

## Repenser La Gouvernance Des Entreprises : La Gouvernance Responsable, Un Nouveau Paradigme / Une Nouvelle Approche

### Rethinking Corporate Governance: Responsible Governance, New Paradigm/ New Approach

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## Résumé

L'entreprise à l'instar, des autres composantes de la société, a subi de plein fouet les dérives politiques, les chocs conjoncturels et récemment les mutations biologiques ainsi que les changements climatiques. La gouvernance de l'entreprise constitue le véritable garant de la résilience face à ces bouleversements en proposant une nouvelle forme organisationnelle au sein de l'entreprise et en tissant de nouveaux rapports entre les parties prenantes. Suite à la primauté des contraintes écologiques, le développement durable constitue un nouveau paradigme et un nouveau cadre d'analyses et de prospections pour les acteurs économiques et sociaux. L'objectif de ce travail de recherche est de montrer le lien étroit entre les changements conjoncturels et le système de gouvernance des entreprises. Le papier répond aussi aux questionnements particuliers concernant le modèle de gouvernance approprié ainsi qu'aux moyens pour l'atteindre. L'approche méthodologique adoptée est purement théorique autour des systèmes de gouvernances des unités productives. Notre travail postule que le modèle intégré permettrait de dépasser la crise écologique à travers une gouvernance responsable, durable voire globale et moyennant la responsabilité sociétale des entreprises.

**Mots clés :** gouvernance des entreprises, développement durable, performance globale, responsabilité sociétale des entreprises, approche intégrée.

## Abstract

The company, like the other components of society, has been hit hard by political excesses, cyclical shocks and recent biological changes as well as climate change. Corporate governance is the real guarantor of resilience in the face of these upheavals by proposing a new organizational form within the company and building new relationships between stakeholders. Following the primacy of ecological constraints, sustainable development constitutes a new paradigm and a new framework of analyses and prospections for economic and social actors. The aim of this research is to show the close link between cyclical changes and the corporate governance system. The paper also addresses specific questions about the appropriate governance model and the means to achieve it. The methodological approach adopted is purely theoretical around the governance systems of productive units. Our work postulates that the integrated model would enable us to overcome the ecological crisis through responsible, sustainable and even global governance and through corporate social responsibility.

**Keywords:** corporate governance, sustainable development, global performance, corporate social responsibility, integrated approach.

## Introduction

The ecological crisis and especially climate change characterized by water scarcity, the degradation of ecosystems and the rapid and significant loss of biodiversity is a global phenomenon that concerns all political actors, The economic and social aspects of the planet.

The effects are not only ecological, they are of an economic, social and societal nature, including a significant reduction in global production and productivity (which could reach 20% of economic output), particularly in the agricultural sectors, fisheries and tourism, an increase in vector diseases, an increase in migratory phenomena and an increase in conflicts. At the level of the African continent, the concern is twofold. Although Africa is the region that has contributed less to global warming (less than 4% of global greenhouse gas emissions), it is most affected and most vulnerable by a forecast increase in arid and semi-arid zones of 5 to 8% by 2080, the level of poverty, the lack of financing of its productive capacities, the lack of an economic and financial rescue plan and the failure of governance models and managerial strategies applied by companies to ensure the sustainability of their productive resources and resilience to shocks.

Thus, in the face of an alarming ecological situation, private or public production units (enterprises), small, medium and large, local or internationalized, have an urgent need for global and sustainable value creation. In order to achieve this objective, the concept of performance must be broadened and an overall performance that incorporates the environmental dimension in addition to the economic and financial dimensions. The adoption of such a strategic decision requires a new corporate governance model.

Indeed, governance means the organization of control and management in the enterprise. It deals with questions relating to the distribution of power within the company, the definition of the tasks and prerogatives of each party, the procedures for appointing and dismissing managers, remuneration and incentives, the strategic choices, rights and obligations of shareholders and different stakeholders. It is “management of management”. As a result, the various procedures and laws, as well as the company’s regulations and institutions, form the reference framework for governance.

