first dimension:** (Economic responsibility), in this context, it represents a business’s first responsibility, which is to be profitable. Without profit, the company would not be able to pay their workers, employees will lose their jobs even before the company starts CSR activities. Being profitable is the only way for a company to be able to survive long term, and benefit society. Additionally,

this also means that it is a company's duty to produce goods and services that are needed/wanted by the customers, at a reasonable price.

- **The second dimension:** (Law responsibility), it is business's legal obligation to obey the law. it will show how companies conduct their business in the marketplace. Employment laws, competition with other companies, tax regulations and health and safety of employees are some examples of the legal responsibilities a company should adhere to. Failing to be legally responsible can be very bad for businesses.
- **The third dimension:** (Ethical responsibility), it is described as doing the right thing, being fair in all situations and also avoiding harm. A company should not only be obeying the law, but it should also do their business ethically. This is something that a company is not obligated to do. However, it is best for a company to be ethical as this not only shows their stakeholders that they are moral and just, but people will feel more comfortable purchasing goods/services from the company as well. Treating suppliers/employees properly are a few examples of being ethically responsible.
- **The fourth dimension:** (Philanthropic responsibility), businesses should "give back" to the community they take from. Therefore it should not be taken lightly as many people would want to do business with companies that are giving back to society. Philanthropic Responsibility is more than just doing what is right, but it is something that holds true to the company's values, to give back to society.
- **The fifth dimension:** (Environment Responsibility), it refers to the belief that organizations should behave in as environmentally friendly a way as possible. It's one of the most common forms of corporate social responsibility. Companies that seek to embrace environmental responsibility can do so in several ways such as reducing pollution, greenhouse gas emissions, the use of single-use plastics, water consumption, and general waste, offsetting negative environmental impact; for example, by planting trees, funding research, and

donating to related causes.

- b. The dependent variable: represented in the Competitive advantage it defined in the above Phrases 30 to 37.**

### **2.1.3 Field Study Hypotheses:**

In order to answer the problem, we formulated the following hypotheses:

- a. The main hypothesis:**

There is no statistically effect of **CSR** on **CA** in the Study subject at 5% level of significance?

Within this hypothesis are the following sub-hypotheses:

- “There is no statistically effect of **economic responsibility** on **competitive advantage** at the 5% significance level?”
- “There is no statistically effect of **law responsibility** on **competitive advantage** at 5% significance level?”
- “There is no statistically effect of **ethical responsibility** on **competitive advantage** at 5% significance level?”
- “There is no statistically effect of **philanthropic responsibility** on **competitive advantage** at 5% significance level?”
- “There is no statistically effect of **environment responsibility** on **competitive advantage** at 5% significance level?”

## **2.2 Study Tools:**

Within this part, we will present the dimensions of the questionnaire and verify the validity and reliability of the study tool in order to ensure the credibility of studying the questionnaire.

It included the three Parts that make up the questionnaire in its final form that can be summarized in the following:

### **The first Part:**

This part aims to present the subject of the study in addition to mentioning some details that would stimulate the respondent to participate in the questionnaire in a way that serves the study in general.

### **The second Part:**

Which relates to personal and functional data, as it consists of 3 elements: (gender, functional location, years of service) from members of the sample taken all with the aim of a preliminary picture of personal data.

**The third Part:**

Which is related to proposing a set of questions related to the independent variable CSR, it consisted of 29 phrases that represented its dimensions. As for the dependent variable CA, the questions were from 30 to 37.

And to summarize the components of the questionnaire according to the approved detail to measure the basic study variables (CSR & CA). The following table shows that:

**Table 03:** The phrases that make up the questionnaire.

<b>Variable</b>	<b>Dimension</b>	<b>Phrases Number</b>	<b>Code</b>
<b>CSR</b>	Economic Responsibility	Phrase From 1 to 6	Q1Q2Q3Q4Q5Q6
	Law Responsibility	Phrase From 7 to 12	Q7Q8Q9Q10Q11Q12
	Ethical Responsibility	Phrase From 13 to 19	Q13Q14Q15Q16Q17Q18Q19
	Philanthropic Responsibility	Phrase From 20 to 24	Q20Q21Q22Q23Q24
	Environment Responsibility	Phrase From 25 to 29	Q25Q26Q27Q28Q29
<b>CA</b>		Phrase From 30 to 37	Q30Q31Q32Q33Q34Q35Q36Q37

**Source:** Made by the students.

Through the foregoing, and with regard to the scale measurement used for the study phrases, the basic variables (**CSR**) and (**CA**), the researchers relied on a five-point Likert scale (strongly agree, agree, neutral, disagree, strongly disagree) as it is one of the most common and used measurements by researchers and specialists

in many studies.

**Table 04:** The five-point Likert scale

Strongly agree	Agree	Neutral	Disagree	Strongly disagree
<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

**Source:** Made by the students

**2.2.1 Source of preparing questionnaire items:**

The questionnaire items were prepared through the sources shown in the following table:

**Table 05:** Source of preparing questionnaire items

Variables	Dimensions	Number of phrases	Source
<b>CSR</b>	Economic Responsibility	<b>06</b>	Djedi Hanane, Hamlaoui Imane 2019 & Toumi Abdelkarim 2017. Behaved by the students
	Law Responsibility	<b>06</b>	
	Ethical Responsibility	<b>07</b>	
	Philanthropic Responsibility	<b>05</b>	
	Environment Responsibility	<b>05</b>	Jolanta Korkosz-Gębska 2014
<b>CA</b>		<b>08</b>	Made by the students according to (Kramer & Porter's article 2006)

**Source:** made by the student according to previous studies

**2.2.2 The apparent validity of the study tool:**

To ensure the apparent validity of the study tool, the questionnaire was presented in its initial form to a number of arbitrator professors in college in order to get to know their views, as they reviewed the content of the paragraphs and their relevance, coverage and coverage of the subject, The respondents, and based on their observations, the study tool has been modified in its final form see Annex 03.

**2.2.3 Stability of the study tool:**

In this study, Cronbach’s coefficient  $\alpha$  was used to calculate the internal consistency coefficients of the items included in the questionnaire through a pilot study. Results of the reliability analysis showed that the items in the six scales had a satisfactory discriminating power an increase in the value indicates a degree of high stability, and it ranges between (0) and (1) as showed in the table below:

**Table 06:** Stability of the study tool

<b>Dimensions</b>	<b>Number of Paragraphs</b>	<b>Cronbach’s coefficient</b>
Economic Responsibility	06	0.856
Law Responsibility	06	0.845
Ethical Responsibility	07	0.847
Philanthropic Responsibility	05	0.877
Environment Responsibility	05	0.84
CA	08	0.933
All Phrases	37	<b>0.866</b>

**Source:** Made by the students according to outputs of SmartPLS 3 and spss26

Through Table above, we notice that all values of Alpha Cronbach's coefficients exceeded (0.50) as the value reached the totality of this parameter is (0.866), which means that the measurement tool has good stability in (**CSR dimensions**) and excellent stability in (**CA**), which makes it valid for its validity for studying.

### **2.3 The practical side of the field study**

#### **2.3.1 Population and study sample:**

The methodological procedures of the study require clarification of the study population and sample, by addressing its size and method selection of its subjects.

A Population is a specific group of people, companies, markets, students, etc

Which have some common characteristics, and in order to find out how could **CSR** be a source of **CA**, The study population is represented by a group of employees of the Algeria Telecommunications Corporation Laghouat, which numbered around (60) employees. We settled on choosing (46) randomly employees to represent the study sample, 45 were returned and only 1 were canceled for not answering, where an initial questionnaire was designed and presented to the supervisor and a number of arbitrators from the Faculty of Economic, commercial and management sciences at Ammar Telidji University, Laghouat, and based on their opinions, we corrected some errors.

#### **2.3.2 Reasons for choosing modeling with structural equations:**

Structural equation modeling (SEM) is a powerful multivariate analysis technique that is widely used in the social sciences. Its applications range from analysis of simple relationships between variables to complex analyses of measurement equivalence for first and higher-order constructs. It provides a flexible framework for developing and analyzing complex relationships among multiple variables that allow researchers to test the validity of theory using empirical models. Perhaps its greatest advantage is the ability to manage measurement error, which is one of the biggest limitations of most studies. Although its application has been seen in many disciplines, it has yet to be

extensively used in medical research and epidemiology. Finally the use of SEM can be narrowed in few important reasons such as:

- It helps to examine the multiple causal relationships by addressing the linear effects that exist between the variables, especially between the latent variables as well as the apparent variables;
- It helps to examine the multiple causal relationship by treating the linear effects that exist between the variables, especially between the latent variables as well as between the apparent variables;
- Modeling with structural equations chooses the hypothetical linear relationship between a set of variables, and applies studies Confirmatory hypothetical deductive research.

### 3 The results of the Study and hypothesis Testing:

In this section, we will address the descriptive analysis and the characteristics of the study sample, in order to know the units of the study sample and to support the study with information on the sample, and then the analysis of the results of the measurement model, and finally the evaluation of the structural model and then testing the sub-hypotheses.

#### 3.1 Descriptive analysis of the study population characteristics:

This study is based on a set of data related to the characteristics of the study (gender, functional location, years of service), and in the light of these variables, the characteristics of the study sample are as follows:

##### 3.1.1 Characteristics of the study sample by:

Out of a total of 45 questionnaires, the results shown in the following tables and figures:

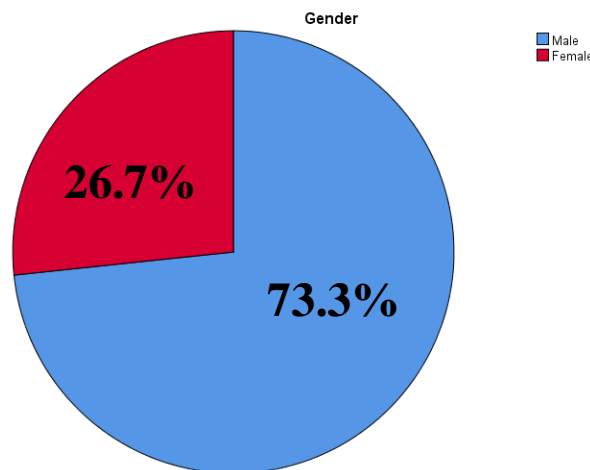
##### a. Gender:

**Table 07:** the sample members by gender

Gender			
		Frequency	Percent
Valid	Male	33	73.3
	Female	12	26.7
	<b>Total</b>	<b>45</b>	<b>100.0</b>

Source: Made by the students based on SPSS26 outputs

**Figure 12:** Distribution of the sample members by gender



Source: Made by the students based on SPSS26 outputs

We notice from the figure that the majority of the sample members are males, represented by 73.3% while 26. This indicates that the institution under study attracts the male category in particular.

