

## What Impact of Social Responsibility on Governance of The Moroccan Company? Compatibility with ISO 26000

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**ABSTRACT:** In the national context of governance, companies are led to adopt a strategy that is based on very specific components, such as: the setting of results, the quality of management and increased vigilance with regard to performance.

On the other hand, whether they are public or private, they are now obliged to keep up with the pace of international economic change, which encourages them to know and apply the principles of governance and to make an investment promotion vehicle.

These new conditions are causing revolutions in management methods in companies, in fact we are migrating from a traditional management mode based on the principle of the leader who dictates his orders to employees, to a new participative mode that part of a sharing and partnership policy.

This concept of partnership governance means that the company is faced with meeting the requirements of sustainable development and the challenge of surviving. Such a strategy allows the company to answer questions about economic, social and environmental issues.

In this article, we will present the experience of a Moroccan company in the textile sector which has implemented the principles of governance by applying the ISO 26000 standard and which allowed it to work in a transparent and respectful environment.

**KEYWORDS:** Company Social Responsibility, Governance, ISO 26000, Management, Moroccan enterprise, Sustainable development.

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### I. INTRODUCTION

The 21st century has seen economic, social and environmental changes which have pushed the different categories of companies to adopt management as an essential tool for the development of their economic and social performance.

Like the rest of the world, Moroccan companies with their differences have followed the trend of change and thanks to their openings and partnerships with international companies have also been able to use modern management to adapt to current conditions and ensure their survival. [1]

In a context of globalization and in the face of calls for dignity, social justice, transparency; security issues, and respect for the environment, governance has taken a large part in the management of companies. [2]

Today, no company can ignore its obligation or commitment to its wider environment. Stakeholder theory helps to define who is responsible. The responsibilities of the company extend over three fields; economic, social and ecological. [3]

-On the economic side: the company must ensure its survival and sustain its production, so it takes responsibility vis-à-vis its employees, suppliers, customers and shareholders

-The social aspect: on the one hand, the company is obliged to ensure a good working climate where security conditions reign, on the other hand it participates in the structuring and balance of society in as a job provider.

-The ecological aspect: the company is brought to reconcile with its environment by protecting its resources and reserving them for future generations.

### II. BUSINESS MANAGEMENT MODELS

#### 1.1 Classic pyramid management

The classic or pyramid management is based on the principle of the manager who has authority to give orders to manage the business in full. The employees are there to execute the orders and only follow the instructions issued by their superior.

This mode is called the pyramid because the management form takes the form of the pyramid; the leader who is at the top of the pyramid holds power and manages all the employees who make up the base of the pyramid.[4]

### **1.2 Modern horizontal management-participatory approach:**

Unlike the classic pyramid structure, the inverted pyramid highlights employees. This does not mean that this structure reverses the roles of managers and employees, it is about highlighting the knowledge and skills of employees to improve their efficiency, productivity and flexibility of the structure of employees. the company. The determination of objectives is always the responsibility of senior management.

The specificity of this structure lies in the fact that employees (workers, managers, etc.) have a certain freedom in defining their needs and determining the means to implement them. This freedom is a real source of motivation for employees who can carry out their missions effectively.

This structure, which shows a large delegation of power, generates considerable benefits, and this system ensures better accountability for each employee. As a result, it becomes easier for the company to recognize their work and provide them with the appropriate compensation. Especially for the leader, the adoption of this structure allows him to reduce the responsibilities and obligations classic and provided a considerable time for other function. [5]

## **III. THE NEED TO MIGRATE TO THE NEW MANAGEMENT MODE, CONTEXT OF GOVERNANCE**

Morocco has embarked on a major project to modernize its economic and administrative political structures, which has encouraged companies to engage in the concept of governance to pool all the nation's capital and protect their interests.[6]

Promoting good governance practices in public and private sector companies builds trust between all partners and contributes to creating more wealth and value for the company and all its stakeholders. [7]

The challenge of the country's economic growth requires Moroccan companies to improve their modes of governance in order to build a successful economy.

Several factors currently characterize the competitive scene of our businesses, such as the technological acceleration of information and communication and the emergence of new economic, social and environmental responsibilities.