Sustainable development, which has become the framework for global analysis and investigation of all economic agents, requires a new model of governance, a new order of priorities and a reflection on new tools and strategies that go beyond the vision of a sustainability based on profit and financial profitability (shareholder model) towards a broader concept and whose environment and society become stakeholders. Consequently, a

reconfiguration of the system of governance of productive units within a framework of sustainable development is inevitable. New relationships between owners, shareholders and employees will be established, the social and societal dimensions will no longer be marginal, optional or temporary but will be at the same decision-making and strategic level as the economic level.

The ultimate objective of this research is to push theoretical thinking (economic, financial, institutional and managerial) to rethink the corporate governance model follows the failure of the current model to overcome social and environmental constraints. Encouraging entrepreneurs to become more responsible and invest in clean technology is also a top priority. Nevertheless, we recommend that public decision-makers adopt accompanying measures and develop tariff and non-tariff incentives to involve as many public and private entrepreneurs as possible.

At our level and in this research work, we pose the following problem:

- Following the health crisis and climate change leading to a reduction in global production and a decrease in productivity, is there a governance crisis? If so, what is the most appropriate governance model for this framework? In other words,
- Can we reconcile traditional management practices of achieving economic performance with those that correspond to the objectives of sustainable development leading to global performance?
- Finally, is sustainable development through global and responsible governance an opportunity to achieve global and sustainable performance and by what means?
- We brought an exploratory analysis of various academic works, expertise reports and platforms that reflect on this topic. This research allowed us to respond to the problem posed through the following plan. The first section briefly reviews traditional models of corporate governance: from managerial capitalism to shareholder capitalism. We explain how the financialization of the economy was a framework conducive to the Shareholder model and we insist on the specifications of “Shareholder” model and “corporate governance”. The second section focuses on the link between sustainable development and integrated approach to governance. We explained the passage from economic and financial performance to global performance and we shown how corporate social responsibility (CSR) is a major factor in global performance. Finally, the third section exposes a research review about division theories and practices on sustainable development (SD) and corporate social responsibility, the role of CSR as a

responsible global governance actor and CSR responsible governance: challenges and limits.

### **1. Traditional corporate governance models: from managerial capitalism to shareholder capitalism**

In a context of slowing global growth and challenging Keynesian policies that had prevailed since 1945, American and British government teams inaugurated a new monetarist-inspired economic policy at the turn of the 1980s.

On the one hand, this new economic doctrine promotes greater financial deregulation. To achieve this, it leads to significantly reduce, among other things, legislation, regulations and transaction control. On the other hand, the monetarist creed posits the market as the exclusive principle of regulation as opposed to state interference in the economy. It encourages the reduction of state interventionism and promotes private initiative by encouraging the privatization of the economy and corporate capital. These elements characterize a financialized economy which has a significant impact both on the capital structure of productive units but also on the productive structure of these groups.

#### **1.1. Financialization of the economy: Support for the Shareholders Model**

Changes in the way companies are financed in the context of financial globalization (Aglietta, 2000) can be presented as the transition from a majority bank debt regime to a capital regime. In essence, this means that companies are now financing themselves more and more from their own funds, to the detriment of bank debt. There is also talk of bank disintermediation to qualify this trend that affects the methods of financing companies.

More specifically, since the end of the 1970s, firms have increasingly used two privileged means to build up their own financial resources. The first is the massive use of financial markets on which companies issue equity securities – shares or bonds – that enable them to find investors who are supposed to increase their capital. The second is the self-financing capacity of enterprises, which also rose sharply during the 1990s. While they represented 28 billion euros in 1980 (Plihon, 2004), the self-financing capacity of French companies amounted to 226 billion euros in 2003 (Insee, 2005).

In fact, overall, it is above all the significant increase in profits over the last 30 years which has proved to be the condition, at company level, of the accumulation of own funds and their use as the main source of finance. The increase in corporate profits has first made it possible to

make their property titles attractive on the financial markets by offering shareholders substantial remuneration. Then it also worked for self-financing by generating corporate savings.