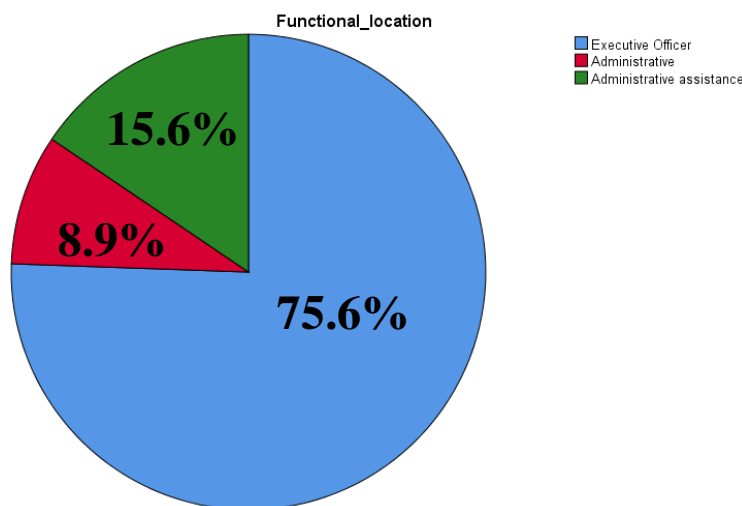
**b. Functional location:**

**Table 08:** Distribution the sample members by functional location

<b>Functional location</b>			
		Frequency	Percent
<b>Valid</b>	Executive Officer	34	75.6
	Administrative	4	8.9
	Administrative assistance	7	15.6
	<b>Total</b>	<b>45</b>	<b>100.0</b>

**Source:** Made by the students based on SPSS26 outputs

**Figure 13:** Distribution of the sample members by functional location



**Source:** Made by the students based on SPSS26 outputs

The above figure shows that 75.6% of the total sample size occupies an “Executive Officer” position, while those occupying the position of “Administrative” in the institution were 15.6%, As for those who occupy the position of "Administrative assistance", their percentage is estimated at 8.9%. We got these numbers because we are studying the direction of the state.

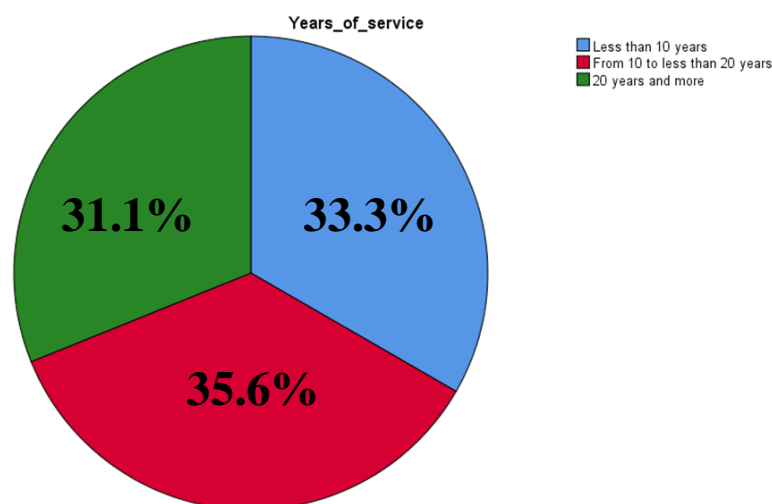
**c. Years of service in the company:**

**Table 09:** Distribution the sample members by the years of service

Years of service			
		Frequency	Percent
<b>Valid</b>	Less than 10 years	15	33.3
	From 10 to less than 20	16	35.6
	More 20 years	14	31.1
	<b>Total</b>	<b>45</b>	<b>100.0</b>

Source: Made by the students based on SPSS26 outputs

**Figure 14:** Distribution of the sample members by the years of service



Source: Made by the students based on SPSS26 outputs

Through Figure (14), we find that the third of percentage which is 33.3% represents those who have service in the institution equivalent to "less than 10 years", most of them are young. Followed by 35.6% of those who have experience "from 10 years to less than 20 years" and then the percentage of those who served the company "more than 20 years" is 31.1%. We see from these results that the numbers are quite equal which lead us to conclude that there is a steady employment rate that build a harmonious combination of human elements distributed between the experience of the ancients and the vitality and creativity the youth.

### **3.2 Analyzing the results of the measurement model:**

In analyzing the results and model of the study, we will rely on evidence and indicators through the software (SmartPLS3.3.9), where it is represented by these tools including the convergence validity evidence and the differentiation validity evidence, as well as the model quality indicators ( $R^2$ . $F^2$ . $Q^2$ , GOF) They are also called model adequacy indicators, as they are considered as a basis for identifying the modeling method with structural equations through Testing the model in general and accepting or rejecting it according to the frameworks and areas presented by researchers and specialists in this field , providing clearer pictures of the model suitability and all information related to the study with the proposed model as showed in the table below<sup>1</sup>:

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<sup>1</sup> Josephb F. Hair, G. Tomas M. Hult, Christian M. Ringle, Marko Sarstedt - **A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)** ,SAGE Publications, 2013, p 65-66

**Table 10:** The measurement model Indications

<b>Measurement model</b>	<b>Indications</b>	<b>Definition</b>	<b>Range</b>
<b>Measurement Model</b>	<b>Factor loading</b>	Indicator of compatibility and consistency of phrases with each other	More than 0.70
	<b>Composite Reliability</b>	a measure of internal consistency reliability, which, unlike Cronbach's alpha, does not assume equal indicator loadings.	Less than 69.0 is not good more than 70.0 is good more than 95.0 is not good
	<b>Average Variance Extracted</b>	a measure of convergent validity. It is the degree to which a latent construct explains the variance of its indicators	It is acceptable if it exceeds 0.50
	<b>cross loading</b>	An indicator for measuring how far phrases are from each other	The phrase is more closely related to the axis it represents

	<b>variable correlation</b>	Axle repulsion indicator	The dimension or axis is more in relation with the rest of the dimensions
<b>structural model</b>	<b>Coefficient of determination <math>R^2</math></b>	An indicator of measuring the ability to explain independent variables to the dependent variable	R more than 0.67 high R more than 0.33 medium R more than 0.19 low
	<b>F Effectsize</b>	An indicator for measuring the effect of independent variables on the dependent variable	F more than 0.30 high F more than 0.15 medium F less than 0.15 weak F less than 0.01 unacceptable
	<b>Predictive relevance</b>	An indicator of measuring the ability to predict independent variables for the dependent variable	Must be more than 0
	<b>Studying Model dependence Gof</b>	Indicator for dependence of the study Model	Less than 0.1 unacceptable Between 0.25 and 0.1 weak Between 0.36 and 0.25 medium Between 0.36 and 0.25 Medium More than 0.36 High

**Source:**( Josephb F. Hair, G. Tomas M. Hult, Christian M. Ringle, Marko Sarstedt - A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM) (SAGE Publications, 2013, p 65-66)

**3.2.1 Construct Reliability and Validity:**

Validity Convergence is how closely the questions are related to each other based on M.Hult that can be measured through: (Factor Loading, Composite Reliability, Average Variance Extracted) the table below demonstrate the results based on SmartPLS report:

**Table 11: Validity Convergence results:**

<b>Dimensions</b>	<b>Items</b>	<b>FL &gt; 0.7</b>	<b>CR &gt; 0.7</b>	<b>AVE &gt; 0.5</b>
<b>Economic Responsibility</b>	<b>Q1</b>	<b>0.567</b>	<b>0.893</b>	<b>0.585</b>
	<b>Q2</b>	<b>0.884</b>		
	<b>Q3</b>	<b>0.776</b>		
	<b>Q4</b>	<b>0.796</b>		
	<b>Q5</b>	<b>0.784</b>		
	<b>Q6</b>	<b>0.745</b>		
<b>Law Responsibility</b>	<b>Q7</b>	<b>0.494</b>	<b>0.887</b>	<b>0.575</b>
	<b>Q8</b>	<b>0.640</b>		
	<b>Q9</b>	<b>0.738</b>		
	<b>Q10</b>	<b>0.887</b>		
	<b>Q11</b>	<b>0.819</b>		
	<b>Q12</b>	<b>0.891</b>		
<b>Ethical Responsibility</b>	<b>Q13</b>	<b>0.810</b>	<b>0.886</b>	<b>0.533</b>
	<b>Q14</b>	<b>0.819</b>		
	<b>Q15</b>	<b>0.650</b>		
	<b>Q16</b>	<b>0.452</b>		
	<b>Q17</b>	<b>0.759</b>		
	<b>Q18</b>	<b>0.787</b>		
	<b>Q19</b>	<b>0.762</b>		
<b>Philanthropic Responsibility</b>	<b>Q20</b>	<b>0.716</b>	<b>0.911</b>	<b>0.674</b>
	<b>Q21</b>	<b>0.836</b>		
	<b>Q22</b>	<b>0.766</b>		

	Q23	0.901		
	Q24	0.872		
<b>Environment Responsibility</b>	Q25	0.789	<b>0.886</b>	<b>0.609</b>
	Q26	0.816		
	Q27	0.746		
	Q28	0.752		
	Q29	0.797		
<b>CA</b>	Q30	0.799	<b>0.944</b>	<b>0.683</b>
	Q31	0.878		
	Q32	0.874		
	Q33	0.558		
	Q34	0.864		
	Q35	0.867		
	Q36	0.875		
	Q37	0.848		

Source: Made by the students according to SmartPLS Report

The table above shows the main results for the study model by testing the Construct Reliability and Validity there for we can discuss the results below:

**a. Factor Loading:**

Factor loading is basically the correlation coefficient for the variable and factor. Factor loading shows the variance explained by the variable on that particular factor. In the SEM approach, as a rule of thumb, 0.7 or higher factor loading represents that the factor extracts sufficient variance from that variable there for Through the results of the above table, the indicators (measurements) of the items shows that phrases (Q01, Q07, Q08, Q15, Q16, Q33) are below the acceptable range 0.7 and for that the phrases has been deleted due to The covariance between the latent variable and its indicator is smaller than the variance of measurement errors<sup>2</sup>.

