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CSR Communication Motives of the Algerian State Company: A Case Study on Sonelgaz Group

Abstract. This paper aims to highlight the motives that lead The Sonelgaz Group to communicate its CSR actions. These motives are, certainly, coming from the group’s context that consists of internal and external Stakeholders. As a result, Sonelgaz’s motives to display its social and environmental involvement are rather coming from the intention to have a good image towards its external public especially regarding the external CSR practices. Furthermore, this group aims through its CSR communications to improve its staff loyalty and to motivate them and also seek a good operational performance.

Keywords: CSR communication, CSR communication motives, corporation context, social disclosure levels model

1. Introduction

A company belongs to an economic environment where it aims to maintain its position by preserving its market-share. Therefore, through gaining its consumers’ trust and attracting more potential ones during a daily competition with competitors who are operating in the same work field. However, in many cases, focusing only on preserving its market-share is not enough to assure the company’s survival, because it does not operate only in an economic environment, but even in a complex context: economic, social, political and ecological. This complex environment consists of actors (internal/external), with different interests and expectations, whose influence leads companies to take them into account in the fulfilment of their organizational objectives.

The society, including marketplace, has seen, increasingly, developments and changes that created new expectations of consumers, employers or even society as a whole. These growing expectations are beyond the economic of business actions. Moreover, in some cases, these expectations can transform into pressures that might be exerted (by

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citizens, consumers, employees, NGOs, public authorities etc...) on companies to push them, or to encourage them, to develop new management that combines a triple bottom line results: economic, societal and environmental (Duong and Robert-Demontrond 2004).

The social commitment of corporations may not be always enough to look like a responsible organization. Thus, corporation may feel the need to communicate its CSR actions to display, to its stakeholders, its good will and to express its good citizenship towards the society as a whole (Crane and Glozer 2016, 1223; Zieita 2017, 38). Many companies, nowadays, choose to adopt communication policies in order to highlight their CSR activities. This choice is coming from managers’ awareness about the benefits that could be gained from this type of communication (Zieita 2017, 43). This choice is explained by the Rational Approach of the Social Disclosure (Damak-Ayadi 2005). CSR communication also can be used as a strategic tool in terms of competition (Oxibar 2003, 113), or to add legitimacy on the company’s practices (Devin 2014, 21).

Schmeltz argues that CSR communication is characterized as a complex type of communication (2012, 26), especially regarding the way, by which, audiences perceive and treat the societal and/or environmental information communicated by business. Therefore, this complexity may originate from the company itself, as it can be related to the way stakeholders perceive CSR communication.

We assume that different factors might motivate corporations to communicate their CSR actions. Such as, the corporation’s activity sector, its size, characteristics of the society in which the company operates or the degree of the probe and the follow-up of stakeholders seeking social information from business.

We focus, through this paper, on the complexity of CSR communication process from the Algerian company’s side, in order to highlight the motives that mark this type of communication amongst the Algerian managers. We have chosen the Sonelgaz Group in order to study its CSR communication. This Group has attracted our interest to study its CSR communication after we got, kind of, familiar with its societal and environmental communicated messages. Sonelgaz Group is a state company operating within the sector of Production, Transportation and Distribution of electricity and gas.

The objective of this study is describing the motives that led Sonelgaz’s managers to communicate the company’s CSR, by the application of the Social Disclosure Levels Model. The fulfilment of this objective has led us to ask the following main question:
Research Question: What motivates Sonelgaz to communicate its CSR actions?

2. CSR Communication Definition

“The identification and categorization of social responsibility information is a subjective task, because there is no widely accepted definition of ‘social responsibility’ or agreement as to what constitutes a corporate socially responsible activity” as stated by in spite of the different definitions, that have developed attempting to define CSR Communication, this concept remains unanimous among scholars and managers (Beresford and Cowen 1979, 15-16). We believe that these different perceptions of the CSR Communication notion are justified by the different characteristics and specificities of the companies’ contexts of each study made by scholars. Mette Morsing (2006, 171) defines CSR communication as a communication process, about firm’s CSR initiatives, that is designed and distributed by the company itself. Whereas, Birth et al. (2008, 184) affirm that many academics emphasize that CSR communication aims to provide information which legitimizes an organization’s behavior by trying to influence stakeholders’ and society’s image about the company.