In this regard, AGLIETTA M. and REBERIOUX A. (2004) identify two functions performed by financial markets that have developed particularly well. The first is to facilitate and multiply companies' external growth operations by financing mergers and acquisitions through the exchange of securities on the markets. The second function of the issue of shares on a stock exchange by companies is the establishment of new pay systems based on the possibility, for employees, to acquire ownership of their company through employee share ownership and the distribution of shares at preferential rates for executives (stock options). This is a strategy to build staff loyalty and retain skills that may be rare in some areas. Thus, again, the function of financial markets is highly strategic in the eyes of managers (AGLIETTA M. & REBERIOUX A. (2004)).

### **1.2. The Shareholder model and corporate governance**

The relationship between the three main players in the company – shareholders, employees and managers – has changed considerably as a result of the financialization of the economy. Thus, with the waves of privatization of company capital and the development of equity financing since the early 1980s, the power of shareholders has been greatly strengthened to the detriment of managers and, a fortiori, employees. We are now witnessing the end of «managerial capitalism» which, of course, was based on the division between the owners of capital and the owners of the labor force, However, this left open the possibility of negotiating agreements between managers and employees on sharing productivity gains, thus guaranteeing a certain stability in the distribution of value added.

With the emergence of “shareholder capitalism” or “patrimonial”, we are moving from the “stakeholder” model that saw the company as a community of interests between its three partners (shareholders, managers and employees) to the “shareholder” model. It favours the satisfaction of shareholders' interests. The power of shareholders has also been strengthened by the development of collective savings management with the rise of institutional investors. Whereas previously financial assets were distributed among many individual investors, they are now managed by investment funds and therefore concentrated in the hearts of a minority of institutional investors (Batsch, 2002).

At the center of collective portfolio management relations is a group of assets whose performance is shared between several categories of players: the owners of the assets, sponsors, and the professionals who manage the portfolios on behalf of the former. The rules that

determine the distribution of risks and returns among these players differ from one institution to another. The redistribution of corporate capital through employee savings and institutional investors does not seem to bode well for a new shareholder democracy as suggested by some of its promoters (Manière, 1999). On the contrary, this new method of collective management of shareholding savings augurs an unprecedented appropriation and private concentration of capital through the intermediary of institutional investors (Lordon, 2000).

To this new conception of the company embodied by the «shareholder» model This will give full power to shareholders and institutional investors, a new principle orchestrating the control and conduct of firms and management practices : the “corporate governance”<sup>1</sup>.

To achieve this goal, pension funds try to control companies and their management teams so that they adapt management to their needs” (Nikonoff, 2000). The assessment of the governance of a company will then be carried out in the light of five criteria relating respectively to the quality of the information collected by shareholders, the rights of shareholders corresponding to a share to a vote, the formation of the board of directors, the absence of obstacles to the decisions of hostile bids – likely to exert pressure on managers – and finally, the remuneration arrangements for managers, which very often take the form of stock options (Plihon, 2004; Finet, 2005). Corporate governance is therefore oriented towards maximizing the stock market value of a company or, as it should be called, shareholder value (Lazonick & O'Sullivan, 2000; Caby & Hirigoyen, 2005).

In recent years, “shareholder value creation” has had a certain impact in large companies, notably through the EVA (Economic Value Added) ratio<sup>2</sup>. Consequently, in a context of heightened international competition and with this mode of corporate control by shareholders and institutional investors, the globalised enterprise is considered an asset whose market value must be increased rather than an entity oriented towards the production of goods and services. Such a conception of the enterprise under the reign of «shareholder capitalism» presupposes that it puts in place policies and strategies to satisfy these constraints of competition and profitability of capital.

## **2. Sustainable development and global performance: an integrated approach to governance**

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<sup>1</sup> Corporate governance covers “all institutions, rules and practices that legitimize the power of managers” in CHARREAUX G., DESBRIERES Ph., “corporate governance: partnership value versus shareholder value”, in Charreaux G. and Wirtz P. (2006): Corporate governance: new perspectives, Paris, Economica.