<sup>2</sup> Ibid, p 175

### **b. Composite Reliability:**

The composite reliability varies between 0 and 1, with higher values indicating higher levels of reliability. It is generally interpreted in the same way as Cronbach's alpha. Specifically, composite reliability values of 0.60 to 0.70 are acceptable in exploratory research, while in more advanced stages of research, values between 0.70 and 0.90 can be regarded as satisfactory. Values above 0.90 (and definitely  $> 0.95$ ) are not desirable because they indicate that all the indicator variables are measuring the same phenomenon and are therefore unlikely to be a valid measure of the construct. From the above table, we note that all (CR) coefficients are statistically significant and acceptable because they are more than 0.70 which indicates the interdependence of the study phrases in the measurement of latent variables, and therefore there is reliability in our model.

### **c. Average Variance Extracted:**

A common measure to establish convergent validity on the construct level is the average variance extracted (AVE). This criterion is defined as the grand mean value of the squared loadings of the indicators associated with the construct (i.e., the sum of the squared loadings divided by the number of indicators). Therefore, the AVE is equivalent to the communality of a construct. Using the same logic as that used with the individual indicators, an AVE value of 0.50 or higher indicates that, on average; the construct explains more than half of the variance of its indicators. Conversely, an AVE of less than 0.50 indicates that, on average, more error remains in the items than the variance explained by the construct.

‘And as noted from the table above the value of AVE is higher than the accepted range which indicates that each variable explains the inductors there for the AVE has been achieved in this model.

### **3.2.2 Validity Discriminant:**

Discriminant validity is the extent to which a construct is truly distinct from other constructs by empirical standards. Thus, establishing discriminant validity implies that a construct is unique and captures phenomena not represented by other

constructs in the model. Two measures of discriminant validity have been proposed.

**a. Cross Loading:**

One method for assessing discriminant validity is by examining the cross loadings of the indicators. Specifically, an indicator's outer loading on the associated construct should be greater than all of its loadings on other constructs (i.e., the cross loadings). The presence of cross loadings that exceed the indicators' outer loadings represents a discriminant validity problem and that can be demonstrated in the study's dimensions in the table below<sup>3</sup>:

**Table 12: The Cross Loading Results**

	<b>Economic Responsibility</b>	<b>Law Responsibility</b>	<b>Ethical Responsibility</b>	<b>Philanthropic Responsibility</b>	<b>Environment Responsibility</b>	<b>CA</b>
<b>Q2</b>	0.877	0.512	0.616	0.395	0.369	0.406
<b>Q3</b>	0.760	0.508	0.360	0.224	0.190	0.249
<b>Q4</b>	0.808	0.643	0.661	0.553	0.455	0.406
<b>Q5</b>	0.803	0.489	0.611	0.670	0.591	0.476
<b>Q6</b>	0.759	0.436	0.502	0.415	0.306	0.135
<b>Q9</b>	0.427	0.771	0.457	0.495	0.430	0.336
<b>Q10</b>	0.650	0.928	0.803	0.685	0.672	0.591
<b>Q11</b>	0.533	0.845	0.607	0.500	0.507	0.440
<b>Q12</b>	0.608	0.910	0.764	0.664	0.603	0.632
<b>Q13</b>	0.635	0.706	0.837	0.608	0.560	0.541
<b>Q14</b>	0.620	0.801	0.841	0.646	0.687	0.633
<b>Q17</b>	0.626	0.504	0.736	0.693	0.587	0.517
<b>Q18</b>	0.522	0.525	0.774	0.572	0.647	0.572
<b>Q19</b>	0.384	0.530	0.794	0.579	0.601	0.506
<b>Q20</b>	0.387	0.547	0.678	0.717	0.662	0.598
<b>Q21</b>	0.357	0.493	0.574	0.837	0.626	0.402
<b>Q22</b>	0.428	0.537	0.614	0.766	0.617	0.515

<sup>3</sup> Ibid, p177

Q23	0.710	0.644	0.716	0.901	0.660	0.563
Q24	0.496	0.577	0.600	0.871	0.651	0.385
Q25	0.653	0.573	0.723	0.735	0.788	0.572
Q26	0.309	0.525	0.570	0.670	0.816	0.650
Q27	0.212	0.351	0.490	0.575	0.746	0.437
Q28	0.280	0.507	0.507	0.470	0.753	0.673
Q29	0.435	0.547	0.694	0.579	0.789	0.632
Q30	0.473	0.652	0.772	0.667	0.800	0.809
Q31	0.383	0.471	0.532	0.558	0.595	0.881
Q32	0.506	0.585	0.686	0.557	0.701	0.876
Q34	0.363	0.635	0.589	0.494	0.603	0.868
Q35	0.186	0.362	0.440	0.409	0.553	0.859
Q36	0.302	0.413	0.536	0.445	0.637	0.869
Q37	0.317	0.322	0.522	0.391	0.605	0.843

**Source:** made by the students according to SmartPLS3

Through the above table, we notice that the indicators for the dimensions are by value compatible there for we can rely on the study measurement.

### **b. Variable Correlation:**

The Fornell-Larcker criterion is a second and more conservative approach to assessing discriminant validity. It compares the square root of the AVE values with the latent variable correlations. Specifically, the square root of each construct's AVE should be greater than its highest correlation with any other construct. (Note: This criterion can also be stated as the AVE should exceed the squared correlation with any other construct.) The logic of this method is based on the idea that a construct shares more variance with its associated indicators than with any other construct<sup>4</sup> through the table below we can demonstrate that according to the study structure:

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<sup>4</sup> Ibid, p 180

**Table 13: Variable Correlation results**

	CA	Economic Responsibility	Environment Responsibility	Ethical Responsibility	Law Responsibility	Philanthropic Responsibility
CA	0.858					
Economic Responsibility	0.438	0.803				
Environment Responsibility	0.762	0.503	0.781			
Ethical Responsibility	0.697	0.704	0.775	0.798		
Law Responsibility	0.593	0.650	0.649	0.777	0.866	
Philanthropic Responsibility	0.602	0.591	0.784	0.778	0.686	0.821

**Source:** Made by the students according to SmartPLS3 Report

Through the above table, we notice that the variables or axes are related to each other and thus represent themselves in the highest value compared with the other axes, and this means that there is no overlap between the study axes and that the variables are independent by themselves. Therefore, we say that these latent variables are independent. After confirming the quality of structure model, it can be relied upon on to continue the study.

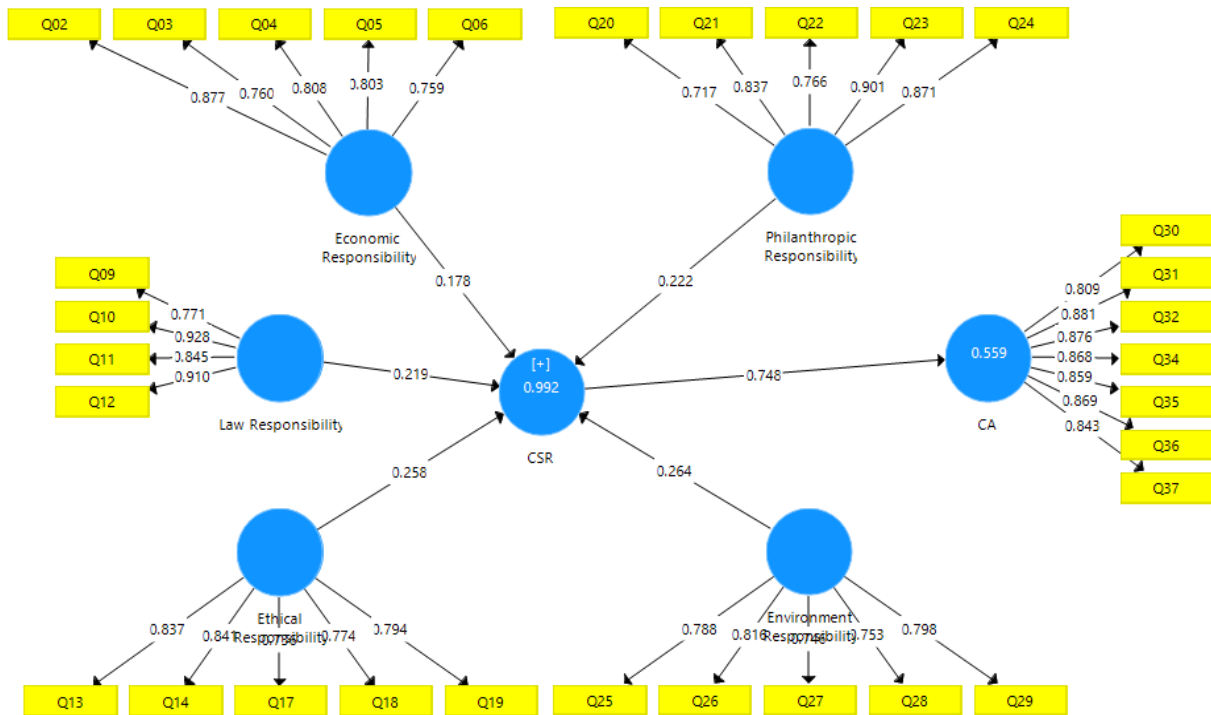
**3.3 Estimating the structural model and testing the Sub-hypotheses of the study:**

Before testing the hypotheses of the field study, it is necessary to first address the indicators of the constructivist model quality ( $R^2$ ,  $F^2$ ,  $Q^2$ , GOF), in order to find out the indicators of the structural model, Then we move on to testing the validity of the hypotheses.

