


# The Possibility of Measuring the Social Performance of Economic Enterprises and its Impact on Financial Reporting - A Case Study of the SAIDAL Group for the Period (2020-2023)

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## Abstract

This study aims to review a conceptual framework for measuring social performance. In addition to providing models of some contributions to social measurement, which has become one of the requirements of integrated financial reporting that combines financial and non-financial information. We conducted a field study in the SAIDAL Group, where we studied the reality of social responsibility in the Group and then tried to study it according to a number of proposed models. The study found that the measurement of social performance is difficult to critically assess due to a number of difficulties, most notably: the absence of binding legal legislation on the measurement of social responsibility, and the absence of standards and guidelines that clearly define social measurement methods.

**Keywords:** Social performance, social costs, financial reporting, SAIDAL group.

**JEL classification codes:** M41 ,M14 ,G29.

# إمكانية قياس الأداء الاجتماعي للمؤسسات الاقتصادية وأثره على التقارير المالية -دراسة حالة لمجمع صيدال للفترة (2020-2023)

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## المخلص:

تهدف هذه الدراسة إلى تحديد إطار مفاهيمي لقياس الأداء الاجتماعي. بالإضافة إلى عرض نماذج لبعض المساهمات في مجال القياس الاجتماعي الذي أصبح أحد متطلبات التقارير المالية المتكاملة التي تجمع بين المعلومات المالية وغير المالية. أجرينا دراسة ميدانية على مجمع صيدال، حيث درسنا واقع التكاليف الاجتماعية في المجمع ثم حاولنا دراستها وفقا لمجموعة من النماذج المقترحة. وتوصلت الدراسة أن قياس الأداء الاجتماعي من الظواهر الاجتماعية التي يصعب إخضاعها لعملية القياس النقدي، وذلك بسبب مجموعة من الصعوبات أهمها: عدم وجود تشريع قانوني ملزم بشأن قياس المسؤولية الاجتماعية، وعدم وجود معايير وإرشادات تحدد بوضوح طرق القياس الاجتماعي.

**الكلمات المفتاحية:** أداء اجتماعي، تكاليف اجتماعية، تقارير مالية، مجمع صيدال.

تصنيف JEL: M14، M41، G29.

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## Introduction

Social accounting revolves around key concepts, notably social costs, benefits and corporate social responsibility, including social assets. As such, companies need to incorporate social performance measurement alongside financial metrics when presenting their contributions to social initiatives.

A challenge arises from the ambiguity in the definition of social costs and benefits and the difficulties in measuring them, as many components are not easily monetised and there is no consensus on their disclosure in financial reports.

In light of the above, the following question can be posed:

**What is the potential for measuring the social performance of economic enterprises in financial reporting?**

This problem leads to the following sub-questions:

- What is the concept of social performance?
- What are the methods and indicators of accounting for social performance?
- Does the SAIDAL Group want to measure social performance by measuring the costs in activities for areas of social responsibility?

The following hypotheses were formulated in order to answer the problem and sub-questions posed:

- The adoption of social responsibility accounting contributes to the diagnosis and evaluation of the social performance of the enterprise;
- The SAIDAL group relies on a set of indicators to measure the social performance of the consequences of its activities on employees, customers, the environment and society.

This study aims to:

- Define the conceptual framework for social performance and identify and disclose the bases and methods of measurement in financial statements and reports;
- Attempt to explore the basic concepts of accounting for social responsibility by identifying the nature of measurement of social activities.

There are some studies that have dealt with this issue, including:

**- Nofan Hamed Mohamed aleimat study (2010): entitled “Accounting measurement of the costs of social responsibility activities and their disclosure in the final financial statements”, PhD thesis, Damascus University:**

The aim of the researcher in this thesis was to study the extent of the possibility of using the measurement and accounting disclosure of the costs of social activities in the financial statements in the Jordan petroleum refinery company public shareholding. In addition, he focused on the statement of the importance of using accounting measurement and the extent of its provision on the possibility of disclosing those activities in the financial statements, to conclude with a set of substantive results, the most prominent of which was that the process of measurement and disclosure of the costs of social

activities in the Jordan petroleum refinery company by following direct and indirect measurement methods has an effective role in increasing the efficiency of the final financial statements.