<sup>2</sup> This ratio refers to the excess which is released once all contributors of funds, debts and equity are remunerated.

Sustainable development has become a consensual concept, a reference for all those involved in economic and social life. The various representations made by the actors allow this consensus without any other precise meaning (Etchegoyen, 2003). The concept of sustainable development found its worldwide recognition at the United Nations Conference on Environment and Development in Rio de Janeiro in 1992. In its article 30.3, Agenda 21, which emerged from this conference, states that “trade and industry, including transnational corporations, should recognize that environmental management... is crucial for sustainable development” (UN 1992)<sup>3</sup>. We recognize the value of the initiatives of some pioneering companies, but we especially reaffirm the role of governments in creating the economic conditions and tools for the re-internalization of externalities based on the “polluter pays” principle.

In view of this new analytical framework and the global requirements to achieve the SDGs<sup>4</sup>, Companies are forced to revise their governance model and management practices in order to achieve the overall performance objective and to acquire the quality of the responsible entrepreneur. This involvement is far from being obvious and the stakes remain to be defined.

### **2.1. From economic and financial performance to global performance**

Overall performance differs from “traditional” by taking a broader meaning. It is defined in consultation with its stakeholders on the four economic, social, societal and environmental dimensions:

- Economic performance, in its classic dimension, manifests itself in efficiency. It is therefore expressed in terms of the ratio between production and the resources used, evaluated in monetary terms, for this production, and aims at economic improvement (productivity, competitiveness). This productivity is central to the company’s control mechanism.
- Social performance reflects the objectives and results achieved through the implementation of responsible human resource management policies (working conditions, QVT, employment, training, motivation, pay and incentive policies, social climate, health and safety, etc.). The objectives are generally set in terms of improving the skills levels of employees (monitoring, assessment, training), organizational

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<sup>3</sup> United Nations Conference on Environment and Development, 3-14 June 1992, Rio de Janeiro.

<sup>4</sup>The Sustainable Development Goals (SDG) summarize the measures and actions taken to address poverty, social inequity, exclusion, harm to the environment and others. Goals are interdependent. Achieving each goal in isolation is a target in itself, to be achieved by 2030.

improvement (teamwork, management of hierarchies, communication), reputation improvement (employer brand and brand).

- Societal performance differs from social performance in that it is concerned with society as a full stakeholder. Thus, societal performance aims to limit the negative effects of the company on society, and by developing relationships and actions that have a positive impact on society. The objectives include, for example, the fight against corruption, social exclusion, or collaborative projects with civil society, municipalities and other local social actors.
- Environmental performance reflects the objectives, actions and results achieved by the responsible company to reduce its negative impact on the environment and natural resources, or even to create the conditions for a positive impact, for example in terms of energy performance. This performance takes into account both the impact of the company's operations on the environment, and the impact of services or products throughout their life cycle (ranging from their production, use and end of life).

The evaluation of these different dimensions of performance is carried out mainly through dashboards and specific indicators; these are generally set by the departments in charge of these different themes in order to provide a global vision for the governance of the company.

The societal and environmental dimensions of performance are more recent for the company that understands them most often through dashboards and indicators, expressed in qualitative and quantitative terms, and, more rarely, in financial terms. Thus, the consideration of the overall performance is mainly translated to date by a specific steering of each of the four dimensions – economic, social, societal and environmental.

The question raised by the CSR Platform in 2016 remains relevant: The debate is currently less about the title than about the modes of integration of the four dimensions of global performance: is it enough to juxtapose them by adopting specific logics and frameworks for each of them or is it appropriate-Seek to integrate them into a unified but expanded and enriched framework?<sup>5</sup>. These same guidelines for achieving overall performance, we find them in the concept of triple performance. The triple performance concept is understood as the juxtaposition of three axes: economic performance, social performance and environmental performance in the managerial system, in particular the organizational one, or the notion of overall performance. The new

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<sup>5</sup> CSR platform (2016), "CSR, Global performance and competitiveness" opinion.

approach accentuated by the objectives of sustainable development leads to the twinning of the following three axes:

- Environmental («Planet»): Respect for ecosystems whatever the activity of the company. It is a contribution to the fight against global warming (greenhouse gases), active management of renewable natural resources, control of the use of fossil resources (therefore exhaustible), waste treatment, The European Union is committed to ensuring the safety of the environment and the environment.
- Social («People»): Respect for fundamental social rights regardless of the location of the activity: working conditions, wages, non-discrimination, health and safety at work. Consideration of the health of the surrounding community. Contribution to development.
- Economic («Profit»): Legitimate pursuit of profit but in compliance with ethical rules such as the rules of healthy competition, the rejection of corruption and the contribution to development.