**3.3.1 The structural model of the study:**

After correcting the structure according to the results we obtained the following structure showed below:

Figure 15: The structural model after correcting



Source: Made by the students according to SmartPLS3 Report

### 3.3.2 Model quality indicators

#### a. Coefficient of determination (R<sup>2</sup>):

The most commonly used measure to evaluate the structural model is the coefficient of determination (R<sup>2</sup> value). This coefficient is a measure of the model's predictive accuracy and is calculated as the squared correlation between a specific endogenous construct's actual and predicted values.

The R<sup>2</sup> value ranges from 0 to 1 with higher levels indicating higher levels of predictive accuracy. It is difficult to provide rules of thumb for acceptable R<sup>2</sup> values as this depends on the model complexity and the research discipline. Whereas R<sup>2</sup> values of 0.20 are considered high in disciplines such as consumer behavior, in success driver studies (e.g., in studies that aim at explaining customer satisfaction or loyalty), researchers expect much higher values of 0.75 and above. In scholarly research that focuses on marketing issues, R<sup>2</sup> values of 0.75, 0.50, or 0.25 for endogenous latent variables can, as a rough rule of thumb, be respectively described as substantial, moderate, or weak, the table below shows the Coefficient of determination value for this study:

**Table 14:** Coefficient of determination

	R Square	Observation
CA	0,545	Medium

Source: made by the students according to SmartPLS3 Report.

Through the above table, we note that the coefficient of determination is high and in the acceptable for both variables which indicates that the independent variables have a significant impact on the dependent variable and have the ability to explain it.

**b. Effect Size ( $F^2$ ):**

In addition to evaluating the  $R^2$  values of all endogenous constructs, the change in the  $R^2$  value when a specified exogenous construct is omitted from the model can be used to evaluate whether the omitted construct has a substantive impact on the endogenous constructs. This measure is referred to as the  $F^2$  effect size. Guidelines for assessing  $F^2$  are that values of 0.02, 0.15, and 0.35, respectively, represent small, medium, and large of the exogenous latent variable<sup>5</sup> we can demonstrate the study’s effect size of the variables on the table below:

**Table 15 :** Effect Size ( $F^2$ )

	CA	Observation
CSR	1.197	High

Source: made by the students according to SmartPLS3 Report

From the table above we notice that some dimensions of agile leadership has great impact on change resistance like objectivity tranquility with rate 0.099 and 0.022 while other dimensions don’t such confidence and patience.

**c. Reductive Relevance:**

In addition to evaluating the magnitude of the  $R^2$  values as a criterion of predictive accuracy, researchers should also examine Stone-Geisser's  $Q^2$  value this measure is an indicator of the model's predictive relevance. More specifically,

<sup>5</sup> Ibid, p183

when PLS-SEM exhibits predictive relevance, it accurately predicts the data points of indicators in reflective measurement models of endogenous constructs and endogenous single-item constructs (the procedure does not apply for formative endogenous constructs). In the structural model,  $Q^2$  values larger than zero for a certain reflective endogenous latent variable indicate the path model's predictive relevance for this particular construct for this study the results is showed in the table below:

**Table 16: Reductive Relevance**

	$Q^2$	Observation
CA	0,346	High

**Source:** made by the students according to SmartPLS3 Report

From the table above its clear that the Reductive Relevance is higher than 0 this indicates that the predictive ability of this measurement model independent variables on the prediction of the dependent variable is very good, which indicates that there is a clear effect of the independent variables on the dependent variables

**d. Goodness-of-fit Index (GoF):**

Tenenhaus et al. proposed a PLS goodness-of-fit index (GoF) as "an operational solution to this problem as it may be meant as an index for validating the PLS model globally" Henseler and Sarstedt (2012) recently challenged the usefulness of the GoF both conceptually and empirically. Their research shows that the GoF does not represent a goodness-of-fit criterion for PLS-SEM. In particular, the GoF is, unlike fit measures in CB-SEM, not able to separate valid models from invalid ones. Since the GoF is also not applicable to formatively measurement models and does not penalize over parameterization efforts, researchers are advised not to use this measure the GoF of this study was calculated by the the equation  $(AVE * R Square)^{0,5}$  and the results are shower in table below

**Table 17 :** Goodness-of-fit Index (GoF) of the study

	(AVE)	R Square	(AVE*R Square)	(AVE*R Square) <sup>0,5</sup>
<b>The model</b>	<b>0,699</b>	0,648	0,453	<b>0,673</b>

Source: Made by the students according to SmartPLS3 Report

From the table above we note that the GoF of this study is more than 0.36 which indicates a high quality study model.

**3.4 Testing the Study's hypotheses and the differences:**

We will test the hypotheses of the study at the level of significance ( $\alpha = 0.05$ ), depending on the outputs of the software. (SmartPLS 3), and the results were as follows:

**3.4.1 Testing the main and sub-hypotheses:**

For testing the main and the sub-hypotheses, we use the following table from (smartpls3) outputs:

**Table 18:** Testing the hypothesis

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values	decision
CSR → CA	0,738	0,751	0,079	9,373	<b>0.000</b>	<b>Rejected</b>
Eco → CA	-0,013	0,049	0,218	0,059	<b>0.953</b>	<b>Accepted</b>
Law → CA	0,073	0,11	0,221	0,333	<b>0.740</b>	<b>Accepted</b>
Ethical → CA	0,265	0,207	0,252	1,051	<b>0.293</b>	<b>Accepted</b>
Ph → CA	-0,109	-0,072	0,210	0,521	<b>0.603</b>	<b>Accepted</b>
Env → CA	0,612	0,559	0,222	2,756	<b>0.006</b>	<b>Rejected</b>

Source: made by the students according to SmartPLS3

A p-value, or probability value, is a number describing how likely it is that your data would have occurred by random chance (i.e. that the null hypothesis is true).

The level of statistical significance is often expressed as a p-value between 0 and 1. The smaller the p-value, the stronger the evidence that you should reject the null hypothesis<sup>6</sup>.

A p-value less than 0.05 (typically  $\leq 0.05$ ) is statistically significant. It indicates strong evidence against the null hypothesis, as there is less than a 5% probability

<sup>6</sup> Ibid, p195

the null is correct (and the results are random). Therefore, we reject the null hypothesis, and accept the alternative hypothesis.

However, if the  $p$ -value is below your threshold of significance (typically  $p < 0.05$ ), you can reject the null hypothesis, but this does not mean that there is a 95% probability that the alternative hypothesis is true. The  $p$ -value is conditional upon the null hypothesis being true, but is unrelated to the truth or falsity of the alternative hypothesis.

A  $p$ -value higher than 0.05 ( $> 0.05$ ) is not statistically significant and indicates strong evidence for the null hypothesis. This means we retain the null hypothesis and reject the alternative hypothesis. You should note that you cannot accept the null hypothesis; we can only reject the null or fail to reject it.

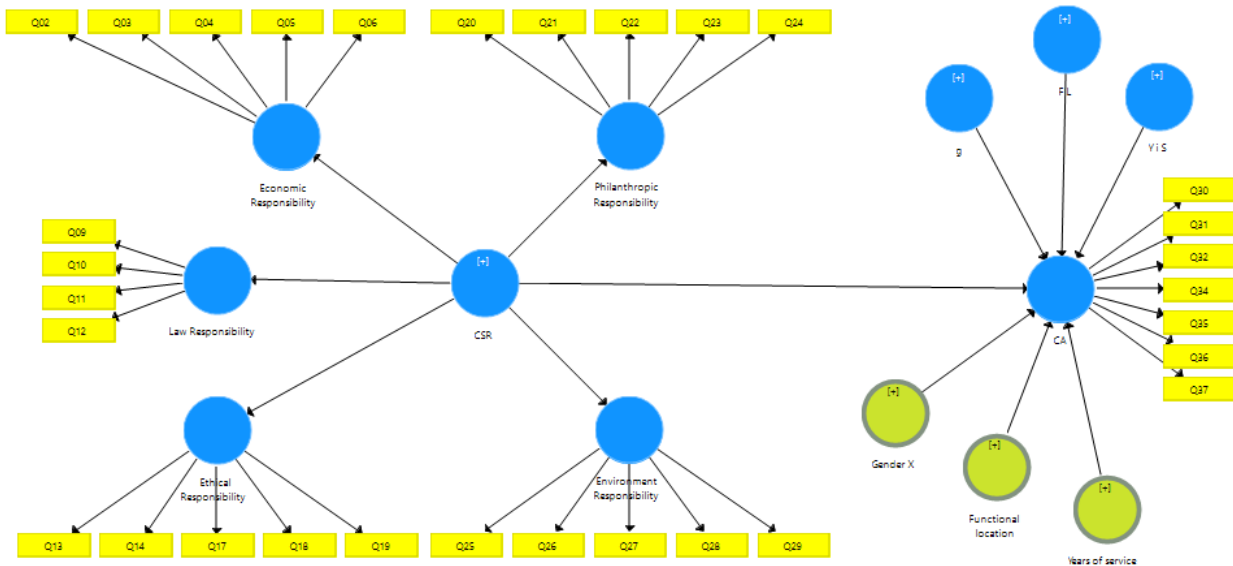
It's clear from the table above that demonstrate the hypotheses testing for this study that the main hypotheses that we stated "There is no statistically effect of **CSR** on **CA** in the Study subject at 5% level of significance" is rejected due to the low range of the probability value which is (0.000) as we can see from the table above there for its lower than the acceptable range of the statistically significant level ( $\alpha = 0.05$ ) that explains the decision of rejecting the main hypothesis.

For the sub-hypotheses we got different results, when the  $p$ -value of the hypotheses (0.952, 0.74, 0.263, 0.593, **0.006**) in order, that leads us to the fact that the (Economic responsibility, Law responsibility, Ethical responsibility, Philanthropic responsibility) has no impact on the **CA** in the institution under study due to the probability value of all the dimensions measured goes out of (0.000 to 0.002) in general are all accepted due to the higher range of the statistically significant level ( $\alpha = 0.05$ ). (Environment responsibility) has an impact on the **CA** in the institution under study due to the probability value of all the dimensions measured goes by (0.000 to 0.002) from that we can say this sub-hypothesis is rejected due to the lower range of the statistically significant level ( $\alpha = 0.05$ ) as result we can say that There is a statistically effect of **CSR** on the **CA** in the Study subject at 5% level of significance.