From a wider perspective on CSR communication definition, we have suggested, in a previous publication, that is a specific communication policy, by which, a company aims to “show” and “highlight” its intentions, actions and initiatives that are derived from the adoption of CSR approach (Zieita 2015, 9).

3. CSR Communication Motives

Since the mid-1970s, many scholars have focused on CSR reporting and the proportion of corporations making one sort of social responsibility disclosure (Cowen et al.1987, 112). They have analyzed the factors that lead companies to communicate their CSR implementation. Some researchers have concentrated their investigations upon relation between CSR Disclosure and the Economic Performance of Business (Frédérique, Martinez 2008, 5). According to Frederique and Martinez (2008, 5), Wiseman (1982) and Patten (2002) argue that there is a negative relation between the CSR Disclosure and Corporation’s Economic Performance. Whereas, Ingram and Frazier (1980, 614) claim no relation between them. On the other hand, other scholars argue that
there is a positive relation between social disclosure and financial (economic) performance of companies (Clarkson et al. 2008, 317; Belkaoui 2007, 26). Many of previous researches have focused on many variables to prove (or deny) their relations to CSR disclosure (Trotman 1979).

In addition to the focus on different variables that can determine CSR communication, we believe that each company communicates its CSR actions based on its own context. In other words, corporation’s context (internal/external) consists of elements that might motivate managers to communicate the company’s social involvement. Therefore, Echave and Bhati (2010) state that companies do not communicate the same way their CSR efforts, because each company has certain preferences in disclosing societal and/or environmental data to its stakeholders. Sometimes, seeking legitimacy is what motivates firms to communicate their CSR implementation (Patten 1991, 297). Moreover, displaying companies CSR actions can be a strategic competitive tool amongst competitors in order to have a good reputation (Peloza 2005; Arnone et al. 2010, 6).

Within a previous publication, we have stated that there are two main powers that feed corporations will to communicate their CSR activities (Zieita 2017, 43). The first power is coming from managers’ awareness about the benefits that they will harvest from CSR communications. Secondly, company’s motivation can generate from external power. In other words, CSR communication decision can generate from some external stakeholders (that represent the company’s external context) pressures or demands seeking social and/or environmental information from business (Zieita 2017, 44).

4. The Social Disclosure Levels Model application

Corporation’s CSR activities and social disclosures are usually linked to stakeholders influence, company’s strategy and its economic performance (Banu 2011, 71). Therefore, the context, in which a company operates, determines and marks its CSR communication. The context can also affect the company’s way on how to deal with different topics that represent its CSR implementation, and it can also determine the nature of these topics and the amount of communicated (or should be communicated) data. We aim, through this study, to explain the influence of the context, where a company operates, on the CSR communication based on the Social Disclosure Levels Model (Zieita 2017). The Social Disclosure Levels Model focuses on the contexts and circumstances that
mark corporations’ CSR communication practices. Each company’s context has its specificities that determine its CSR communications. An Algerian bank, for instance, does not, necessarily, communicate its CSR activities the same way as a French one does. Furthermore, CSR concept does not have the same perception among different societies and/or markets. In the American context, for instance, CSR of business lies in the philanthropic activities and the support of different social matters (Kotler and Lee 2005, 4-5; Werbel and Wortman 2000) even if it does not belong to the company’s core business. On the other hand, the CSR concept is different in the European context, where it represents the corporate responsibilities that are linked to its daily business activities by taking into consideration the triple bottom line results that combine the economic, societal and environmental aspects of its actions (Ben Yedder and Zaddem 2009, 88). As a result, these different CSR perceptions in different contexts may justify the CSR communicated topics and expectations of each firm’s stakeholders.

The SD levels model categorizes the CSR disclosure into three levels: the Full Disclosure, The Selective Disclosure and the Symbolic Disclosure. Each communication level is determined by factors that come from the context in which a corporation operates.