Performance management is often done through the "Deming" wheel, which is the most common approach known as the PDCA (Plan, Do, Check, Act) rule, which guarantees continuous improvement:

- Strategic Planning, Quality Planning (Project Management)
- Deployment by process, internal communication
- Dashboards, audits, customer satisfaction measurement
- Continuous improvement.

## **2.2 Corporate Social Responsibility (CSR), a global performance factor**

Corporate Social Responsibility (CSR)<sup>6</sup> is a “concept in which companies integrate social, environmental, and economic concerns into their activities and interactions with their stakeholders on a voluntary basis<sup>7</sup>”, more clearly and simply stated under “the contribution of businesses to sustainable development issues<sup>8</sup>”.

The concept is linked to the obligations of sustainable development, which it reflects the behavior of companies towards society and the environment. The link between this meso-

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<sup>6</sup> CSR covers social and environmental issues.

<sup>7</sup> CSR is should not be separated from business strategy and operations, as it involves integrating societal and environmental concerns into these strategies and operations.

<sup>8</sup> BMZ (2010), German Federal Ministry of Economic Cooperation and Cooperation, Corporate Social Responsibility from a Development Policy Perspective.

economic objective and the satisfaction of the company's stakeholders is however rather complex, this is especially true since sustainable development does not depend exclusively on companies, but on all the players involved and they have divergent interests. CSR is therefore the embodiment for the company of sustainable development concepts, which integrate the three environmental, social and economic pillars. It was on the agenda of the 2002 Johannesburg Earth Summit, which also included large companies, the environment and energy sectors. CSR is also the result of the demands of civil society (ecological and humanitarian associations) for a better consideration of the environmental and social impacts of business activities, which was born, in particular, Global environmental problems encountered since the 1970s.

It should be noted that the primary meaning of the company's performance is the achievement of organizational objectives, whatever the nature and variety of these objectives. This realization can be understood in the strict sense (result, outcome) or in the broad sense of the process that leads to the result (action)» (Bourguignon, 1995). Therefore, to speak of "performance" in terms of CSR is to consider that the responsible company explicitly sets objectives on the various CSR themes and that it deploys the necessary actions to achieve them. The themes chosen by companies necessarily fall within the framework of legal obligations, but also within the framework of the CSR standards that they voluntarily adopt.

CSR should be a factor in strengthening the company's competitiveness, particularly in domestic and foreign markets, even allowing it to conquer new markets. In addition, the benefits to be derived will benefit both the social advancement of workers and the preservation of physical and environmental productive resources. As the reference text of the CSR Platform underlines a global approach to performance makes it possible to take into account all the positive or negative impacts of the company on society and the environment. CSR is therefore an overall performance factor for the company, leading it to better understand and control its risks"<sup>9</sup>.

### **3. Sustainable Development (SD) and Corporate Social Responsibility (CSR): Theories and Practices**

The main cause of the change in the perception of the economic market by most players lies in the emergence of the concept of sustainable development (SD). The latter can be broken down

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<sup>9</sup> According to the Economic Advisory Committee (1997), "to evaluate the overall performance of a company is to consider that its economic performance without taking into account the negative externalities of its activity on its environment (social and ecological) does not constitute a "fair assessment" of performance".