To this end, the encouragement of Moroccan companies to good governance practices is necessary, it allows good management, a climate of transparency and ethics, which is reflected in their performance and competitiveness and improves their image with of all stakeholders (employees, suppliers, customers ...). [8]

Of course, with all these changes, there is no longer a place for classic management based on the concept of the leader, who holds the truth, and gives orders to his employees who have no choice but to execute them.

The current context of Morocco, wants to adopt a new concept of management, a management that involves all the internal and external actors of the company to the decision-making, we speak here of participative management inspired by the principles of governance enabling the company to achieve its objectives in accordance with the interests of all stakeholders on the one hand, and on the other hand to put in place an effective management system for social dialogue.

## **IV. THE IMPACT OF PARTICIPATORY MANAGEMENT IN DECISION-MAKING AND VALUE CREATION**

As mentioned above, participatory management helps to build trust between the company's stakeholders through their involvement and participation in decision-making; with the application of good governance practices all these stakeholders take a role in the management of the company and contribute to its performance and development. [9]

To do this, the company is required to put in place actions allowing the involvement of stakeholders in the management of its activities.

### **4.1 Enterprise Committee "EC":**

This advisory committee is provided by law within each company usually employing at least 50 employees.

He understands as members:

- the employer or his representative;
- two employee delegates elected by the employees' delegates of the company;
- one or two union representatives in the company, if applicable.

The members of the works council are bound by professional secrecy. The works council meets once every six months and whenever necessary. He may even invite to participate in his work any person belonging to the company having the competence and expertise in his specialty.

As part of its advisory role, this committee is responsible for:

- the structural and technological changes to be made in the company;
- the company's social report when it is approved;
- the company's production strategy and ways to increase profitability;
- development of social projects for the benefit of employees and their implementation;
- apprenticeship, training-insertion, anti-illiteracy and continuing training programs for employees.

#### **4.2 The safety and health committee:**

The safety and health committee is provided by law in industrial, commercial and craft enterprises, and also in agricultural and forestry enterprises and their dependencies which employ at least 50 employees. The committee includes:

- the employer or his representative, president;
- the person in charge of the security service, or, failing that, an engineer or technical manager working in the company, appointed by the employer;
- the occupational doctor in the company;
- two employees 'delegates, elected by the employees' delegates;
- one or two union representatives in the company, if applicable.

The safety and health committee meets when convened by its chairman once every quarter and whenever necessary.

It must also meet after any accident that resulted in or could have resulted in serious consequences.

#### **4.3 The rules of procedure:**

An employer usually employing a minimum of ten employees is required, within two years of the opening of the business or establishment, to establish, after communicating it to employee representatives and union representatives in the enterprise where appropriate, by-laws and submit it to the approval of the governmental authority responsible for the work.

Any changes to the rules of procedure follow the same path (consultation of the social partners before transmission to the labor inspectorate and therefore the Ministry of Employment)

The employer and the employees are bound by the rules of procedure.

The rules of procedure must include:

- General provisions on hiring employees, dismissal, leave and absence.
- Special provisions relating to the organization of work, disciplinary measures, the protection of health and the safety of employees.
- Provisions on the organization of rehabilitation of disabled employees following an accident at work or an occupational disease.

#### **4-4. Election of the staff delegate:**

They must be elected in all establishments usually employing at least ten permanent employees, employee representatives, under the conditions provided for by this law.

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The employees' delegates have for mission:

- 1- To present to the employer all the individual claims that would not have been directly satisfied and that relate to the working conditions resulting from the application of the labor legislation, the employment contract, the collective labor agreement or the rules of procedure;
- 2- To seize the agent responsible for the labor inspection of these claims, in case the disagreement remains.

Note: The first paragraph refers to individual claims simply because collective claims are large-scale and generally fall within the purview of unions. [10]

## **V. THE IMPACT OF SOCIAL RESPONSIBILITY ON DECISION-MAKING IN THE COMPANY**

The European Commission's Green Paper [11] defines social responsibility (CSR) from actions that enable the company "not only to meet the applicable legal obligations but also to go beyond and invest in human capital, the environment and relations with stakeholders ". The Green Paper also states that it is a "voluntary integration of social and environmental concerns into their business activities and their relations with stakeholders".