CSR communication within the Full Disclosure Level is coming from companies that do not hesitate to talk, widely, about their societal or/environmental policies. Companies within this level set a wide-range communication campaigns in order to display massively their CSR adoption. Furthermore, the Selective Disclosure Level represents the selective highlighting of some of its CSR initiatives. In spite of the social and/or environmental commitment, some companies choose not to communicate, enough, about their CSR by reporting (or disclosing) but only when it is necessary. For instance, the case of the New Economic Regulations in France that obliges listed companies to report, via their annual reports, the socio-environmental effects of their activities. Within this context, companies communicate less if competitors are not so involved in this kind of communication or if consumers/citizens are not so aware about the social matters. However, Duong (2004) argues that corporation’s involvement in a responsible approach is not always enough, and it should be integrated along with a well-designed communication policy.

The Symbolic Disclosure Level is communicating CSR without a real involvement of a responsible approach within business activities. Companies may implement this kind of communication in order to
improve their image and reputation at lower cost (Reynaud et Chandon1998). The lack of expertise of stakeholders and the absence of serious measures allowing to control the reliability of the communicated data, might seem like an opportunity for companies to carry out a symbolic green communication (Zieita 2015, 80). However, a corporation risks to jeopardize, via a symbolic CSR communication, its image and it might cause a mid-range (or even permanent) damage on its reputation.

We aim, by the application of the SD Levels Model, to describe the motives that determine Sonelgaz’s CSR communication based on its context. In addition, From Sonelgaz’s CSR communications, we want to see its position within one of these three levels, after understanding its internal and external contexts that may have some sort of influence on its CSR communications.

5. Methodology of the Study

This paper is built on the case study of Fertial Group, which focuses on the motives that feed this will of company to communicate its CSR practices. Our research is based on using the qualitative method, so we collected data from observations and interviews undertaken with some of Sonelgaz’s managers at the Direction situated in Annaba.

The Interview guide is set to address these managers that was consisted of the following questions: Does Sonelgaz implement CSR activities? Why does Sonelgaz communicate its CSR practices? How does Sonelgaz communicate its societal and environmental practices? Who are the stakeholders influencing Sonelgaz to communicate its CSR actions? Are Sonelgaz CSR communications coming from a voluntary decision?

6. Results

According to interviews undertaken to collect information form Sonelgaz’s managers, and also through our observations we can say that Sonelgaz implements CSR on both: societal and environmental aspects. Regarding the Societal practices, we found that:
- Sonelgaz takes care of its employees by assuring them a proper training.
- Adopting an anti-discrimination policy between both genders (Man and Woman). This policy, has Sonelgaz to establish the Observatory of Female Employment in 2005, in order to rise the principle of equality between man and woman in terms of salary, rights and duties
and employment. The mission of this observatory is to investigate and diagnose women’s situation in the working sites.

- Sonelgaz possesses a subsidiary called the Social and Cultural Activities Fund (FOSC). Its purpose is the promotion and development of social and cultural activities for the benefit of almost 500,000 employees and retirees of the Electrical and Gas Industries.

- Organizing many multidisciplinary sports events, by the FOSC, such as: Football, Chess, Bowling and Cross-Country competitions.

- Since the staff health care is one of CSR representations, a subsidiary, called Company of Labor Medicine of the Electrical and Gas Industries (La Société du Médecine de Travail des Industries Electriques et Gazières ‘SMT’), its vocation is to meet all needs and expectations in terms of prevention and health at work.

- Sonelgaz CSR practices are not targeting only its internal public, but there many initiatives for the benefit of Algerian society. Such as taking care of people with special needs, support of blood donation campaigns and even in the cultural events regarding protecting folklore and Algerian cultural heritage as a whole.

As internal stakeholders, Sonelgaz’s employees represent targeted audiences with social and environmental communications. According to managers, improving the staff loyalty is what motivates the company to communicate about its internal social practices and initiatives. Moreover, reaching Sonelgaz’s internal public with CSR communications is coming from the administration belief that it can influence positively the operational performance of employees.