in different ways within companies. However, it is mainly materialized in the form of corporate social responsibility (CSR). Indeed, the R.S.E. has aroused increasing interest at all levels: practitioners, managers and academics. This interest is motivated by ethics, legislation and competitiveness. These two concepts referred to separate semantic fields, SD concerning the future of the planet, CSR concerning the role of the company in society. CSR/SD linkage is rarely discussed today. The conceptual scope of CSR is increasingly identified with that of SD: CSR is thus assessed according to the three pillars of sustainable development: economic prosperity, social justice and ecological sustainability. We will examine economic and managerial theories regarding the relationship between these two concepts and then focus on the link between these key concepts of responsible governance

### **3.1. SD/CSR: theoretical cleavages**

The three main traditional approaches to CSR in the literature do not refer to SD (Capron, 2013). Historically, an “ethical” approach inherited from XIX century paternalism, a utilitarian strategic approach, and a “stakeholder” approach is generally distinguished. They differ but do not constitute irreducible oppositions

- ✓ The “ethical” approach, inherited from paternalism

The approach inherited from the paternalism of the 19th century is generally based on moral and religious values and calls upon the personal ethics of the leader. Bowen [1953], to whom American Evangelical Churches had commissioned a reflection on the responsibility of business leaders, is generally considered the first theoretician of this current, which will later be called “business ethics” [Pasquero, 2005]. It is based on biblical precepts (stewardship principle and charity principle) by assimilating the enterprise to a “moral being” that has duties and must ensure the well-being of workers, their families and, beyond that, of the community. The social measures and actions carried out by the company can only be voluntary and are in fact «outside business» (for example through foundations): patronage and philanthropy constitute the supreme stage of CSR [Carroll, 1979]. These actions are generally aimed at repairing the damage caused by economic activities and not at preventing them. This concept, which originated in the United States, is still largely predominant there.

- ✓ The utilitarian strategic approach

It is based on the idea that the company’s social behavior must serve its economic performance. This conception maintains that the requirements of profitability and profitability will be better met by maximizing the social performance of individuals and the organization. The choice of

social actions is made through a cost/benefit analysis to demonstrate to managers the relevance and utility for the company.

In particular, the company must maintain its brand image, its reputation and the trust of its stakeholders, that is, groups and individuals likely to influence or be influenced by the achievement of the organization's objectives [Freeman, 1984]. It must therefore listen to their expectations, so as to retain (or gain) the legitimacy to acquire the resources necessary for its activity and thus ensure its sustainability. Appearing in the 1970s in Europe and the United States (where it gave birth to the managerial movement called Social Issues Management), this approach is part of a classic conception of the economic and financial performance of the company; The justification is based on the business case: a business case justifying voluntary CSR measures by all the competitive advantages that are likely to result. We are then supposed to be in a positive sum game: win for the company, win for the company.

- ✓ The CSR approach as a response to stakeholder expectations

Stakeholder theory has become a key reference for CSR and provides a framework for defining it and for its integration into strategic management. It places the company at the centre of a set of actors (stakeholders, stakeholders) who have implicit or explicit expectations of it, who have a more or less strong power to be heard and influence the leaders. In this approach, the consideration of stakeholders instead of only shareholders in the governance of the company legitimizes the CSR movement.

This concept aims to integrate ethical and utilitarian conceptions, as shown by Donaldson and Preston [1995] in a literature review on stakeholder theory that highlights "normative" approaches. Ethical trends and "instrumental" approaches based on the "utilitarian" vision of CSR.

Social Issues Management asserts that the sustainability of the company depends on its ability to meet the expectations of its stakeholders. The identification and management of relations with them is central in all the CSR implementation frameworks and guidelines (GRI, AA 1000, ISO 26000, etc.). This approach strongly structures the discourses and representations of CSR, regardless of the country. Accountability<sup>10</sup>, interpreted as being accountable and accountable to stakeholders, becomes the key value of CSR.

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<sup>10</sup> Accountability has been translated into "accountability" in the French version of the ISO 26 000 guidelines on social responsibility; it is defined as a state consisting, for an organization, in being able to respond to its impacts on society, the economy and the environment.