**3.4.2 The results of the differences test for the modified variables:**

The following figure shows the results of the approved model in testing the impact of the moderating variables, which are: (gender, functional location, years of service):

**Figure 16:** The structural model after adding moderating variables



Source: made by the students according to SmartPLS3 Report

The following table shows the results of the differences test for the moderating variables:

**Table 19:** The results of the differences test for the moderating variables

	P Values	decision
Gender → CA	0.961	Accepted
Functional L → CA	1	Accepted
Years of s → CA	0.191	Accepted

Source: made by the students according to SmartPLS3 Report

From the table, we note that the P-value of the gender variable was 0.964, and therefore it is greater than the level of ( $\alpha = 0.05$ ), the hypothesis is accepted, that there are no statistical differences in the impact of CSR on CA in the presence of the gender variable as a modified variable in the relationship between them at the level of significance ( $\alpha = 0.05$ ), the same thing for the other to moderating variables (Functional location and Years of service). There are no differences.

### **Chapter conclusion:**

Moving from the theoretical frame work to a study case frame is an important transition in every study to reflect what been studied and measure the application of it statically, through this chapter we took a part in choosing Algeria telecom Laghouat section as organization to host the study case due to the complex environment that requires more than providing good services, showing interest in their acts toward the internal and external environment, especially the human structure in order to gain benefits in the long term as a challenge the enterprise will face.

Starting the study by choosing a random sample of employees from the Algeria telecom Laghouat section to collect the data and to treat it, then to study the hypotheses, that has been done by using the questionnaire as a main tool to demonstrate the study and to test the ability of building a competitive advantage out of corporate social responsibility and to understand which part of CSR will lead Algeria Telecom to that.

The results were obtained through analyzing the questions using (SPSS26) and then exporting them to (SmartPLS3) can scan and report them after the right adjusts according to the factor loading, then the structure measurement has been done by following (Composite Reliability, Average Variance Extracted) , after that the students reconstructed the study model and tested the main and the sub hypotheses after making sure to evaluate the coefficient of determination ( $R^2$ ,  $F^2$ ,  $Q^2$ , GoF), and end up as result rejecting the main hypothesis along with the last sub- hypothesis due to the lower P-value which make it in the accepting range, but accepting the first 4 sub- hypotheses, due to the higher P-value that make it out of the accepting range.

# Conclusion

This study aimed to understand and analyze how could CSR be a source of CA theoretical through different studies that handled the same topic or the same filed in theoretical terms and case studies, specially (Kramer and Porters'2006), we had in the 1<sup>st</sup> chapter the two variables of this study where we submerged through the dimensions of each variable for better understanding, after clarifying the meaning of both variables theoretically weather was the CSR as independent variable or CA as dependent variable, we passed to introduce the link between them both. In the 2<sup>nd</sup> chapter we took what have been written about the topic and measure realistically through data to reach the statistic evidences and to reshape the study structure by choosing ATC Laghouat as a host institution for this study case and figuring out the relation between CSR and CA through the employees' sample.

And then we have our results and suggestions shown as follow:

### **1. Results:**

Through the field study and after analyzing the data we obtained from the study sample the following results:

- The data analyze showed to be good and in the acceptable ranger in the statistical tests in the measurement structure model by testing (Construct Reliability and Validity, Validity Discriminant ...);
- Reinstrucing the measurement model by clearing the low range FL questions has giving the study the right validity in testing measurements;
- Analyzing the probability values for the hypotheses testing has resulted accepting 4 of the 5 sub-hypotheses, but rejecting the last one which means rejecting as well the main hypotheses that said there's no impact on CA by CSR in the study subject at 5% level of significance;
- ATC Laghouat has proven lack in managing CSR levels to improve or to increase their market share;

- ATC Laghouat works in a less competitive market, where it represents the national leader in telecommunication market;
- CSR has proven the ability to solve common social issues. Management there is ATC Laghouat in needs to update their strategic management style in order to become flexible so it could fulfill society needs;
- Most of the sample were men with 73.3%, 70% of them are executive officers.

## **2. Difficulties of the study:**

We faced some difficulties such as:

- Some doctors rejected the subject of the study;
- Some of the respondents were not serious;
- The size of the sample was not big enough;
- We wasted so much time in the institution host of the study;
- We didn't have much time to ask more the employees and to have a clear vision of what they really think about our two variables;
- Some of the employees managed to reject our meeting.

## **3. Suggestions regarding the study subject:**

ATC Laghouat is the local provider for wired and wireless telecommunication services and that's a sensitive matter to any of their clients therefor the students suggested some points:

### **A. For the management style :**

- By observation the management style that the ATC Laghouat works by, it's very classical hierarchical organizational structure that is characterized by many rules, standardized processes, procedures and requirements, number of desks, the meticulous division of labor and responsibility, clear hierarchies and professional, almost impersonal interactions between employees as well-known as Bureaucratic and this kills creativity in its usual define;

- They should think about using open door policy;
- The strategy must be planned to fit the customer needs, this is not well shown when we come up to visit the sales department, they think more about expanding than it to satisfy current clients.

**B. For the organizational style :**

- The students noticed some unused space that can be put to a good use such as an office for research department that will make further study's much easier for researchers;
- The staff members basically running from their jobs before time;
- The office areas where less organized which takes a lot of time to find my papers;
- Most of the employees were not sure about their corporation's policies and initiatives; it is a must to let them involve in the great strategy;
- The internal organization was not good, it was difficult to transmit information, this what happened with our questionnaire; easing this process will show better results communication.

**4. Further studies suggestions:**

The study is vast expanding topics with much more questions to answer and more problems to state and solve in much modern aspects that could be themes for future research topics as we present it below:

- The same study in other companies;
- How could CSR be a source of employees satisfaction;
- How could reputation be a source of competitive advantage;
- How could corporate governance be a source of competitive advantage;
- The impact of employees satisfaction on competitive advantage;
- The impact of organizational culture on CSR use;
- The relationship between CSR and corporate governance.

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# **Annex**

**Annex 01:** List of evaluators:

	<b>The teacher</b>	<b>The university</b>
<b>01</b>	Dr. Ferhat Ahmida	University Of Amar Telidji– Laghouat
<b>02</b>	Dr. Benbertal Abdelkader	University Of Amar Telidji – Laghouat
<b>03</b>	Dr. Baadj Hachmi	University Of Amar Telidji – Laghouat
<b>04</b>	Dr.Khenniche Youcef	University Of Amar Telidji – Laghouat
<b>05</b>	Dr. Rayane Amina	University Of Amar Telidji – Laghouat
<b>06</b>	Dr. Mtabes Amel	University Of Amar Telidji – Laghouat
<b>07</b>	Dr. Sofrani Aicha	University Of Amar Telidji – Laghouat

**Annex 02:** The questionnaire before the evaluating:

**Annex 03:** The questionnaire after the evaluating:



الجمهورية الجزائرية الديمقراطية الشعبية  
وزارة التعليم العالي والبحث العلمي  
جامعة عمار ثليجي - الأغواط -  
كلية العلوم الاقتصادية التجارية وعلوم التسيير  
قسم علوم التسيير  
تخصص إدارة أعمال

### استبيان حول المسؤولية الاجتماعية للشركات كمصدر للميزة التنافسية

تحية طيبة، يسعدنا الأخ(ت) المحترم(ة)، أن تشاركوا معنا في هذا الاستبيان الذي يهدف لمعرفة دور المسؤولية الاجتماعية كمصدر للميزة التنافسية، وهذا من خلال الإجابة على أسئلة الاستمارة المرفقة، مع العلم بأن إجاباتكم ستندرج في إطار إعداد مذكرة ماستر في علوم التسيير، تخصص إدارة الأعمال، تحت عنوان "المسؤولية الاجتماعية للشركات كمصدر للميزة التنافسية"، مع العلم والتأكيد بأن هذه المعلومات لن تستعمل إلا لأغراض البحث العلمي وفي إطار هذه الدراسة. شاكرين لكم تعاونكم تقبلوا منا فائق أسمى عبارات الاحترام و التقدير.

ملاحظة : يتم اختيار الخانة المناسبة بوضع علامة √.

من إعداد الطلبة:

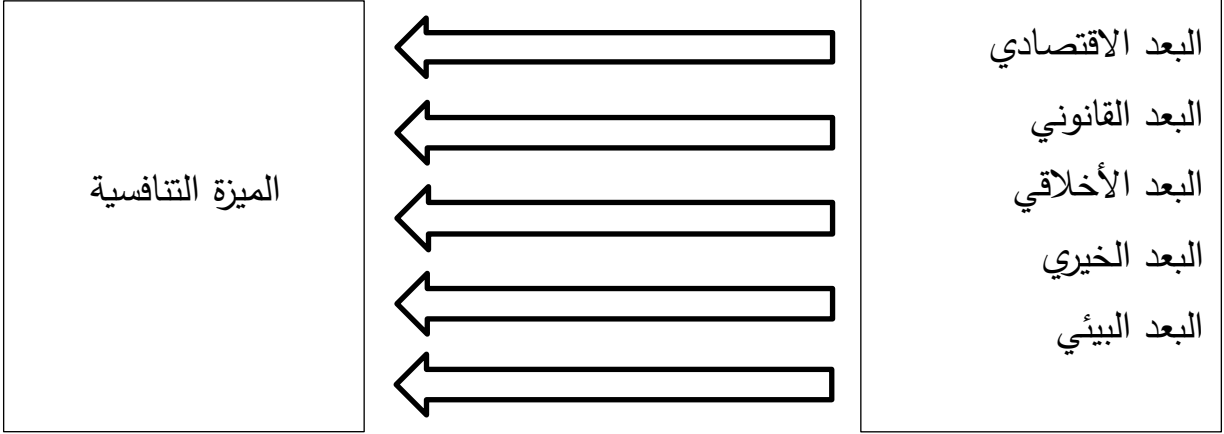
• محمد رضا بوملاسة

• بن سالم نور الإسلام عامر

تحت إشراف الأستاذ:

• أحميدة فرحات

## المسؤولية الاجتماعية للشركات



## نموذج للدراسة

## المعلومات الشخصية

يرجى وضع إشارة ( ✓ ) في الخانة التي تختارها

1-الجنس:

انثى

ذكر

2- الموقع الوظيفي:

