

## The Effects of Applying Social Responsibility on The Economic Enterprise: Case Study PEUGEOT

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### **Abstract:**

The economic enterprise is concerned with determining what Social responsibility is and its importance for enterprises, and the various theories related to it, and then raise the main problem which is: What are the various effects of applying social responsibility in economic enterprise?.

the study concluded that the enterprise should continue to regulate social responsibility voluntarily and in accordance with each country, but not inconsistent with the enterprise's doctrine, which improves her image and that with the aim of obtaining greater financial returns.

**Keywords:** social responsibility, enterprise Behavior.

**(JEL) Classification:** M 14, d 22.

### **1. introduction**

The economic enterprise is established with a view to increasing the market value of the shares of its shareholders. And until it is done, its managers are interested in various aspects related to its activities, including social responsibility, by looking for different influences by posing a study problem, which is: What are the various effects of applying social responsibility in economic enterprise?

### **Sub-questions:**

1- Is the social responsibility of the economic institution part of its competitive

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strategy, in an environment where the pressures of civil society, competing institutions and the requirements that have been tried and managed?

2- What is the level of achieving cost reduction, brand image improvement of this organization?

3- What is the extent of the voluntary application of social responsibility and not focusing only on maximizing?

4- How impeded are the resources, information and time to applying social responsibility in the areas of finance, competition, personnel management and the environment?

5- Are there gains for the institution in terms of appreciation from stakeholders for socially responsible behavior, so that consumers and/or employees bear the costs of social responsibility on the part of this institution?

**Hypotheses:**

1- Social Responsibility Practices aimed at strategic economic impacts but it is not direct. It occurs by influencing employees and the local community, where the confirmation that its adoption brings material and moral benefits.

2- As for the importance of responsibility, it is based on determining the costs of building an ethical culture within the enterprise, and the ability to withstand it, before declaring a commitment to social responsibility.

3- Enterprise managers sought to voluntarily improve the conditions of its workers. They also give them a fair wage commensurate with the effort expended. This is to ensure equal opportunities for all individuals in the field of work.

4- The provision of goods to all customers at reasonable prices, despite the high costs of obtaining resources and information in a timely manner, significantly reduces pressures on sensitive areas of the enterprise.

5- The interest in disclosing social responsibility activities contributes to improving its competitive advantage. This is the result of stakeholders appreciating socially responsible behavior, but without their acceptance, incurring special financial consequences

**The importance of study:**

Social responsibility of economic enterprises plays an important role, it shows all the efforts made by economic enterprises to achieve the principles of

sustainable development The principles of sustainable development on the one hand, and on the other hand, the efforts made by economic institutions in order to serve society and contribute to improving the quality of services provided. The economic institutions in the present period are become forced to adopt a strategy of social responsibility within their objectives because of its importance in the institution's management of its business in an ethical manner and contribute to achieving a positive impact on society in accordance with the principles of sustainable development as well as encouraging a balance between financial profit for institutions, community service and environmental safety. The Peugeot Foundation also believes that working in accordance with social responsibility has become obligatory for it, Because of the importance of social responsibility that appears through the enterprise's interest in gaining the trust of its customers and suppliers on the one hand and through attention to justice among its workers in all its factories on the other hand.

## **2. the definition of social responsibility**

corporations are part of the social fabric in which they run, not groups of people isolated from other social institutions, for this reason, it is proper to analyze the behavior of institutions to the society in which they are belong to him. In the end, the concept of corporate social responsibility emerged from a triple motive: (Félix German Campoverde, 2019)

- 1- Because of the pressures of civil society and the state, which demanded a greater commitment of economic institutions to their environment.
- 2- As a reaction by economic institutions to the loss of their reputation because of their actions that are not acceptable to society, they are an ethics correction or as a marketing tool to increase their public acceptance.
- 3- Social responsibility as a tool for improving governance and keep up long-term business viability.