**- Sharqi Juma, Saadi mufida (2023) titled: “Measuring the social performance of institutions cement foundation tibsra (SCT) as a model”, Journal of economic and Financial Research, Volume 10, issue 02, Umm Al-buaqi University:**

This study aimed to try to shed light on the social performance of the Tebsa Cement Foundation (SCT), Some tools were used to collect information including interview and questionnaire. A number of conclusions were reached, the most important of which is that Tebsa Cement Foundation (SCT) only pays attention to the internal social aspect related to the improvement of working conditions.

What distinguishes this study from previous studies: the previous studies aimed to highlight the role of social responsibility accounting in economic institutions and basic behaviours related to social performance, listing theoretical concepts in the theoretical aspect and commenting on the social reality in the institution under study, while this study aimed to focus on the contribution that social responsibility accounting adds to improve the outputs of the accounting system and social measurement, in addition to the field study that included the reality of accounting measures.

This paper was an attempt to address the measurement and accounting disclosure of the social performance of economic enterprises through three themes:

- First, Concepts for measuring of social performance;
- Second : Methods of accounting measurement of social performance;
- Third : Field study of the SAIDAL Group.

## **1. Concepts for measuring of social performance**

As interest in social responsibility grows, so does the focus on measuring social performance, which can often be difficult to quantify. This section explores different perspectives on social performance and highlights key methods for measuring it.

### **1.1. Defining social performance**

The social performance of enterprises can be defined through various researchers' perspectives.

Social performance is defined as: “Social performance refers to the selection of variables, benchmarks and procedures for assessing net social contribution over a period of time. It includes both external and internal factors that affect all areas of society, and includes the communication of this information to beneficiaries in order to facilitate informed investment decisions.” (Syrjä, Sjögrén, & Ilmarinen , 2016, pp. 03-09)

Social performance is also defined as “an enterprise management model that helps to understand social risks and make appropriate decisions to fulfil their social responsibilities, a three-dimensional model of integrating both the principles of social responsibility, social risks and patterns of risk management”. (Pratigya, Singh , & Patel , 2013, p. 240)

In addition, it was defined from the stakeholders' perspective as "an enterprises appreciation of stakeholders and due consideration of social responsibility towards them, by balancing its planning between social and business objectives". (سعيد محروس أحمد، 2016، صفحة 36)

From these definitions, it can be concluded that social performance is highly dependent on the application of CSR principles and that the application of these principles depends on the company's own awareness. (Parmar & Autres, 2013, p. 403)

## **1.2. Accounting measurement of social performance**

The concepts of social accounting can be illustrated by examining the following elements:

### **1.2.1. The concept of social accounting measurement**

Some definitions of social accounting measurement are presented to show how the importance of this concept is.

It can be defined as: "A logical consequence of the social responsibility of economic units to know the costs (sacrifices) borne by the enterprise as a result of its social activities affecting society". (Tsalis, Stylianou, & Nikolaou, 2018, pp. 319-320)

Some also consider that "measuring the social responsibility of an institution involves the concept of a social contract, producing goods and services desired by society and distributing the benefits to members of society". (العليمات، 2010، صفحة 45)

### **1.2.2. Costs and social benefits analysis**

The United States of America was the first to use this technique to make the right decision about the feasibility of building the interstate highway in 1960. This led to its widespread use in the industrial sector in 1967. (Abagail & Siegel, 2000)

In the same vein, the American Postgraduate School of Management has identified four main and fundamental pillars of the cost-benefit analysis process: (Sadoon & Others, 2014, p. 61)

- This analysis should be used extensively as the primary tool for the decision to change or propose a structural investment;
- Identifying the period over which costs are incurred and the period over which benefits are received;
- Financial and accounting information should be used when calculating all costs and benefits as at historical cost, in addition to estimating elements of intangible items with both.

Despite the general agreement on the applicable basis of the cost-benefit technique, this is not enough, which has caused much controversy. The American Congressional Library, in its report of 28 June 1995, indicated that there are three opinions adopting this technique: (Syrjä, Sjögrén, & Ilmarinen, 2016, pp 30-32)

- Some believe that no decision can be trusted unless it has gone through cost-benefit analysis, because the benefits are greater than the social costs;
- Others believe that, while this analysis is important, deepening the use of this technique will require a lot of time and effort, which will increase the cost of the analysis. This is seen as an obstacle to the implementation of the proposed projects;
- The third view is that this analysis cannot be seen as an integrated tool to assist decision makers, as it overlooks quantitative values and aspects that affect the validity of an investment decision, such as determining the level of investment risks and effective costs.