Nevertheless, the “stakeholder” approach to CSR has a number of limitations [Pesqueux, 2006]: limits on the legitimacy of actors who are supposed to represent the major issues of society, the stakes that are not borne by stakeholders and, above all, the underlying assertion that the aggregation of particular interests can lead to the general interest; but we know, if we follow the Condorcet paradox and the Arrow’s impossibility theorem, That a sum of individual preferences is not sufficient to establish a collective preference. While the expectations expressed by stakeholders help to identify environmental and social issues, they cannot claim to represent the general interest and sustainable development.

These different approaches to CSR presented in this section are not mutually exclusive in managerial discourse; rather, they tend to combine to reinforce the legitimacy of CSR policies. But in Europe the primary justification for implementing CSR policy is linked to sustainable development<sup>11</sup>.

### **3.2. CSR as a responsible governance factor**

CSR as a practice of good governance should be translated in different ways:

- The ethical aspect reflected in a corporate charter,
- Continuous contact with the company’s stakeholders (all stakeholders with mutual interests in the company’s management: customers, suppliers, employees, local associations, local authorities, civil society represented by NGOs),
- The implementation of vigilant risk management programs,
- Adoption of a system of increased oversight of safety principles,
- Environmental, social, societal and institutional monitoring,
- The creation of knowledge management projects in support of open and dynamic technological innovation that integrate new stakeholders and economic agents such as territorial public actors, public research centers and laboratories and expertise centers,
- Standardization of assurance programs to ensure better quality
- Adapting local and socio-cultural characteristics to technical notions of performance,
- Fostering internal and external communication with all stakeholders and the establishment of a system of impact assessment for social and environmental assessments.

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<sup>11</sup> Until the last decade, the US management literature on CSR ignored the concept of sustainable development [Pasquero, 2005].

The global approach to CSR can make it possible to implement, among other things, new regulations and better corporate governance, regardless of size: large, medium or small, in so-called developed countries, as in developing countries, sustainable development encompasses the majority of economies concerned about the future of the planet and the future of their generations. The opportunity lies in establishing a better “contextualization” of the constraints related to the economic activities of companies, a better structuring of relations with stakeholders, and theoretically better corporate governance based on an integrated approach.

However, in practical terms, the perception of CSR is not global, as a contribution to sustainable development in its triple economic, environmental and social dimensions. It is primarily economic; it is social because of the need to comply with the regulations in force. It is environmental, depending on the incentives of public authorities.

Moreover, for most entrepreneurs, the expected benefit is in the short term, while the long-term vision is rather weak. CSR is a decision support tool for the company. But it is also a basis for action to enable stakeholders to challenge responsible behavior. Nevertheless, there is “a weak perception of corporate social responsibility and stakeholders.” The company is generally convinced of the importance of CSR but fears the financial cost of its implementation. It also requests technical and financial assistance in this field.

### **3.3. SD/CSR: Issues and Limitations**

The idea of companies taking charge of SD via CSR-DD coupling has several limitations, both in terms of its actual implementation and at the conceptual level. Godard and Hommel [2005] stressed the ambiguity of what they see as the attribution to private companies of an international regulatory role in SD is questioned by the theoretical framework of global public goods [Samuelson, 1954] It highlights market failures for the production or protection of these goods and the need for regulation by public institutions [Tubiana & Severino, 2002]. In a context of strong competition, some private actors are not encouraged to take over the different aspects of SD, but have, on the contrary, tendency to act like stowaways when proactive companies commit to more socially or environmentally responsible solutions. Brodhag et al. [2004] and Vogel [2006] indicate that in, a competitive market, the inclusion of SD by companies is limited if voluntary approaches are not accompanied by substantial incentives from the States or the enactment of minimum standards for companies that do not play the same game. However, the international multilateral system is building too slowly to exercise this governance. Admittedly, the political role of large companies in SD, particularly on environmental issues, has been played by international bodies with limited power. WBCSD has

been an important lever in the promotion of self-regulation in this area, but it is mainly at the European level that the institutionalization of CSR-DD coupling has taken place. At the international level, the process of developing the ISO 26000 standard on corporate social responsibility has seen the European and North American conceptions of CSR clash.