Corporate social responsibility is one of the three parts of the business success triangle, accompanied by economic growth and environmental safety. He created more utility with fewer resources in terms of water and land and the purest materials from the land, sharing benefits with stakeholders is a key reason for success.

Although companies were dealing with the issue of economic growth and the environment, but she can't leave the third key, social justice, which, although challenging today, however, it is necessary, especially in the long run. On the contrary, companies that do not take into account the aspect of corporate social responsibility will disappear over time. It is a struggle between political leaders and a society that wants to distribute benefits evenly. The society wants new jobs thanks to economic growth, they also need good standards of life and safety, accompanied by good health, care and retirement income, they also need clean air, clean water and feel like they live in a better world. Then and for future generations. The skills involved in the new corporate social responsibility landscape must a new form of leadership, therefore, the leaders of the organization need to use new tools to face the three basic parts of the business, and to make the new vision of corporate social responsibility a part of the business competitive strategy (Paula CatalinaA Ortiz, 2009).

### **3. the importance of corporate social responsibility**

In recent years, economic institutions have become one of the factors of change and social impact. What companies do has a huge impact on their environment. Awareness of the importance of economic institutions in society increased. The market, society and economic institutions realized the importance and power of changing society. The company was held responsible, otherwise society will punish those who do not accept their responsibility. The market forces companies to assume social responsibility, even if the final decision is voluntary, the current situation at the international level confirms that there are more forces exerting pressure, both in the institutional field and in the market field, Activist groups as well as the media who always remain attentive to the practices of corporate governance, and if they find any practice objectionable, they are disseminating information, which affects the company's reputation (Monica Milagritos Mendoza Flore, 2017).

Several currents have adopted proposals about corporate social responsibility, which are: (Cristina Vásquez, 2017)

a) changing the composition of boards of directors to help integrating the views of other stakeholders in addition to shareholders;

- b) a greater representation of the social point of view in the management of the economic institution;
- c) Social audit, which is performed by independent external experts who evaluate company policies in aspects such as salaries, public relations, human and community relations, etc.;
- d) Work to reduce ambiguity and confidentiality and lay the foundations for the principle of transparency that characterizes socially responsible behaviour;
- e) Develop business laws that contain good business practices worthy of emulation and begin with the formulation of ethical codes, with more specific and tangible content relevant to each economic enterprise.

When applying social responsibility, the results are: (Monica Milagritos Mendoza Flore, 2017)

\* Cost reduction: through initiatives that focus on the environment, examples of which are: recycling policies, and energy and water care, and practices raising awareness among employees about non-essential expenses.

\* Improve brand image and reputation: Responsible marketing practices increase consumer loyalty and trust for the organization, which translates into added value for consumers and greater competitiveness for the enterprise.

\* Quality of the work environment: human resource policies reinforce the values and beliefs of the organization's culture, it translates into higher productivity and motivating honesty and commitment to the established goals by its employees.

#### **4. the voluntary nature of corporate social responsibility**

The corporate social responsibility system has gradually evolved since the early 2000s through several attempts, incorporating this concept into companies by adopting different rules that apply to it, where it is difficult for legislators to force economic institutions to implement mandatory rules it often requires the possession of significant physical and/or financial means to honor these objectives (Mickael, 2018).

The emergence of corporate social responsibility as a phenomenon dependent on the discretionary will of companies to self-regulate their activities has been influenced by some social and political developments to better understand corporate social responsibility, the following four factors were

identified as the most prominent in explaining the voluntary nature of corporate social responsibility and its place on the international scene, which are: (Konstantinos, 2011).

1- Supporting the political transition towards economic liberalism and market independence in solving problems related to commercial activities and reducing government intervention. Businesses are liberated from any restrictions imposed by the government and market liberalization has been adopted as the best way for economic growth and social prosperity. Command and control measures have been severely criticized and the idea of corporate social responsibility self-regulation has been widely promoted as an effective means of controlling business operations. Volunteerism has been used to advocate for market freedom and non-restriction of trade and economic profitability.