### **1.3. Accounting for social costs**

The accounting measurement of social costs will be addressed by presenting the following elements:

#### **1.3.1. The concept of social cost accounting**

Researchers have disagreed on the concept of social costs, since they are seen as "sacrifice and benefit to society in the form of depleted resources (added) by the economic enterprise as a result of its social impact transactions". (Abigail & Siegel, 2000, p. 65)

Others consider that "social costs represent what is spent (or what should be spent) to remove the damage caused by the economic activity of an enterprise such as pollution, this is known as social costs". (Barraket & Yousefpour, 2013, p. 455)

#### **1.3.2. Measurement of social costs from an economic point of view**

Most definitions of social cost from an economic point of view also agree that "the total cost to society is the result of the enterprise's exercise of its economic activity", such as air pollution and noise creation. The social cost also includes the so-called alternative opportunity cost, that is the amount of goods and services sacrificed in exchange for the production of other goods and services.

The cost of failing to sell and dispose of products is also included in this concept. The inability of the enterprise to dispose of its products means the loss of part of an influencer of society resources in general. (Chmelik, Musteen, & Ahsan, 2015)

#### **1.3.3. Measurement of social costs from an accounting point of view**

The introduction of the concept of actual costs is "essentially in the measurement of social costs from an accounting point of view and does not reflect the social costs of damage and negative impact on institutions, environment and society. As a result of environmental pollution caused by the exercise of the economic activity of the enterprise, it does not represent social costs according to this concept because the enterprise has not paid for such damage; here this concept suffers from inadequate basis for measuring social costs". (داشير، 2023، صفحة 65)

### **1.4. Accounting measurement of social benefits**

Social income is expressed as "the net social contribution of an enterprise resulting from the accounting relationship between the social return and the social costs that generated that return, such as the cost of preventing pollution". (داشير، 2023، ص 69)

Social benefits in economic enterprises are divided into internal and external benefits. Internal benefits are what these institutions receive through their social activities and are not quantifiable and

monetary, such as measuring the cultural level or estimating the monetary value the society's benefits from, for example, the afforestation of the surrounding area by economic institutions. External benefits are of benefit to third parties and are more important to measure because they are easy to measure and the objectivity of measurement is generally accepted by accounting stakeholders. (André, Cho, & Laine, 2018)

## **2. Methods of Accounting Measurement of Social Performance**

The methods of accounting for social performance costs are varied.

### **2.1. Survey method (questionnaire)**

This method is based on the collection of data and information on the methods of direct questioning of persons directly related to the social cost or sacrifice made. This is done through the preparation of a form containing a series of questions about the activity of the economic enterprise, called the questionnaire form. It is prepared by the administration in order to obtain facts and collect data on the circumstances and methods already occurring. (عفانة، 2020، صفحة 16)

The following pro-criteria should be considered when using this method: (Weber, 2008)

- Have a clear understanding of the magnitude of the impact;
- The ability to translate effects into monetary units, either directly or through the use of proxy measures;
- A sincere desire on the part of the person concerned to assess the correct and honest answer, and here it should be noted that the nature of some questions should be precisely defined in order to be useful for information.

### **2.2. Alternative valuation method**

This method is used when it is not possible to value directly the sacrifice made by the economic enterprise because of its social practices, so that a valuation is made in lieu of that sacrifice. This is done by estimating the value of the medical treatment of infected workers due to the lack of such equipment, as well as the amount of loss due to industrial accidents if safety equipment is not installed. However, this method is prone to measurement errors, the wrong choice of alternative or its incompatibility with the condition to be measured, which requires caution in its use. Nevertheless, it is one of the most effective and important methods for measuring the cost of social services.

### **2.3. Prevention costing method**

Prevention costs in the field of measuring social responsibility costs presuppose an inverse relationship between the damages incurred by society and the social processes carried out by the institution to correct or avoid such damages. (عفانة، 2020، صفحة 172)

### **2.4. Corrective cost method**

Social costs under this method represent the amount of expenditure of the enterprise to restore the status, or to establish and establish a resource to replace the social resource that has been affected by the enterprise's activity. For example, the cost incurred by the project in cleansing the river is the impact of pollution due to the enterprise's exercise of its activity. (عفانة، 2020، صفحة 172)



## 2.5. Actual expenditure method

This method is based on the adoption of the actual amounts spent by the economic enterprise as a basis for measuring social performance, whether this expenditure is optional because of the enterprise's perception and commitment to its social responsibility or in accordance with legislative and regulatory provisions imposed by the state. In addition, the damage caused by the company's activities to the community, measured either by the cost of preventing such damage or by the cost of rectifying it. ( عفانة، 2020، صفحة 173 )

From all of the above methods of measuring social performance in accounting, the multiplicity and variety of measurement methods are noted. Each is considered appropriate in its circumstances and environment, but when relying on any of the above methods, the problems of objectivity and reliability in the data that will be demonstrated by the adopted measurement method are highlighted.