The acceleration of the economic concentration in a context of globalization of the competition is concretized by the deployment attempts of the companies. [12]

In time, the internationalization of economic, social and environmental issues has brought forth new concerns symbolized by the notion of sustainable development that aims to combine the objectives of a high

quality of life, health and prosperity with that social justice, while maintaining the earth's ability to support life in all its diversity. These social, economic and environmental goals are interdependent and mutually reinforcing.

Sustainable development can be seen as a means of expressing the broader expectations of society in general [13]. This is said, and to focus on the organization, a new conception has emerged: the social responsibility (CSR) that can be used to review all the activities of an organization from the point of view of the impacts of the company on the physical, social environment which in general provides the opportunity for the company to offer a modernized image.

Therefore, social responsibility must be part of the company's strategy [14]; it is a process that goes beyond minor labor issues, it is oriented towards fundamental values, which in the future will represent a common heritage. CSR is something other than philanthropy or mediation between ethics and profit, between ethics and productivity.

## VI. COMPATIBILITY WITH ISO 26000

Putting you in contact with the company's stakeholders (all stakeholders with interests in the management of the company: customers, suppliers, employees, local associations, local authorities, civil society represented by NGOs).

The CSR approach can make it possible to implement, among other things, new regulations and better corporate governance [15], whether the company is large, medium or small, in so-called developed countries, as in developing countries. Its advantage lies in the introduction of a better "contextualization" of the economic activities of companies, a better structuring of relations with stakeholders, and theoretically better corporate governance. Each company adapts this approach at its own pace and according to its culture.

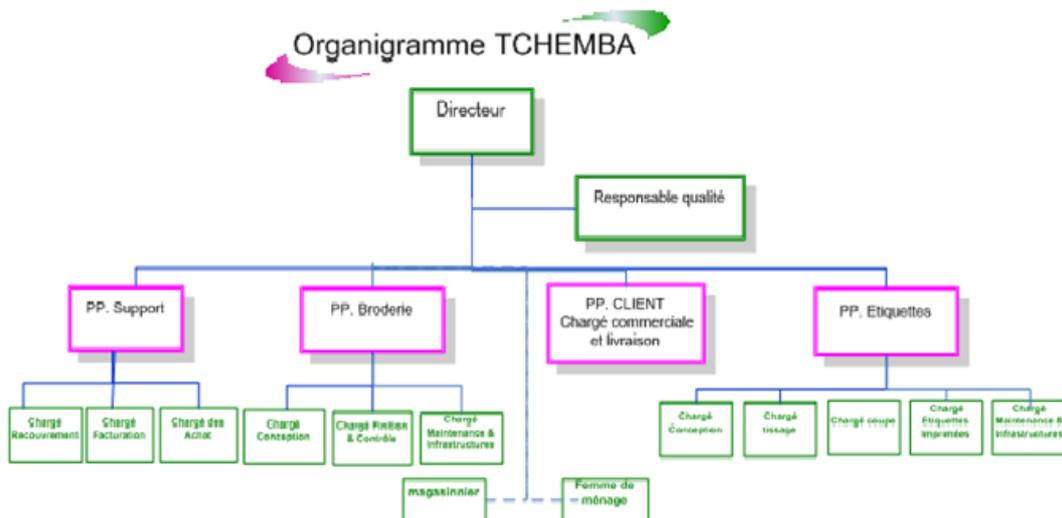
## VII. CASE STUDY: TEXTILE ENTERPRISE AND THE APPLICATION OF ISO 26000

Promoting CSR reinforces these shared aspirations and supports efforts to attract foreign direct investment [16]. In particular, it targets capital that is concerned not only with profitability, but also with the impact of their activities on the setting environment. It is also likely to promote the potential of exports and partnerships between Moroccan companies and their foreign counterparts.

We study in this article, the case of a Moroccan company that operates in the field of textile and tried to experiment CSR in its premises.

### 7.1 Company identification:

TCHEMBA is a Moroccan company with limited responsibilities created in 1996 and which operates in the field of textile including the production of labels and embroidery. it is composed of a team of 70 employees, including 5 executives and 65 workers. the organizational chart of the company is presented in the following figure:



**Fig.1: Organization chart of TCHEMBA (TCHEMBA quality manual)**

## **7.2 Management commitment**

In a framework of continuous improvement, the company TCHEMBA realized that it is necessary to satisfy not only the legal obligations applicable, but also to go beyond and invest more in the human capital, the environment, relations with the stakeholders and society as a whole; So she decided to integrate some chapters of the ISO 26000 standard into the QMS by dispatching the objectives of these chapters on the Quality Management System processes applied within TCHEMBA.