2- Sovereignty. In the context of globalization, pressure on the state was expected to deregulate capital and companies and let them work without restrictions. As a result, the power to define conditions affecting economic activities have been taken beyond the borders of the sovereign territory of the State, and that the state's role was limited to monitoring the organized conditions in the localities. In this sense, the role of governments was limited to setting a minimum legal framework to make sure the functioning of the market and lower financial and political risks, governments declared their inability to deal with social issues and I tried to motivate companies to become socially responsible.

3- To face the challenges brought about by the decline of the state, non-governmental organizations along with corporations started contributing to tasks that were once the purview of the government. In these areas, Civil society organizations are not only trying to put pressure on companies through confrontational activity but working cooperatively with companies and workers' associations.

4- It led to a series of corporate accidents detecting business misconduct to put companies at the center of public attention, and societal demands for more responsible business have increased. Furthermore, it reports have been published accusing companies of operating workers in poor working conditions, bribery and poor environmental practices. The fact that these events involved well-known

companies imply that strategies successful companies it may lead to social and environmental problems. These situations increased from criticism of companies for not engaging in socially responsible actions and strive only to maximize profits, the emergence of social equilibrium as a tool for compliance with corporate social responsibility, as it is clear that every company uses management tools and various regulations to warranty its continuity in the competitive market. However, organizations have broader objectives than economic ones to guarantee their survival and the welfare of the social systems that surround it, where these objectives these are procedures and programs of mutual benefit through which behavior is monitored and controlled to give continuity to the social policies that the company has voluntarily adopted. Relied on social balance sheet it is a mechanism created by companies to account for the social effects of their actions. It is about comparing the positive effects (social benefits) with negative effects (social costs), where the positive effects are sought to be the biggest (Laura Camila Osorio, 2019).

**5.Theories related to social responsibility of economic institutions** (Hernandez, 2017)

From a macroeconomic perspective, the enterprise, as a production unit, does not bear any social responsibility. They seek to gain economic benefits since the sole function of economic enterprises is economic activity and it is dangerous to assign other responsibilities to the enterprise because it will decrease their competitiveness. And from a micro economic perspective, corporate social responsibility is conceived as an investment that is determined through cost analysis. That is, there is a certain amount of investment that needs to be made in doing socially responsible so that it meets the expectations of employees, consumers and society. And at the same time make the shareholders get the highest possible return, by improving the external image of economic enterprises in front of customers and suppliers with the aim of strengthening their position in the market. The adoption of the corporate social responsibility approach has had significant positive effects on the work environment.

Under the managerial approach, a company is an enterprise whose functions are not limited to economic benefit, where the company is seen as an

essential element in the social structure, Able to support community development From this perspective, the interests of the community are part of the company's objectives, they are taken into consideration when making any decision; therefore, the management of the company must take into account the social demands and integrate them into the form of its work.

Based on the approach of organization theory, corporate social responsibility is a social practice created by the evolution of the enterprise itself as a basic unit of capitalism, it is a form of self-regulation that allows business relations to be managed more efficiently. Corporate social responsibility is seen as a social practice through which the stability and continuity of companies that are based on the social and natural environment are achieved. Before companies that have to conserve the environment, natural resources and workforce.

#### **6. Obstacles to social responsibility**

There are some obstacles to the implementation of social responsibility, which are as follows: (Carla, 2020)

\*Resources: Lack of financial resources is one of the main reasons why organizations are not interested in corporate social responsibility practices, be it environmental or social.

\*loss information and time: The general observation is that enterprises lack information on corporate social responsibility.

\*Vision: Large enterprises are often world-famous and whose actions are public, they are under pressure and often small and medium businesses have a local environment and low media visibility. However, there is a convergence between small and medium businesses and the nearby community. Including small and medium-sized companies are exposed to a great risk of taking measures that can be considered irresponsible, because it would lose membership of stakeholders who are groups vital to the company's survival. Risk is not separated from responsibility, Rather, it is one of its main components. Challenges ranked to which economic institutions are exposed as follows: (Ivana, 2007)

- The financial sector: inaccurate financial information, embezzlement, excessive risk-taking, inaction by regulators, false invoices, fraud, tax evasion.
- The field of competition: price fixing, customer participation, false advertising,



disclosure of trade secrets, and economic espionage.