## 3. Field study of the SAIDAL GROUP

With regard to the field study, the theoretical study will be dropped in the field in order to identify the reality of the costs of social responsibility in the Saidal complex, and how to measure these costs through the areas of social responsibility.

### 3.1. Presentation of the SAIDAL GROUP

SAIDAL is the leading generic pharmaceutical company in Algeria. They can be presented as follows: (www.saidalgroup.dz, 2024)

Founded in 1982 in response to the need to create a local pharmaceutical industry capable of guaranteeing the availability of medicines and improving citizens' access to treatment, SAIDAL is now organized as an industrial group specializing in the development, production and marketing of pharmaceutical products for human use.

SAIDAL is a public limited company with a capital of 2,500,000,000 Algerian dinars.

Listed on the stock exchange since 1999, its capital is 80% owned by the State and the remaining 20% is held by institutional and private investors.

### 3.2. Diagnosis of the reality of social responsibility accounting in the SAIDAL Group.

The diagnosis of social responsibility and its accounting is carried out in the SAIDAL Group, through which an assessment and diagnosis of the reality of social responsibility accounting is achieved through a reading in the areas of social responsibility accounting and its component financial costs. In order to calculate the SAIDAL Group's social responsibility costs, we must first identify and define the Group's total social costs. They can be presented as follows: (شيوخ، 2021، الصفحات. 122- (125

#### 3.2.1. Social activities are a direction of society

The work of enterprises and their most important goals are linked to maximizing profit and achieving their material gains and personal interests, so SAIDAL group is interested in many issues related to society that target the general public in which it is active in order to achieve social welfare. the social activities that SAIDAL group is responsible for are as follows:



### **3.2.1.1. Subsidising charities in the form of material and moral contributions:**

In order to support charitable and association activities and initiatives, Saidal group supports a group of charities and civil society organizations, provides many different assistance, whether in the form of financial sums or in the form of medicines, and takes care of many uninsured patients, and also works to take care of many activities carried out by these associations and work to make them successful on various occasions such as circumcision, school admission, Eid al-Adha and Eid al-Fitr expenses, summer semester costs for orphans, and provides moral support by providing its staff and human structures for psychological assistance and guidance in sensitization courses, as SAIDAL group deals with many charities and distributed to various Regions of the country.

### **3.2.1.2. Support of sports clubs:**

in order to help and support the sports movement in the country, SAIDAL group contributes to supporting many sports clubs and teams, and also provides many assistances to some unsupported sports, as it supports athletes and sports related to people with special needs, the group also provides assistance in the form of financial sums to carry out the reconstruction of sports facilities nationwide and contributed to many sports forums and worked on their success. (Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2020, 2020)

### **3.2.1.3. Honouring scientists, talents and successful people at the national level:**

SAIDAL Group pays great attention to scientists and outstanding people, in addition to encouraging talents, successful people and all individuals who have honoured the country in various fields, whether in national or international forums in various fields, whether in sports, literary, artistic, religious or scientific fields.

### **3.2.1.4. Assistance to members of the community:**

Within the framework of the assistance provided by the SAIDAL Group, it contributes to many assistance and solving many problems faced by citizens and community members, providing various material assistance according to the needs of individuals, such as taking care of the health aspect, such as performing surgical operations both inside and outside the country, supporting hospitals by providing intermittent medicines, supporting burn hospitals and providing the necessary medicines or financial assistance to cover hospitalization expenses. (Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2020, 2020)

### **3.2.2. Social activities towards employees:**

The social activities related to workers that SAIDAL Group is concerned with include all the costs spent on the worker, regardless of their nature, whether directly or indirectly, and there are many social activities related to workers such as: wages, subsidies, training and development, protective clothing, security, tools and equipment necessary for protection, training, insuring workers against risks and taking care of the injured, taking care of the health aspect of workers, sponsoring transportation and all subsidies.