عون تحكم

إطار

عون تنفيذ

3- سنوات الخدمة في المؤسسة :

20-11 سنة

أقل من 10 سنوات

أكثر من 20 سنة

معارض بشدة	معارض	محايد	موافق	موافق بشدة	الفقرة	
					<b>البعد الإقتصادي</b>	
					تعمل المؤسسة على تحقيق أقصى ربح بطرق شفافة.	01
					المؤسسة تحقق ربح اقتصادي دون المساس بمستوى الأجور.	02
					توفر المؤسسة الأجر الذي يكفي العامل لتلبية حاجياته اليومية.	03
					يستفيد العامل من الأرباح التي تحققها المؤسسة.	04
					تقوم المؤسسة بخلق فرص عمل لأفراد المجتمع.	05
					تساهم المؤسسة في توفير مصادر الحياة الكريمة للمجتمع المحلي.	
					<b>البعد القانوني</b>	
					تلتزم المؤسسة بممارسة الأعمال التي تتوافق مع القوانين المحلية السارية في المجتمع.	06
					تضع المؤسسة قوانين لحماية المستهلك.	07
					تعمل المؤسسة على التزام الأفراد العاملين بتعليمات وإجراءات الصحة والسلامة والبيئة الأمنية.	08
					تتفاعل إدارة المؤسسة مع النقابات العمالية.	09
					تعمل المؤسسة على التصريح لدى مصالح الضمان الاجتماعي و تقديم الإعانات عند الوفاة والعجز.	10
					تقوم المؤسسة بمحاربة الفساد الإداري.	11
					<b>البعد الأخلاقي</b>	
					تقوم المؤسسة بإنجاز أعمالها بالأسلوب الذي	12

					يتوافق مع قيم وأخلاق المجتمع المحلي.	
					توفر المؤسسة فرص توظيف متكافئة وعادلة للجميع.	13
					تساهم المؤسسة في توفير مناصب عمل لذوي الاحتياجات الخاصة.	14
					توفر المؤسسة فرص عمل للعنصر النسوي.	15
					تتحمل المؤسسة الأضرار التي يتعرض لها العملاء في المؤسسة.	16
					تتحمل المؤسسة المسؤولية اتجاه أفراد المجتمع ككل ولا تميز بينهم على أساس العرق أو الجنس أو الدين.	17
					تقوم المؤسسة بتكثيف بعض منتجاتها مع حاجات الفئات المحرومة (ذوي الاحتياجات الخاصة، كبار السن، اللاجئين، وما إلى ذلك).	18
					<b>البعد الخيري</b>	
					تقدم المؤسسة هبات لدعم المجتمع المحلي كدعم طلاب الجامعات مثلاً.	19
					تساهم المؤسسة في دعم البنى التحتية للمجتمع المحلي من طرق، مدارس ومراكز الصحة.	20
					تساهم المؤسسة في حل المشاكل التي تواجه العاملين والتخفيف من الأضرار التي تحل بالمجتمع أثناء الأزمات كالفيضانات والزلازل.	21
					تقدم المؤسسة المساعدات و التبرعات للمشاريع الخيرية(مراكز الطفولة، مراكز رعاية المسنين...الخ).	22
					توافق المؤسسة على المشاركة في البرامج المسطرة من طرف الجمعيات والهيئات المحلية والتي تهدف إلى حماية البيئة و المجتمع.	23
					<b>البعد البيئي</b>	

					توافق المؤسسة على المشاركة في البرامج المسطرة من طرف الجمعيات والهيئات المحلية والتي تهدف إلى حماية البيئة و المجتمع.	24
					تحاول المؤسسة تقليل استهلاك المرافق، (على سبيل المثال باستخدام معدات موفرة للطاقة أو تحديث أو تنفيذ حلول تكنولوجية جديدة، وتقليل المواد الخام واستهلاك الطاقة).	25
					تروج المؤسسة لتكون مؤيدة للبيئة سواء بين موظفيها وعملائها.	26
					تقوم المؤسسة بتنوع مصادر الطاقة لديها (مثلاً استخدام مصادر الطاقة المتجددة).	27
					تقوم المؤسسة بالعمل على تقليل انبعاثات مركباتها.	28
					توافق المؤسسة على المشاركة في البرامج المسطرة من طرف الجمعيات والهيئات المحلية والتي تهدف إلى حماية البيئة و المجتمع.	29
					<b>الميزة التنافسية</b>	
					تركز المؤسسة على حاجات ورغبات العملاء وتعمل على تجسيدها بشكل متطور ومتميز	30
					تولي المؤسسة اهتماما كبيرا للبحوث التسويقية بغرض التعرف على الرغبات غير المشبعة للعملاء.	31
					لدى المؤسسة القدرة على الاستجابة لتغيرات البيئة الخارجية.	32
					تساعد المعلومات المستخلصة بعد المعالجة في تحديد نقاط ضعف و قوة الشركة.	33
					تحديد نقاط القوة و الضعف يضمن للمؤسسة استغلالها في تعزيز تفوقها وتحقيق مزايا تنافسية في هذا المجال.	34
					يمكن استخدام المعلومات المعالجة في تحديد	35

					الفرص التي يمكن الاستفادة منها، مما قد يفتح للمؤسسة آفاق إنتاجية وتسويقية جديدة تفتح بدورها الباب نحو تحقيق مزايا تنافسية.	
					36 معرفة التهديدات المحتملة تساعد في الاحتياط لها مما يسمح للمؤسسة بالحفاظ على الريادة التي تحوزها.	
					37 تسعى المؤسسة باستمرار لتقديم منتج متميز بدون عيوب.	
					38 تمتلك المؤسسة شبكة توزيع سريعة وفعالة في إيصال المنتجات والخدمات للعملاء.	
					39 تلقى المؤسسة تقديرا واحتراما من قبل المجتمع، نتيجة الخدمات التي تقدمها.	

شكراً



الجمهورية الجزائرية الديمقراطية الشعبية

وزارة التعليم العالي والبحث العلمي

جامعة عمار ثلجي - الأغواط -

كلية العلوم الاقتصادية التجارية وعلوم التسيير

تخصص إدارة أعمال

قسم علوم التسيير

استبيان حول المسؤولية الاجتماعية للشركات كمصدر للميزة التنافسية



تحية طيبة، يسعدنا الأخ(ت) المحترم(ة)، أن تشاركوا معنا في هذا الاستبيان الذي يهدف لمعرفة دور المسؤولية الاجتماعية كمصدر للميزة التنافسية، وهذا من خلال الإجابة على أسئلة الاستمارة المرفقة، مع العلم بأن إجاباتكم ستدرج في إطار إعداد مذكرة ماستر في علوم التسيير، تخصص إدارة الأعمال، تحت عنوان "المسؤولية الاجتماعية للشركات كمصدر للميزة التنافسية"، مع العلم والتأكيد بأن هذه المعلومات لن تستعمل إلا لأغراض البحث العلمي وفي إطار هذه الدراسة. شاكرين لكم تعاونكم تقبلوا منا فائق أسمى عبارات الاحترام و التقدير.

تحت إشراف الأستاذ:

• أحميدة فرحات

من إعداد الطلبة:

• بن سالم نور الإسلام عامر

• محمد رضا بوملاسة

### المعلومات الشخصية

يرجى وضع إشارة ( √ ) في الخانة التي تختارها

1-الجنس:

انثى

ذكر

2- الموقع الوظيفي:

عون تحكم

إطار

عون تنفيذ

3- سنوات الخدمة في المؤسسة :

11-20 سنة

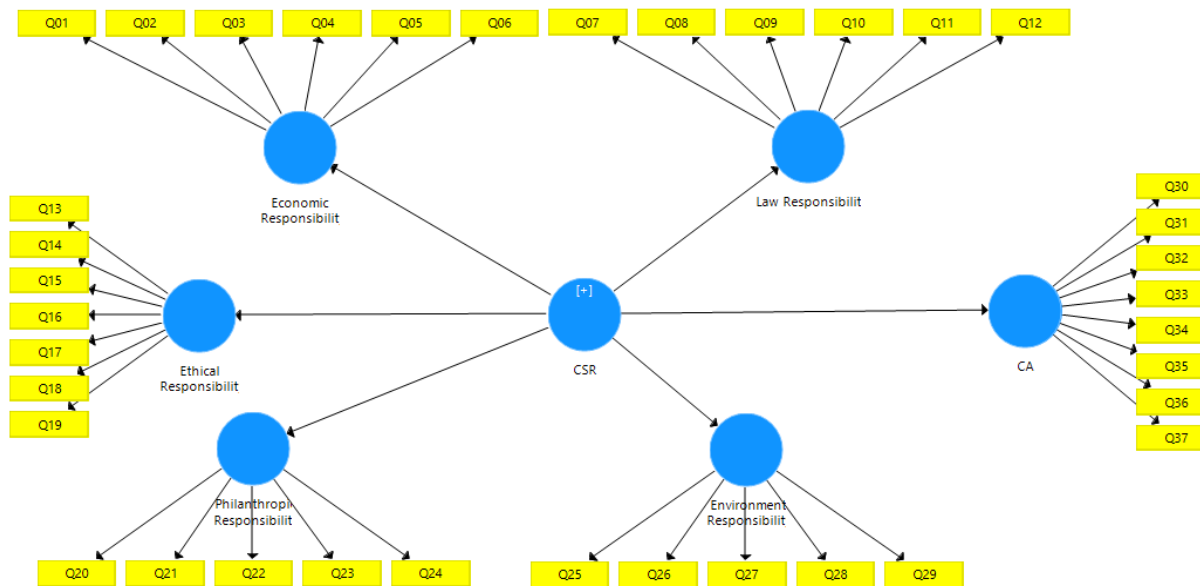
أقل من 10 سنوات

أكثر من 20 سنة

معارض بشدة	معارض	محايد	موافق	موافق بشدة	الفقرة	
					توفر المؤسسة الأجر الذي يكفي العامل لتلبية حاجياته اليومية.	01
					يستفيد العامل من الأرباح التي تحققها المؤسسة.	02
					المؤسسة تحقق ربح اقتصادي دون المساس بمستوى الأجور.	03
					تعمل المؤسسة على تحقيق أقصى ربح بطرق شفافة.	04
					تقوم المؤسسة بخلق فرص عمل لأفراد المجتمع.	05
					تساهم المؤسسة في توفير مصادر الحياة الكريمة للمجتمع المحلي.	06
					تلتزم المؤسسة بممارسة الأعمال التي تتوافق مع القوانين المحلية.	07
					تضع المؤسسة قوانين لحماية المستهلك.	08
					تعمل المؤسسة على التزام الأفراد العاملين بتعليمات وإجراءات الصحة والسلامة والبيئة الأمنية.	09
					تتفاعل إدارة المؤسسة مع النقابات العمالية.	10
					تعمل المؤسسة على التصريح لدى مصالح الضمان الاجتماعي و تقديم الإعانات عند الوفاة والعجز.	11
					تقوم المؤسسة بمحاربة الفساد الإداري.	12
					تقوم المؤسسة بإنجاز أعمالها بالأسلوب الذي يتوافق مع قيم وأخلاق المجتمع المحلي.	13
					توفر المؤسسة فرص توظيف متكافئة وعادلة للجميع.	14
					تساهم المؤسسة في توفير مناصب عمل لذوي الاحتياجات الخاصة.	15
					توفر المؤسسة فرص عمل للعنصر النسوي.	16
					تتحمل المؤسسة الأضرار التي يتعرض لها العملاء في المؤسسة.	17
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					تقوم المؤسسة بتكييف بعض منتجاتها مع حاجات الفئات المحرومة (ذوي الاحتياجات الخاصة، كبار السن، اللاجئين، وما إلى ذلك).	19