Management's commitment is the basic premise, without which no impetus can be given and no means will be allocated to the project (free time, make the necessary investments ...). Nevertheless, we must not neglect any element of the hierarchy; they are all indispensable relays, implementation, awareness and feedback of information (feedback, difficulties encountered).

The management of TCHEMBA has decided to formalize all the actions that lead us towards social responsibility through an affirmed strategy of sustainable development.

This voluntary commitment enables continuous improvement by ensuring the satisfaction of the company's expectations, with the simultaneous evaluation of the impact of our activities and our decisions regarding the tree aspect:

\*The preservation of the environment "E-A";

\* Social equity "S-A";

\* Economic efficiency "E-A".

## **7.3 The General Approach:**

We should notify that there is no single model for CSR; every company has its own approach to this. This depends on the particular situation of the company and is the result of several variables: sector of activity, markets and geographical areas where it is present, size, own culture, etc.

In the first place, the process begins with an interview with the company's staff to collect their perception, then a round table bringing together TCHEMBA process pilots to gather their vision.

In the second stage, and based on the results of the previous diagnosis, the guidelines in this standard that can be applied to the business process levels will be appropriately chosen.

Then, came the phase of the implementation of the resulting actions of the questionnaire and the round table already realized.

Finally, it is essential to review and revise the operating procedures with the process drivers so that they are on the one hand compatible with the core principles and issues of the RS and on the other hand check the integration. These central issues in the key processes of the Management System.

## **7.4 actions and results:**

To carry out this study, it was essential to establish a diagnostic phase to assess the company's current situation in terms of social responsibility in order to visualize and determine the actions to be implemented in relation to the current standard.

The objective is to obtain a first opinion on the opportunities and benefits that the social responsibility project can present and its integration in the Quality Management System of TCHEMBA.

Then to collect their perception and their expectations vis-à-vis the company, an interview was established with the staff (managers and employees).

This questionnaire consists of asking questions related to the economic, environmental and societal equity components.

On the dawn of the results of the interview and a round table with all stakeholders, an action plan was drawn up based on the three components of CSR. The implementation of the adopted action plans is carried out by means of communication, sensitization, management, advice, review and follow-up.

This study is based mainly on the application of the objectives of social responsibility (economy-environment-social equity) at the level of the company's processes, as well as the implementation of associated actions.

The study, action plans and results can be summarized in the following tables:

Economic Aspect Ec-A		
Objectives	Actions plan	Results
1-Accounts receivable development (turnover) 2-Customer loyalty	<ul style="list-style-type: none"> <li>• Create a database of customers</li> <li>• Strengthen sales visits for a new clients</li> <li>• Improve the quality of production by raising staff awareness;</li> <li>• Improve the relationship with the customer</li> <li>• Send permanently satisfied inquiries to our clients;</li> <li>• Keep communication</li> <li>• Activate the company's website</li> </ul>	1-Gain a new clientele; 2-Receiving encouraging feedback from customers; 3-Recovery of 2% of our customers already lost;
3-Optimization of resources 4-Rationalization of expenses	<ul style="list-style-type: none"> <li>• Review the purchasing policy, especially the supplier evaluation component (integrating technical factors such as innovation capacity reaction speed, on-site supplier provision and after-sales service, organizational and price factors, etc.);</li> <li>• Incorporate social and environmental parameters in the choice of purchases and the evaluation of suppliers;</li> <li>• Manage the time and the way of working, this can be achieved by reviewing the existing procedures as to their suitability with the current situation and raising staff awareness of new practices.</li> </ul>	4- Rigorous selecting of suppliers based on the introduction of the new criteria already mentioned. 5-Continuous awareness in terms of work organization, enabled staff to perform their tasks better, while saving time and working in a suitable climate; 6-Thanks to the training courses designed to ensure versatility, we attribute to the optimization of our resources; 7-The involvement of more and more staff; 8-The development of a sense of general interest within the company.