### **3.2.3. Activities related to the environment.**

The SAIDAL Group makes a significant contribution to the care of the environment, both internally and externally, trying to reduce the negative impact of its activity, which is known to pollute the environment, where it takes care of: health, safety, environment and security through the implementation of measures related to industrial safety and internal safety, such as Updating of

Internal Security Plans (ISP), simulation exercises in collaboration with Civil Protection, implementation of prevention programmes for the winter and extreme heat period, preventive measures related to the control of the spread of the COVID-19 epidemic, such as signs, hydro-alcoholic gel dispensers, staff flow management, disinfection location, as well as application distance measures. (شبيخ, 2021)

### 3.2.4. Activities related to the enterprise and (product)

The SAIDAL Group is always working to make its products available to the consumer in an effective way, so it ensures quality by taking care of the regulatory affairs related to the main activities of the Regulatory Affairs Department, designing, evaluating and expertising pharmaceutical files in the context of obtaining registration applications, monitoring regulatory requirements and drug vigilance, as well as assisting production sites to obtain the Quality Verification Certificate for Quality Control Laboratories, submitted 32 pharmaceutical dossiers to the National Agency for Pharmaceutical Products (ANPP), submitted 04 update dossiers for registration as reimbursable products to the Ministry of Labour, Employment and Social Security, submitted forms for 09 new products, obtained 31 renewed and amended registration decisions for products, obtained a registration decision for a hydro-alcoholic gel from a pharmacy issued by the Ministry of Commerce. (شبيخ, 2021)

### 3.3. The financial cost of the components of social responsibility in the SAIDAL Group

After the social activities of the SAIDAL group have been identified, the costs of activities in the four areas mentioned above will be measured in this requirement, based on the information provided by the group.

#### 3.3.1. Measuring the costs of social responsibility towards society:

The social cost of the social direction adopted by the Saidal Group can be presented as follows:

##### 3.3.1.1 The costs of job creation:

The Saidal group seeks to provide employment opportunities for all categories of society at various levels to contribute even a little to give an opportunity to young people and take part of the responsibility that is on the shoulders of the state. The following table shows in detail the development of the volume of employment and human resources over the past two years:

**Table n° . 1**

**The status of human resources of the Saidal group during the period 2022-2023**

Designation	Effective at 31/12/2022	Effective at 31/12/2023	Evolution 2023/2022		Forecast 2023	Completion rate
Médéa	690	725	35	5,07%	700	103,57%
El Harrach	219	240	21	9,59%	227	105,73%
Gué de Constantine	500	505	5	1,00%	494	102,23%
Cherchell	112	114	2	1,79%	113	100,88%
Dar El Beida	426	424	-2	-0,47%	429	98,83%
Constantine 1	210	203	-7	-3,33%	220	92,27%

<b>Constantine 2</b>	135	137	2	1,48%	153	89,54%
<b>Annaba</b>	121	118	-3	-2,48%	125	94,40%
<b>CRD</b>	69	75	6	8,70%	81	92,59%
<b>Business Units</b>	213	232	19	8,92%	222	104,50%
<b>Marketing Directions &amp; Sales</b>	148	168	20	13,51%	155	108,39%
<b>Headquarters Parent company</b>	279	285	6	2,15%	282	101,06%
<b>Total Group</b>	3 122	3 226	104	3,33%	3 201	100,78%

**Source:** Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2023 (p:29)

The distribution of the workforce by type of activity shows that support activities represent 53% of the workforce, followed by production and management activities with 26% and 21% respectively.

The distribution of the workforce by type of activity also shows that 78.64% of the workforce is employed in technical and production activities and 21.36% in management activities.

In terms of recruitment, the year 2023 saw a total of 220 new hires, of which 65.45% were in the management category, and 02 new hires against 118 departures. (Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2023 , 2023, p. 30)

### 3.3.1.2. Formation

As part of the implementation of the training plan for the 2023 financial year, the SAIDAL Group has implemented a continuous training programme based on an approach based on an analysis of the needs and specificities of the pharmaceutical industry.

The training programme has been divided into two axes:(Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2023 , 2023, p. 31)

- Management-oriented training courses: Finance and Accounting, Management Control, Management Audit, Good Distribution Practices, Digital Marketing and Operational Marketing;
- Job-oriented training courses: Pharmaceutical techniques, Manufacturing and packaging, Generic drug development and research applied, Quality assurance and quality control.
- 980 agents benefited from training actions, for a total amount of 33,392 Thousand of DA (direct and indirect costs)

### 3.3.1.3. Apprenticeship

In 2023, a significant number of apprentices (470) were enrolled in various specialities (pharmaceutical production, industrial chemistry, industrial maintenance, water treatment, HRM, HSE, marketing, accounting...), of which 95 were graduates.