On the environmental aspect, Sonelgaz is trying to develop the adoption of renewable energies as new ecological solutions to produce energy. The solar energy is one of the main environmental investments of the Group with about 60 billion U.S Dollars by 2030. In addition, the ‘Center of Research & Development of Electricity and Gas’ (CRDEG) is working on project of building energy stations that generate energy from dry residues of olives that come from olive oil Algerian factories. In spite of the enthusiasm that CRDEG is expressing regarding wind energy, it remains an idea and it is not practiced yet.

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1 For more information about FOSC, please visit the following link address: http://www.fosc-sonelgaz.dz/?controller=listing&action=contenu&idr=-5

2 For more information about SMT, please visit the following link address: http://www.smt.dz/home/index.php?page=article&id=6
Since 2004, Sonelgaz is supervising beach cleaning campaigns every year. The aim of adopting these campaigns is to foster good practices towards beaches and environment as a whole.

Sonlegaz communicates its CSR practices using a many communication supports. Such as PR programs that consisted of sponsoring of many socio-cultural and sports events for both: internal and external publics. In addition, Sonelgaz does not hesitate to display social information on its website to talk about its societal environmental commitment. The term Corporate Social Responsibility is not used on Sonelgaz website but they use the term ‘Sustainable Development’ that refers more to environmental investment. However, Sonelgaz website does not have many visitors that seek information about the Group via this support.

CSR communications of Sonelgaz is made through other media that are, in fact, independent from it. Many press articles whose subjects were Sonelgaz’s practices and achievements in favor of Algerian society and environment. Press conferences are usually set by Sonelgaz, where media are invited, to represent some societal or environmental achievement. Also, Sonelgaz is used to invite different media to cover some environmental and societal events like Beach cleaning campaigns that is always publicized by radio channels, newspapers and TV channels. Within this context, Sonelgaz aims to target wide range public with mass media in order to foster a good image about and to appear like a citizen organization. On the other hand, media do not always play the role of ally. Many articles have been published to highlight some scandals and to reflect the echo that usually come from citizens complains about services quality provided by Sonelgaz. Therefore, the group aims to share social information with media in order to fulfill to objectives. Firstly, to transfer social information, at a lower cost, by entrusting newspapers to mediatize them to the general external public in order to improve its image towards them. Secondly, Sonelgaz seeks to build good relations with these effective stakeholders by the establishment of press conferences to share information regarding the group’s societal and environmental investments and initiatives.

Moreover, Sonelgaz possesses ‘Ethical Code’ that is, purely, a CSR communication supports. This code represents the good governance and fights all sorts of management corruption and fraud. All companies that seek to in set up good governance and to enhance the culture of responsible practices, they adopt codes of conducts in order to transfer this ethical policy amongst their internal public.
Regarding the social reporting, we have noticed, after observation of Sonelgaz’s annual reports, that the group does not have a social or environmental report that is separated from its annual activity report. However, on its annual report, Sonelgaz mentions what is considered as main societal/environmental achievements during the year. Usually, Sonelgaz the annual reports are between 100 and 88 pages. Whereas, 4 pages is the number of the pages containing information about societal/environmental activities (or investments), which means the average of 4% of the total. According to the interviews made with some of Sonelgaz managers, this huge difference regarding the amount of social communicated data compared to other operational and financial data, is justified by the nature of the targeted audiences with this kind of communication support. The stakeholders that are supposed to receive this report pay more attention to: operational and financial information. Whereas, social information is not considered as priority to these stakeholders.

Sonelgaz Group is consists of sixteen subsidiaries after the new organization on 17th of February 2017. These subsidiaries represent Sonelgaz’s internal stakeholders and also its internal context that work together to assure the sustainability of the whole group on the market and on the society as a whole. Many of social information are disclosed by some of these subsidiaries separately via their websites and also the group talks about the main practices of these sub-companies on its website.

After the interviews made with Sonelgaz managers and some observations that we have on its CSR communications; we found that the motives that lead Sonelgaz to communicate its CSR actions are two main ones. (1) To improve its image towards citizens. (2) To improve its staff loyalty and good operational performance. However, this influence is not that strong to oblige Sonelgaz to communicate about some of its social actions. We have also found that citizens and employees do not expect so much information regarding Sonelgaz CSR actions. Therefore, we can say that this CSR communication is coming from a voluntary adoption, which means from managers awareness about the benefits that can be gained from communicating this kind of information.