Indeed, in many countries, the design of SD is confined to the environmental dimension and does not take into account the three “pillars” and their articulation. The ISO 26000 guidelines, however, make it clear that “although the terms “social responsibility” and “sustainable development” are often used interchangeably and closely related, they are actually different concepts.... Corporate Social Responsibility is essentially about organization ... the contribution to sustainable development should be an essential objective of any organization engaged in a social responsibility approach.”

In such a process of elaborating an international and multi-stakeholder compromise (companies, trade unions, consumers, NGOs, governments, consultants and researchers), it is interesting to note that several CSR representations are confronting each other and that the CSR-DD linkage is not institutionalized, Although the SD value emerges as a superior principle that is supposed to coordinate stakeholder expectations and structure collective action around consensus and shared values.

The concept of DD is sufficiently fuzzy and scalable to allow for this coordination between different representations. It can then be understood as a convention, which ensures coordination between civil society and the market economy in a context of deregulation [Wolf, 2007]. The idea of a common contribution to global sustainability can then be analyzed as a recovery of the criticism of the capitalist system through managerial discourse.

## **Conclusion**

As a result of an increasingly unstable and irregular economic and financial situation, companies have their own They have no choice but to seek global and sustainable performance which alone could guarantee the sustainability of productive resources and a better market takeover.

Today, organizations in general, and businesses in particular, are convinced by a need to review their priorities. they are aware that their value chain design needs to be reviewed in a more efficient and integrated way. Environmental constraints should be taken into account in the management of their supply, production, distribution and transport activities. Innovating in "green" technological processes enables and clears paths of economic, social and environmental progress and will be the strategic challenge to be tackled immediately. It is a question of a

specific management with the objective of reconciling between the traditional practices of performance and new practices based on a triptic: Economic, Social and environmental.

Over the past two decades, corporate governance has undergone profound changes that illustrate the ongoing transformations of capitalism. We have been able to distinguish two modes of governance whose degree of importance varies according to whether listed or unlisted companies: the first mode of governance draws its foundations from the Shareholder Theory and the decontextualization it conveys by projecting on the sole financial level political, strategic and organizational variables. This type of governance favors the creation of shareholder value. In this perspective, the interests of managers must be aligned with those of shareholders and financial investors, and the organization of the Board of Directors and the regulations on transparency and remuneration of officers are defined in this objective.

The second mode of governance is based on the Stakeholder Theory and should contribute to the emergence of a partnership and cooperative vision promoting the anchoring of stakeholders around the company. In this broader acceptance, which aims to create value for all partners, performance is measured against all stakeholders. This type of governance contributes to the formation and development of financial capital, but also human capital (individual skills, experience, collective know-how) and organizational (organizational capacities resulting from cooperative work and the gradual transformation of tacit knowledge into explicit knowledge) are also sources of value creation.

CSR appears as a possible development for the company of sustainable development concepts that integrate the three environmental, social and economic pillars. In this way, CSR could lead to a paradigm shift conducive to the emergence of a responsible governance model. While it is true that the latter draws its foundations largely from the Stakeholder Theory, it suggests a more detailed contextualization featuring the different stakeholders as well as a renewed study of socially responsible behaviors.

Responsible corporate governance thus acquires a broader vocation. Apart from its traditional dimension covering all the processes, regulations, laws and institutions that influence the way the company is run, administered and controlled, Corporate governance could also include the relationships between different stakeholders and the objectives that govern the company. Its advantage will lie in the establishment of a better contextualization of the economic activities of enterprises as well as a better structuring of relations with stakeholders at the initiative of intergovernmental or regional organizations. For example, by limiting its consumption of

energy and non-renewable resources, by reducing its waste production, the company can achieve substantial savings.

But while CSR policies have aroused a great deal of interest in industrial circles because of environmental issues, services (particularly transport) are still lagging behind because of the specific nature of the activities they support is not always seen as compatible with a value creation objective. This leads to a risk of CSR policies being exploited by managers, who often find it difficult to reconcile economic objectives with the company's social constraints.

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