- The field of staff management: discrimination, theft, dishonesty, conflict of interest, embezzlement, ignoring regulations, inefficiency, extortion, protecting people, data fraud, accidents and diseases, information leakage, confidential data.
- Environmental field: pollution, technological risks, chemical, viral and bacteriological contamination, ignorance of standards.
- Societal Domain: consumer boycott of enterprise merchandise, media attack, strengthening regulations.
- Area of communication: failure to protect confidential information, inaccurate information, unauthorized spokesperson, plagiarism.
- Administrative area: responsibilities are not defined or distributed, and indeterminate procedures, actions that do not meet regulatory requirements, and actions that are insufficiently explained or understood, lack of controls, inconsistency of business and ethical objectives.

## **7. Corporate Social Responsibility and Financial Performance**

Whenever social distancing is applied resulted in an increase in corporate sales, leading to positive financial performance, as shareholders who support the classic premise that the company's duty is not to change the world for the better but to make as much profit as possible. An increase in the number of shareholders accepting the idea of strategic implementation of the concept of corporate social responsibility has real long-term financial implications. This change was not in one go, it was a gradual and difficult process. The accounting data used to assess whether corporate social responsibility results in a net positive benefit on one of the most important indicators of financial performance is selected, it is the company's share price. Where the stock price is an indicator that leads to an understanding of corporate social responsibility lots of prime investor help from analytics, in reality. (Johanna, 2008) neutralizing the external factors, it can be expected that most measures of financial performance lead to similar conclusions. However, with external factors, must be explained the Changes in financial performance measures differently. For example, the consideration of external costs has a negative impact on accounting profits. Decreased profits have a negative impact on the stock market value of the enterprise. However, external

relations were evaluated by shareholders (socially responsible), they also show an effect on the value of the stock market. Expectation hypothesis changing accounting profits and stock market prices are the same (Dam, 2008).

In addition to the production of goods traded in the market, enterprises are caused by external factors, like environmental damage. The traditional way to deal with external factors is through some form of intervention, such as imposing a tax on those who caused external factors. On the other hand, the enterprise accepts socially responsible external factors voluntarily bear a cost, however there are also potential benefits to corporate social responsibility, as in the case of some stakeholders, they value a socially responsible attitude. As in the assignment, consumers are willing to pay a higher price for green products. Or, employees are willing to accept lower wages in exchange for safer working conditions. These are examples of the mechanisms of giving a certain price to pleasure, when consumers and/or employees bear the full costs of Corporate Social Responsibility, there are no consequences for financial performance in competitive equilibrium. When the financial performance of socially responsible enterprises is compared to the financial performance of irresponsible enterprises, we present three general equilibrium results showing that for the purposes of comparing socially responsible and irresponsible enterprises, what is important is the type of financial performance measure used. There are three widely used scales in the empirical literature, they are Market-to-Book (or Tobin's Q), Return on Assets (Accounting Profit Ratios), and Stock Market Returns (Dam, 2008).

To keep the analysis simple, economic enterprises are divided into the first type of enterprise behavior is the maximization of market value. Since maximizing market value leads to the realization of social best practices, known as a socially responsible attitude. The second type of corporate behavior is pure profit maximization without absorbing external influences. This is called irresponsible attitude (Dam, 2008).

### **8. The difference between sustainable development and corporate social responsibility**

Because corporate social responsibility explaining itself through the new model of sustainable development, where economic development is supposed to

be synchronized with the ecological and social balance. To achieve sustainable development, it is necessary to integrate social, environmental and economic aspects into operations and organizational strategies.