					20	تقدم المؤسسة هبات لدعم المجتمع المحلي كدعم طلاب الجامعات مثلاً.
					21	تساهم المؤسسة في دعم البنى التحتية للمجتمع المحلي (طرق، مدارس ومراكز الصحة).
					22	تساهم المؤسسة في حل المشاكل التي تواجه العاملين والتخفيف من الأضرار التي تحل بالمجتمع أثناء الأزمات.
					23	تقدم المؤسسة المساعدات و التبرعات للمشاريع الخيرية(مراكز الطفولة، مراكز رعاية المسنين).
					24	توافق المؤسسة على المشاركة في البرامج المسطرة من طرف الجمعيات والهيئات المحلية والتي تهدف إلى حماية البيئة و المجتمع.
					25	تحاول المؤسسة تقليل استهلاك المرافق، (على سبيل المثال باستخدام معدات موفرة للطاقة أو تحديث أو تنفيذ حلول تكنولوجية جديدة، وتقليل المواد الخام واستهلاك الطاقة).
					26	تروج المؤسسة لتكون مؤيدة للبيئة سواء بين موظفيها وعملائها.
					27	تقوم المؤسسة بتنويع مصادر الطاقة لديها (مثلاً استخدام مصادر الطاقة المتجددة).
					28	تقوم المؤسسة بالعمل على تقليل انبعاثات مركباتها.
					29	تتجنب المؤسسة إلحاق الضرر بالبيئة أثناء قيامها بنشاطاتها.
					30	تعمل المؤسسة على جذب أكفاء القوى العاملة.
					31	تسعى المؤسسة الى الحصول على أقوى و أسرع خوادم الويب (les serveurs web) لتوفير خدمة ترقى لمتطلبات الزبون.
					32	تعمل المؤسسة على حفظ الملكية الفكرية (براءات الاختراع).
					33	تعمل المؤسسة على توفير خدماتها في كل ربوع الوطن.
					34	تعمل المؤسسة على التحسين من خدماتها لما يقابل متطلبات العميل.
					35	تعمل المؤسسة على حل المشاكل التي تواجه العميل.
					36	تعمل المؤسسة على دعم السوق بخدماتها.
					37	تسعى المؤسسة الى دمج خدماتها في السوق.

**Annex 04: The study structure:**



**Annex 05: Cronbach's Alpha results & Composite Reliability and AVE:**

	Cronbach's Al...	rho_A	Composite Rel...	Average Varian...
COMPETITIVE ADVANTAGE	0.933	0.954	0.944	0.683
CORPORATE SOCIAL RESPONSIBILITY	0.952	0.959	0.957	0.442
Economic Responsibility	0.856	0.881	0.893	0.585
Environment Responsibility	0.840	0.847	0.886	0.609
Ethical Responsibility	0.847	0.872	0.886	0.533
Law Responsibility	0.845	0.886	0.887	0.575
Philanthropic Responsibility	0.877	0.884	0.911	0.674

**Reliability**

➔ **Scale: ALL VARIABLES**

**Case Processing Summary**

		N	%
Cases	Valid	45	100.0
	Excluded <sup>a</sup>	0	.0
	Total	45	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.962	37

## Annex 06: Characteristics of the study sample:

## Statistics

		Gender	Years_of_service	Functional_location
N	Valid	45	45	45
	Missing	0	0	0

## Gender

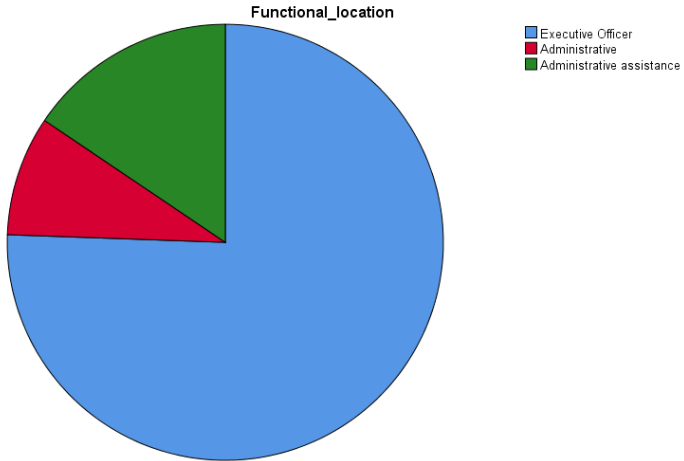
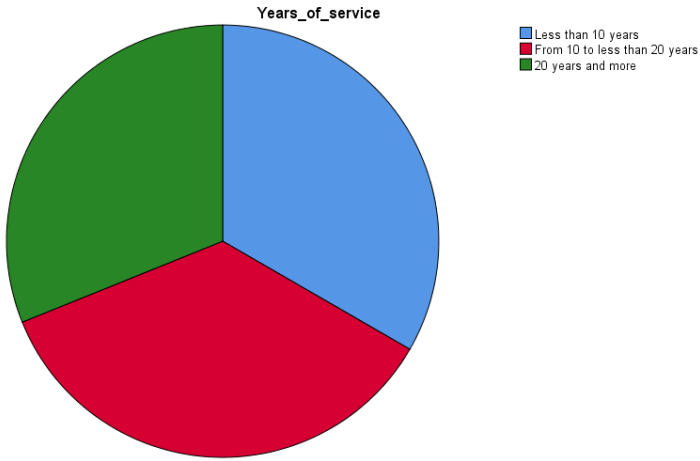
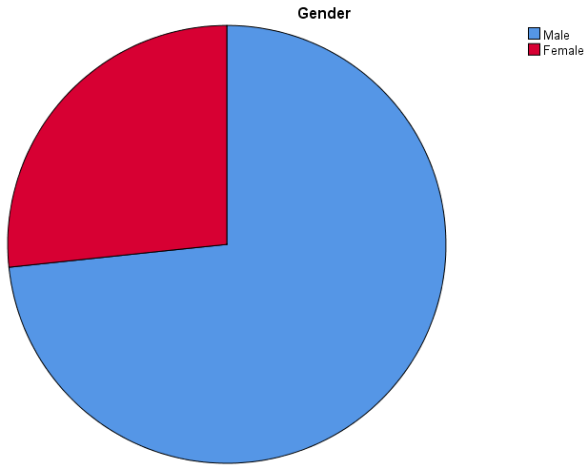
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	33	73.3	73.3	73.3
	Female	12	26.7	26.7	100.0
	Total	45	100.0	100.0	

## Years\_of\_service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 10 years	15	33.3	33.3	33.3
	From 10 to less than 20 years	16	35.6	35.6	68.9
	20 years and more	14	31.1	31.1	100.0
	Total	45	100.0	100.0	

## Functional\_location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Executive Officer	34	75.6	75.6	75.6
	Administrative	4	8.9	8.9	84.4
	Administrative assistance	7	15.6	15.6	100.0
	Total	45	100.0	100.0	



## Annex 07: Factor loading:

	COMPETITIVE ...	CORPORATE S...	Economic Res...	Environment R...	Ethical Respon...	Law Responsib...	Philanthropic ...
Q1			0.567				
Q1		0.361					
Q10						0.887	
Q10		0.853					
Q11						0.819	
Q11		0.684					
Q12						0.891	
Q12		0.818					
Q13					0.810		
Q13		0.749					
Q14					0.819		
Q14		0.826					
Q15					0.650		
Q15		0.572					
Q16					0.452		
Q16		0.377					
Q17					0.759		
Q17		0.728					
Q18					0.787		
Q18		0.731					
Q19					0.762		
Q19		0.663					
Q2			0.884				
Q2		0.615					
Q20							0.716
Q20		0.682					
Q21							0.836
Q21		0.654					
Q22							0.766
Q22		0.709					
Q23							0.901
Q23		0.834					
Q24							0.872
Q24		0.739					

	COMPETITIVE ...	CORPORATE S...	Economic Res...	Environment R...	Ethical Respon...	Law Responsib...	Philanthropic ...
Q25				0.789			
Q25		0.786					
Q26				0.816			
Q26		0.675					
Q27				0.746			
Q27		0.575					
Q28				0.752			
Q28		0.610					
Q29				0.797			
Q29		0.698					
Q3			0.776				
Q3		0.450					
Q30	0.799						
Q31	0.878						
Q32	0.874						
Q33	0.558						
Q34	0.864						
Q35	0.867						
Q36	0.875						
Q37	0.848						
Q4			0.796				
Q4		0.703					
Q5			0.784				
Q5		0.726					
Q6			0.745				
Q6		0.534					
Q7						0.494	
Q7		0.420					
Q8						0.640	
Q8		0.539					
Q9						0.738	
Q9		0.584					