**Table 1: Action and results of Ec-A**

Environnemental Aspect Ev-A		
Objectives	Actions plan	Results
1-Energy balance-energy consumption	<ul style="list-style-type: none"> <li>• Minimize the rate of nonconformity in thumbnail design by verifying and validating samples before moving to production;</li> <li>• Stop machines when there is no work;</li> <li>• Make staff aware of the importance of saving energy (air and electricity) and its negative impacts;</li> <li>• Maintain proper machine maintenance to reduce repetitive breakdowns in monitoring production and increasing energy loss rates to minimize energy consumption.</li> <li>• Avoid as much as possible carelessness and encourage staff to become more and more vigilant.</li> </ul>	1-Keeping track of the proper functioning of the machines has made it possible to reduce the number of breakdowns, thus saving a significant part of the energy consumption; 2-Staff awareness has been noticed with regard to the use of energy.
2-Reuse and sorting of solid and liquid waste	<ul style="list-style-type: none"> <li>• Sort and separate the waste at the levels of the 3 workshops according to their nature of use in baskets of different colors to better distinguish them;</li> <li>• Reuse the tools that can be used during the execution of tasks (chucks, reels, etc.);</li> <li>• Establish a retention tank for the storage of the raw material of the finishing (method using a chemical for the ironing and the treatment of the labels);</li> <li>• Raise awareness and train all staff in the interest of protecting the environment and its positive impact on their daily lives and that of the company in general.</li> </ul>	3-Waste is currently sorted by nature into specific bags; 4- Reusable tools are collected in distinguished baskets and are easily retrievable; 5-Staff are increasingly aware of the need for environmental protection.

**Table 2: Action and results of Ev-A**

Social Aspect Sc-A		
Objectives	Actions plan	Results
1-Compliance with the labor code in force 2- Workplace health and safety risk prevention plan 3- Respect of the procedures of remuneration and sanction 4- Election of staff representatives.	<ul style="list-style-type: none"> <li>• Establish a scale and a career plan respecting the evolution and development of skills;</li> <li>• Offer performance bonuses according to the achievement of the objectives assigned by the company;</li> <li>• Comply with the labor code in force in compensation and staff sanctions.</li> <li>• Organize annual elections of staff representatives and hold monthly meetings with them</li> </ul>	1-Staff representatives are elected according to a legal procedure; 2- Creating a respectful employer / employee relationship; 3-The staff feels better valued and involved.
5- The evaluation of the workplace and establishment of a risk prevention plan on Health Safety and Work	<ul style="list-style-type: none"> <li>• Sensitize staff frequently and in a structured way about workplace hazards and device handling techniques (carrying heavy loads, obstructions in the work area or on the transport route);</li> <li>• Train workers to adopt correct working positions;</li> <li>• Report all places that may pose a risk or danger to staff;</li> <li>• Classify existing chemicals according to a safety data sheet (SDS) to identify the nature of these products and the degree of harm that may present, and inform all staff on the properties of these products;</li> <li>• Create a suitable climate of temperature and air circulation by installing a ventilation system;</li> <li>• Constantly check the validity of the incident control equipment</li> </ul>	4-Compliance with health and safety instructions at work; 5-Execution of tasks in an environment that respects working conditions; 6-Development of a consciousness with the staff of the interest of all these actions.

**Table 3: Action and results of Sc-A**

### VIII. CONCLUSION

By integrating sustainable development issues into corporate strategy, we are not only responding to a moral commitment. The value creation approach allows us to better control the risks inherent in our activities and to stimulate our innovation to seize growth and differentiation opportunities related to the new expectations of society.

This approach also helps to optimize processes and internal organizational methods to reduce the environmental footprint, reduce costs through more efficient and productive organizations and thus improve our overall performance.

It also nourishes the values, strengthens the adhesion and the mobilization of the various collaborators and contributes to attract and retain current and future customers.

in order to ensure proper monitoring of the activities carried out, certain actions must be maintained:

- Realization of weekly meetings with the precision of the points that the CSR Committee wishes to put on the agenda;
- Presentation of the progress of activities during each meeting;
- Immediate examination of the various problems encountered during the implementation of the actions;
- Field verification of the implementation of the action plan decided;
- Continuous verification of conformity of the actions taken with the guidelines of the ISO 26000 standard;
- Conducting internal audits and certification;
- Ensure that the information, decisions and issues discussed are communicated to all staff;
- Promote the involvement and continuous awareness of staff.

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