For many managers, social responsibility is synonymous with sustainable development. Additional financial accountability reports are called sometimes sustainable development report, and sometimes a social responsibility report, While the two concepts are fundamentally different. Simply put, the concept of corporate social responsibility relates to the role of the company in society while sustainable development is a triple objective (environmental, social and economic) with a long-term scope. In fact, sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their needs”, according to ISO 26000, social responsibility is a set of actions and decisions that give a share in to sustainable development. The basic principles put forward by the standard are transparency, accountability for decisions and actions, and ethical behavior, recognition of the interests of stakeholders, complying with laws, observance of international standards of conduct, and respect for human rights. The Social Responsibility Standard provides guidance for enterprises to develop responsible management. For these reasons, social responsibility goes beyond the philosophy of sustainable development (Mickael, La Responsabilité Sociale Des Entreprises Dans Le Secteur Public: Le Cas Des Entreprises Publiques, 2018).

**9. The most important elements that the enterprise cares about in terms of social responsibility:** (<https://peugeot-invest.com/>, 2020)

2010: Seeking as much as possible to contract with workers for long-term work periods, promoting professional development, ensuring well-being at work, health and safety policy and skills development, respect for fundamental human rights and equal opportunities, promotion of ethical rules, contribute with civil society in the environmental and societal fields, so that the organization is able to make the necessary adjustments for continuity, avoid interruptions, and urgent retraining

([https://www.bnains.org/archives/communiques/Peugeot/20110422\\_Document\\_de\\_reference\\_2010\\_Peugeot.pdf](https://www.bnains.org/archives/communiques/Peugeot/20110422_Document_de_reference_2010_Peugeot.pdf), s.d.).

2011: A future vision of joint jobs and skills with social partners so that the transformation of professions is expected and the start of training, development, professional mobility and employment and the redistribution of jobs and skills and this is part of the company's social responsibility ([https://s3-us-west-2.amazonaws.com/ungcproduction/attachments/15688/original/CSR\\_REPORT\\_2011.pdf?1338545984](https://s3-us-west-2.amazonaws.com/ungcproduction/attachments/15688/original/CSR_REPORT_2011.pdf?1338545984), s.d.).

2012: Providing social benefits to employees, in the countries where the Group is present, as a complement to the compensation policy, so that all its employees worldwide are covered against major risks, particularly through death coverage ([https://www.bnains.org/archives/communiqués/Peugeot/20130328\\_Document\\_de\\_reference\\_2012\\_Peugeot.pdf](https://www.bnains.org/archives/communiqués/Peugeot/20130328_Document_de_reference_2012_Peugeot.pdf), s.d.).

2013: All suppliers are evaluated, selected and monitored according to various criteria including: ability to develop and manufacture new products, sustainability and social and Environmental responsibility. As for its suppliers, PSA Peugeot Citroen is also careful: the fight against corruption and conflicts of interest is an integral part of the requirements for social and Environmental responsibility.

Maintaining employment and motivating the elderly (23% of the group's workforce) is a commitment that is in line with the corporate social responsibility. Where equal opportunities and fair treatment are ensured for all, without excluding the elderly ([https://www.stellantis.com/content/dam/stellantis-corporate/archives/psa/financial-documents/2013/fr/2013\\_document-de-reference\\_fr.pdf](https://www.stellantis.com/content/dam/stellantis-corporate/archives/psa/financial-documents/2013/fr/2013_document-de-reference_fr.pdf), s.d.).

2014: Within the group, the sustainable development team manages operations related to social and environmental responsibility, relying on a network of correspondents in all major departments of the group. They are accountable to the Communications Manager who reports directly to chairman of the Board of Directors([https://www.bnains.org/archives/communiqués/Peugeot/20150327\\_Document\\_de\\_reference\\_2014\\_Peugeot.pdf](https://www.bnains.org/archives/communiqués/Peugeot/20150327_Document_de_reference_2014_Peugeot.pdf), s.d.).