## Annex 08: Cross Loading results:

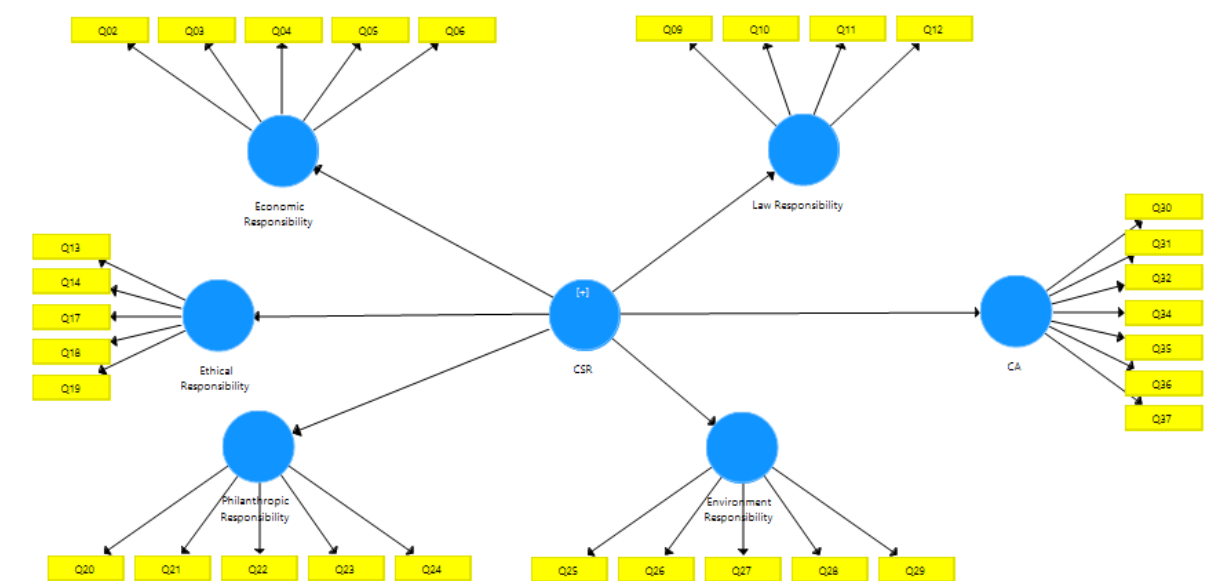
	COMPETITIVE ...	CORPORATE S...	Economic Res...	Environment R...	Ethical Respon...	Law Responsib...	Philanthropic ...
Q1	0.362	0.361	0.567	0.231	0.272	0.411	0.110
Q1	0.362	0.361	0.567	0.231	0.272	0.411	0.110
Q10	0.582	0.853	0.641	0.672	0.803	0.887	0.685
Q10	0.582	0.853	0.641	0.672	0.803	0.887	0.685
Q11	0.429	0.684	0.538	0.507	0.600	0.819	0.500
Q11	0.429	0.684	0.538	0.507	0.600	0.819	0.500
Q12	0.624	0.818	0.610	0.603	0.760	0.891	0.664
Q12	0.624	0.818	0.610	0.603	0.760	0.891	0.664
Q13	0.532	0.749	0.620	0.560	0.810	0.632	0.608
Q13	0.532	0.749	0.620	0.560	0.810	0.632	0.608
Q14	0.618	0.826	0.620	0.687	0.819	0.791	0.646
Q14	0.618	0.826	0.620	0.687	0.819	0.791	0.646
Q15	0.365	0.572	0.346	0.449	0.650	0.517	0.486
Q15	0.365	0.572	0.346	0.449	0.650	0.517	0.486
Q16	0.308	0.377	0.144	0.363	0.452	0.218	0.419
Q16	0.308	0.377	0.144	0.363	0.452	0.218	0.419
Q17	0.505	0.728	0.603	0.589	0.759	0.509	0.693
Q18	0.569	0.731	0.535	0.648	0.787	0.601	0.572
Q18	0.569	0.731	0.535	0.648	0.787	0.601	0.572
Q19	0.492	0.663	0.376	0.602	0.762	0.515	0.579
Q19	0.492	0.663	0.376	0.602	0.762	0.515	0.579
Q2	0.408	0.615	0.884	0.370	0.572	0.489	0.395
Q2	0.408	0.615	0.884	0.370	0.572	0.489	0.395
Q20	0.586	0.682	0.391	0.662	0.659	0.511	0.716
Q20	0.586	0.682	0.391	0.662	0.659	0.511	0.716
Q21	0.386	0.654	0.324	0.627	0.566	0.478	0.836
Q21	0.386	0.654	0.324	0.627	0.566	0.478	0.836
Q22	0.513	0.709	0.409	0.618	0.648	0.613	0.766
Q22	0.513	0.709	0.409	0.618	0.648	0.613	0.766
Q23	0.558	0.834	0.683	0.661	0.724	0.661	0.901
Q23	0.558	0.834	0.683	0.661	0.724	0.661	0.901
Q24	0.369	0.739	0.461	0.652	0.630	0.595	0.872
Q24	0.369	0.739	0.461	0.652	0.630	0.595	0.872
Q25	0.565	0.786	0.620	0.789	0.730	0.555	0.735
Q26	0.637	0.675	0.292	0.816	0.571	0.573	0.669
Q26	0.637	0.675	0.292	0.816	0.571	0.573	0.669
Q27	0.426	0.575	0.223	0.746	0.507	0.434	0.575
Q27	0.426	0.575	0.223	0.746	0.507	0.434	0.575
Q28	0.671	0.610	0.315	0.752	0.498	0.599	0.469
Q28	0.671	0.610	0.315	0.752	0.498	0.599	0.469
Q29	0.618	0.698	0.432	0.797	0.678	0.534	0.579
Q29	0.618	0.698	0.432	0.797	0.678	0.534	0.579

Q3	0.259	0.450	0.776	0.191	0.322	0.489	0.224
Q30	0.799	0.786	0.474	0.800	0.772	0.675	0.666
Q31	0.878	0.609	0.389	0.595	0.540	0.546	0.557
Q32	0.874	0.710	0.505	0.701	0.654	0.656	0.557
Q33	0.558	0.198	0.257	0.177	0.104	0.241	0.089
Q34	0.864	0.636	0.387	0.603	0.587	0.663	0.494
Q35	0.867	0.493	0.231	0.552	0.444	0.471	0.409
Q36	0.875	0.574	0.322	0.636	0.536	0.524	0.445
Q37	0.848	0.534	0.337	0.604	0.510	0.453	0.391
Q4	0.408	0.703	0.796	0.456	0.647	0.617	0.553
Q4	0.408	0.703	0.796	0.456	0.647	0.617	0.553
Q5	0.468	0.726	0.784	0.592	0.610	0.534	0.670
Q5	0.468	0.726	0.784	0.592	0.610	0.534	0.670
Q6	0.133	0.534	0.745	0.307	0.485	0.410	0.416
Q6	0.133	0.534	0.745	0.307	0.485	0.410	0.416
Q7	0.620	0.420	0.206	0.455	0.330	0.494	0.311
Q7	0.620	0.420	0.206	0.455	0.330	0.494	0.311
Q8	0.525	0.539	0.405	0.449	0.397	0.640	0.438
Q8	0.525	0.539	0.405	0.449	0.397	0.640	0.438
Q9	0.332	0.584	0.437	0.430	0.441	0.738	0.495
Q9	0.332	0.584	0.437	0.430	0.441	0.738	0.495

### Annex 09: Variable correlation results:

	COMPETITIVE ...	CORPORATE S...	Economic Res...	Environment R...	Ethical Respon...	Law Responsib...	Philanthropic ...
COMPETITIVE ...	0.827						
CORPORATE S...	0.730	0.665					
Economic Res...	0.456	0.769	0.765				
Environment R...	0.749	0.865	0.500	0.781			
Ethical Respon...	0.678	0.930	0.667	0.775	0.730		
Law Responsibi...	0.672	0.882	0.651	0.692	0.768	0.758	
Philanthropic R...	0.590	0.887	0.564	0.784	0.790	0.701	0.821

**Annex 10: The structure model after the statistical analyze:**



**Annex 11: R square results:**

	R Square	R Square Adjus...
CA	0.545	0.534
Economic Resp...	0.603	0.594
Environment R...	0.746	0.740
Ethical Respon...	0.869	0.866
Law Responsibi...	0.743	0.737
Philanthropic R...	0.786	0.781

**Annex 12: F square results:**

	CA
CA	
CSR	1.197

**Annex 13: Q square results:**

	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
CA	315.000	205.864	0.346

**Annex 14:** Hypotheses testing results:

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics ( O/...	P Values
CSR -> CA	0.738	0.751	0.079	9.373	<b>0.000</b>
Economic Resp...	-0.013	0.049	0.218	0.059	<b>0.953</b>
Environment R...	0.612	0.559	0.222	2.756	<b>0.006</b>
Ethical Respon...	0.265	0.207	0.252	1.051	<b>0.293</b>
Law Responsibi...	0.073	0.110	0.221	0.333	<b>0.740</b>
Philanthropic R...	-0.109	-0.072	0.210	0.521	<b>0.603</b>

**Annex 15:** The differences test for the moderating variables results:

	Original Sampl...	Sample Mean (...	Standard Devia...	T Statistics ( O/...	P Values
CSR -> Econo...	0.772	0.789	0.073	10.631	<b>0.000</b>
CSR -> Environ...	0.866	0.866	0.049	17.651	<b>0.000</b>
CSR -> Ethical ...	0.933	0.929	0.035	26.798	<b>0.000</b>
CSR -> Law Re...	0.861	0.863	0.048	17.910	<b>0.000</b>
CSR -> Philant...	0.892	0.891	0.043	20.804	<b>0.000</b>
FL -> CA	-0.164	-132616039234...	296241791738...	0.000	<b>1.000</b>
Functional loca...	0.066	-71945629253....	160714361858...	0.000	<b>1.000</b>
Gender -> CA	-0.009	-0.078	0.181	0.049	<b>0.961</b>
Y i S -> CA	-0.077	-0.093	0.111	0.691	<b>0.490</b>
Years in service...	0.231	0.180	0.176	1.309	<b>0.191</b>
g -> CA	0.087	0.089	0.119	0.733	<b>0.464</b>