To apply the SD Levels Model, we should determine the context where Sonelgaz Group is operating. Like we suggested earlier, the company’s context elements is what determine its CSR Communication. As a result, we found that Sonelgaz Group’s CSR communication belongs to the Selective Disclosure level. The most effective stakeholders, according to Sonelgaz managers, are its subsidiaries directions and employees as internal context. Whereas, the ministry of Energy and
Mines, media and citizens they all represent the external context that motivate Sonelgaz to communicate its CSR investments and initiatives. However, each part of these stakeholders has its specific influence on Sonelgaz CSR communications.

What makes Sonelgaz CSR communication a selective disclosure?
- Working alone without any competitors in the market in the field of production, transportation and distribution of electricity and gas.
- Citizens are not so aware about societal and environmental matters.
- Citizens do no seek information about CSR actions.
- Adding differentiation on its products, Sonelgaz does not see it as priority, since every Algerian house is inevitably (and necessarily) a Sonelgaz consumer.
- Sonelgaz CSR communications are not widely transferred to reach the majority of its external public.
- Sonelgaz implements environmental practices is linked to an overall governmental strategy coming from the Ministry of Energy and mines, and communicating these practices does not target the general public with a wide range information campaigns.

As a state company, Sonelgaz Group’s general policy is coming from the governmental strategies on different aspects: environmental, societal and economic. The ministry of Energy and Mines represents the main stakeholder of the group, since it is working in the field of producing energies. Thus, developing green energy and looking for renewable energy resources by Sonelgaz is coming from a governmental strategy to implement the principles of Sustainability Development.

In spite of Sonelgaz CSR communications via different media, the Algerian citizens are not well informed about what Sonelgaz CSR implementation. In many cases, the Algerian citizens do not actually care whether Sonelgaz communicates about some social or environmental initiatives. Actually, they do not expect to receive this kind of information. On the other hand, they expect from Sonelgaz to be more responsible regarding blackouts that happen from time to time. Especially during winter or in summer when the electricity consumption reaches its high levels due the excessive use of A.C almost in every Algerian house. In general, Sonelgaz does not have a good reputation among citizens, in spite of all the social information communicated. We suggest for Sonelgaz to focus upon its core daily business activities and to assume its responsibilities that have direct effects on its public, such as blackouts that affects citizens’ life. Therefore, it would be better if Sonelgaz implements new technical procedures to minimize the chance to get...
blackouts and to communicate, afterword, about them to let citizens know that, in order to improve its image.

7. Conclusion and Discussion

This study describes the motives that lead Sonelgaz to communicate its CSR actions which are just two motives that found after qualitative data collected from interviews with managers and even from observations. These two motives are coming from internal context that is represented by Sonelgaz’s Staff who usually benefit from social practices and events that make their life in workplace healthy and more comfortable. Whereas, the external context is consists of general public (citizens). After analyzing Sonelgaz context, we found that these two targeted audiences (Stakeholders) do not, actually, exert an explicit influence on Sonelgaz to communicate its CSR actions. This can justify why it does not set a well-designed communication campaigns to reach and affect stakeholders. Since Sonelgaz is seeking to improve its image towards its citizens, we suggest that a study on their opinions and expectations should be made in order to understand what do they really expect from Sonelgaz in terms of responsibilities their communication habits. This kind of studies will help to understand and get closer to the general public and to build a correlation with their expectations in order to make it a two way symmetric communication. It is obvious that the Algerian context is different and its stakeholders have a specific view regarding the way how a company can be responsible organization.

Finally, our results lead to an important direction for future research. Our study has focused on the CSR Communication motives that might not always come from stakeholders’ expectations (like the case of Sonelgaz). The questions that can be asked in this context are: Do Algerian stakeholders expect (request) Social information from companies? How do Algerian stakeholders determine CSR actions of a company? We leave the answer for these questions to subsequent research.

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