2015: The organization considers social and environmental responsibility a collective and personal obligation, it ensures that its principles are implemented in

every decision imposed by the company's attitude ([https://www.bnains.org/archives/communiqués/Peugeot/20160324\\_Document\\_de\\_reference\\_2015\\_Peugeot.pdf](https://www.bnains.org/archives/communiqués/Peugeot/20160324_Document_de_reference_2015_Peugeot.pdf)).

2016: The group has defined its social and environmental responsibility policy. As a result of the continuous dialogue with stakeholders and their embodiment in the general commitments, so that corporate social responsibility policies guide the organization's actions to meet its strategic challenges. It is based on three pillars: sustainable mobility, Economic development of the surrounding areas, the encouragement of all talent and the creation of conditions for success ([https://www.stellantis.com/content/dam/stellantis-corporate/archives/psa/regulated-information/2016/fr/PSA2016\\_DRF\\_FR.pdf](https://www.stellantis.com/content/dam/stellantis-corporate/archives/psa/regulated-information/2016/fr/PSA2016_DRF_FR.pdf), s.d.).

2017: Adhere to the terms of the global framework agreement on corporate social responsibility ([https://www.stellantis.com/content/dam/stellantis-corporate/sustainability/csr-disclosure/psa/groupe\\_psa\\_2017\\_csr\\_report.pdf](https://www.stellantis.com/content/dam/stellantis-corporate/sustainability/csr-disclosure/psa/groupe_psa_2017_csr_report.pdf), s.d.).

2018: the performance economic of Group PSA is inseparable from its social performance. The Group favors the quality of relations with its social partners to define creative solutions and create trust and commitment. To support its internationalization and carry out its social commitment to efficiency ([https://www.stellantis.com/content/dam/stellantis-corporate/sustainability/csr-disclosure/psa/groupe\\_psa\\_2018\\_csr\\_report.pdf](https://www.stellantis.com/content/dam/stellantis-corporate/sustainability/csr-disclosure/psa/groupe_psa_2018_csr_report.pdf), s.d.).

2019: Social Responsibility Policies are based on three pillars: sustainable mobility, the economic development of the regions where it operates and the mobilization of all talents and the creation of the conditions for success ([https://www.stellantis.com/content/dam/stellantis-corporate/sustainability/csr-disclosure/psa/groupe\\_psa\\_2019\\_csr\\_report.pdf](https://www.stellantis.com/content/dam/stellantis-corporate/sustainability/csr-disclosure/psa/groupe_psa_2019_csr_report.pdf), s.d.).

When analyzing the official documents of the enterprise and using the EViews program, analyzes have been found, which are as follows:

- The term social responsibility is frequently repeated in the documents of the institution in all the years of study that reached 11 years, where there is a long-term strategic contracting with employees as well as striving to develop their skills. This is to enable the enterprise to increase its competitiveness in a highly

competitive economic sector. The governance of its management is certain that it can be proven through the continuity of the enterprise in activity, and achieving profits that reached a peak in 2016 of 3,315 million euros and the lowest in 2012, which is 61.2 million euros. It has maintained positive results. As for a good reputation, most studies indicate that it has achieved this. Its products are sold in most countries of the world. This is reflected in the workers by doubling the total wages from 42.6 million euros in 2009 to 80.7 million euros in 2019. This increases the loyalty of the employees of the enterprise.

- As the enterprise is committed to securing all its employees worldwide against major risks and economic development of the surrounding areas, you must bear the immediate cost. So, waiting is reduced in the medium term. This is compared to the sales value. This is without separating the economic performance of the enterprise from its social performance, which further improves its brand image. It will not be rejected by its clients, so the main objective of the enterprise is to achieve profits, in addition to wages, the amounts awarded in the form of social benefits which are considered as costs. The enterprise doubled their values, this is because she is committed to social responsibility. This appears from the negative exploitation results since 2010 and the largest in 2014, which is -78.4 million euros

- Despite striving to ensure equal opportunities and fair treatment for all, without excluding the elderly, the enterprise considers social and environmental responsibility a collective and individual commitment guarantee to implement its principles in every decision imposed by the behavior of the company, which results in the emergence of positive effects in the social field clearly, where the social expenditures have gradually increased from 1.3 million euros in 2019 to its peak in 2018 with a value of 56.4 million euros. This is in addition to the wages that have doubled in value, in every country in the world, the enterprise has employees from that country, with wages higher than the average wage for the industrial sector in their country. This is voluntary on the part of the enterprise.

- The biggest obstacle in many countries of the world is the evaluation of all suppliers according to uniform standards. Although careful of enterprise in the face of corruption, also, it is not possible to pay the wages of a worker in the same

job working in two countries, the cost of living in both of them is significantly different. The competition, for example, in Morocco, is not the same as in Germany. The arrangement of society's needs in general from the enterprise differs from one country to another. This enterprise has financial comfort, which reduces the impact of financial resources on its policies in all fields. The internet is available in all countries of the world. The information is widely available to all the managers of the enterprise. Although its branches are geographically far apart, this is what influences partially in terms of the time of physical movement of its observers from one country to another.

- The enterprise has defined a policy of its social and environmental responsibility as a result of continuous dialogue with stakeholders and embodying them in general obligations. All stakeholders participate in the overall management. This is because the institution prefers to have relationships with its good social partners. And consumers in most countries of the world do not accept the costs of social responsibility directly as well as employees who constantly demand higher wages, especially in developing countries. They thus refuse to bear it.

Also, the following can be noted:

**Table (01): Table of revenues and financial costs of the Peugeot Enterprise during the period (2009-2019)**

year	Revenue $X_1$	Salaries and treatments $X_2$	Social charges	result of exploitation	Net result for the year (y)	Amount of sums paid under benefits (Social security, social works, etc.) $x_3$
2009	140,7	42,6	1.3	14.8	537,0	15. 2

2010	103,5	36,1	1,4	- 15,0	647,9	16. 1
2011	86,9	42,1	16,8	0,8	444,1	17. 3
2012	101,8	31,1	11,2	- 15,0	61,2	11. 1
2013	130,7	35,8	14,4	- 10,4	453,6	14. 4
2014	139,0	40,3	16,2	- 78,4	300,2	16. 1
2015	179,8	47,2	25,3	- 14,0	3 315,0	25. 3
2016	226,5	47,2	36,2	- 14,5	1 611,2	36. 1
2017	128,8	56,1	39,2	- 23,6	416,3	39. 2
2018	180,7	83,4	56,4	- 19,7	478,3	56. 3
2019	230,8	80,7	30,7	- 1,2	1 588,3	61. 7

(In millions of euros)

**Source:** elaborated by authors From Peugeot Enterprise financial report for the years (2009-2019)

Multiple linear regression equation

$$Y = -762.846047555 + 17.9792380683 * X1 - 24.1823257457 * X2 + 3.69080096995 * X3$$

From the equation of the multiple linear regression model, the net result for the year changes positively by 17.97% if the revenue changes by 1% and it changes negatively by 24.18% if salaries and treatments change by 1% and it changes positively by 3.69% if the amount of sums paid under benefits (Social security, social works, etc.) change by 1%.

**Table (02): Matrix of correlation coefficients for the dependent variable and the independent variables**

	Y	X1	X2	X3
Y	1	0.6	0.2	-0.05
X1	0.6	1	0.6	-0.1
X2	0.2	0.6	1	0.2
X3	-0.05	-0.1	0.2	1

significance level alpha = 0,05

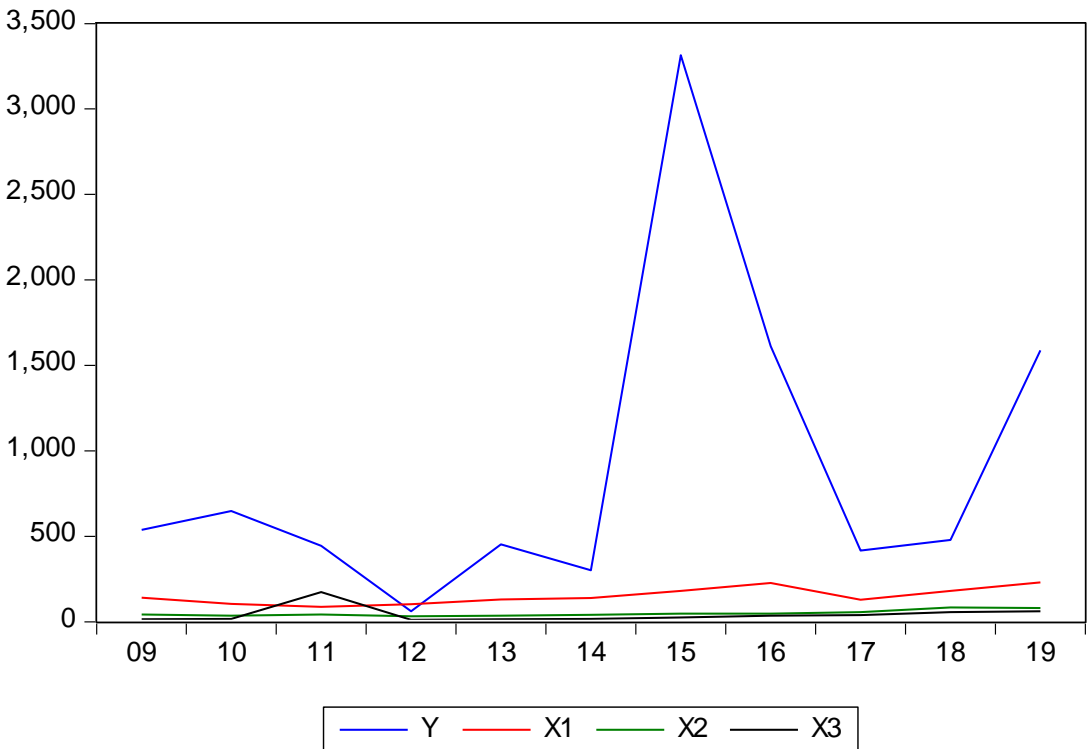
**Source:** authors computation using program Eviews 10

There is a direct relationship between the dependent variable, which is the



net result for the year, with each of the independent variables revenue by 60% and with salaries and treatments 20% and an inverse relationship with the Amount of sums paid under benefits (Social security, social works, etc.) by 5%.

**Figure (01): Graphical representation of the dependent variable and the independent variables**



**Source:** authors computation using program Eviews 10

From the figure, it is noted that the greatest consistency is between the activity result with the turnover, especially between the years 2014 and 2019.

The enterprise's implementation of the requirements of social responsibility carries immediate costs, but this enterprise can offset these costs in the medium term. Voluntary application distances them from the application of sanctions against them by the political authorities. The image of the company will

improve, its market share increases, it makes it easier for it to grow and continue to be active and generate profits for its owners.

## 10. conclusion

Social responsibility is among the parts of the economic enterprises' strategy that they undertake voluntarily when they seek to improve their image in order to obtain positive economic results, and despite the resources that must be allocated for this, but with the aim of these enterprises achieving greater returns than social costs.

The results obtained are as follows:

- The enterprise should continue to pay attention to social responsibility, which increases the loyalty of its employees and through that the enterprise can have competitive advantages.
- Improving the company's image brings it financial returns to the medium term that cover the resulting costs of social responsibility.
- Voluntary assumption of social responsibility is a very important matter that must be understood by workers in addition to the social environment of the enterprise, in order to they do not consider it an acquired right, which makes them accept the shortcomings of the enterprise in some respects.
- It is not necessary to strive to standardize treatment in different countries of the world, every country has its own economic conditions, and equality is not fair.
- The institution has to advance in terms of social responsibility, what is in her faith and not what corresponds to the actions of her workers and her social environment.

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