The SAIDAL Group is committed to taking on young apprentices in order to ensure a qualified workforce and the transfer of skills, and the MEDEA production site has taken on 13 apprentices who will graduate in March 2023. (Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2023 , 2023, p. 33)

The Directorate of Training and Vocational Education of the Wilaya of Algiers (DFEP) has dedicated a ten (10) day training session to the SAIDAL Group's master trainers, for 30 master trainers, in order to master the transfer of skills and professional knowledge for apprentices.

### **3.3.2. Measuring the cost of social responsibility towards employees:**

This part deals with many costs that affect the worker, the most important of which is the salary, which is considered one of the most important policies that contribute to a good relationship between workers and management, where the salary determines the social value of the individual.

#### **3.3.2.1. The Salaries:**

salaries for workers vary according to the ranks, positions, experience and branches to which they belong.

The amount of the expenses of the personnel of the parent company is 4,334,773 Thousand DA, with a variation of more than 532,989 Thousand DA (+14.02%) compared to the financial year 2022 (3,801,784 Thousand DA) due mainly to the salary increase of 11% from May 2023.

#### **3.3.2.2. Accidents at work for workers**

One of the basic points that is considered the right of any worker is safety and security at work, so the complex takes the necessary measures to protect workers, and to avoid itself from being harmed, it predicts and counts the expected incidents of all kinds to remedy them in the necessary form at the time necessary to protect the worker and serve the complex, and the following table:

**Table n°.2**

**The status of Labor accident statistics**

<b>Work description</b>	<b>31/12/2019</b>	<b>31/12/2020</b>	<b>Prediction rate 2019/2020</b>
<b>Work accidents</b>	56	46	17.86%
<b>Sick leave days</b>	930	980	-4.30%
<b>Repetition rate</b>	8.57	7.16	-16.45%
<b>The rate of severity</b>	0.14	0.13	<b>-7.14%</b>

**Source:** Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2020.

One of the basic rights that must be provided to the worker above all is what ensures his safety, and SAIDAL group strives to provide security and safety for workers by doing everything to ensure their safety and face dangers when they occur, as at the beginning of each year it predicts possible accidents to face them in a timely manner and appropriate methods.

### **3.3.3. Measuring the costs of social responsibility towards the environment:**

At this point, we show the total costs incurred by the group for the environment

**Table n.3**

**Total environmental costs of the Saidal group 2020**

Statement	Amounts
Costs of disposal of toxic substances	42 969 353.37
Costs of conservation materials	41 406 198.32
Costs of afforestation and Environmental Protection Assistance	1 132 048.72
<b>Total costs of social responsibility towards the environment</b>	<b>85 507 600.41</b>

Source: Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2020.

**3.3.4. Measuring the costs of social responsibility direction of the enterprise (product)**

In the continuity of the quality approach adopted by the SAIDAL Group and in the framework of the popularization of its quality & commitment policy, as well as the mapping of processes related to the ISO 9001 standard version 2015, the SAIDAL Group has launched a roadmap composed of several training sessions provided in the form of workshops that have resulted in the identification of the different processes schematized by the process mapping.

Also, a communication and awareness campaign has been launched towards the SAIDAL staff through posters affixed at the level of all entities from the Group and its headquarters as well as via internal messaging.

It should be noted that the SAIDAL Group will be accompanied by an organization approved by the State in its certification process.

The main works undertaken within the framework of the activities of the Quality Management System are: (Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2020, 2020)

- **QUALITY AUDIT** : Execution of the annual planning of quality audits related to the processes namely : human resources, Quality control, risk management stocks, production, maintenance... etc.

- **METROLOGY**: The metrology activity is focused on :

\* Monitoring the execution of qualifications, calibration and verification of equipment and instruments of measurement of the SAIDAL Group in accordance with the group Contracts.

\* Creation of an internal committee for the management of in charge of the metrological confirmation of certain families of equipment and instruments for measuring the SAIDAL Group.

\* Technical validation of the related operating procedures to the families of equipment concerned by the charge internally.

The following table shows the values of the costs that the SAIDAL complex spends on the development of its services, and this is as follows:

**Table n.4**

**Total foundation grants for Saidal group 2019/2020**

<b>Statement</b>	<b>Amounts</b>
Research and product development costs	<b>57 969 358.37</b>
Costs of safety standards	<b>4 825 452.23</b>
Quality control costs	<b>8 182 092.32</b>
<b>Total</b>	<b>70 976 902.92</b>

**Source :** (Rapport de gestion du conseil d'administration du groupe SAIDAL pour l'exercice 2020)

The above table shows the values of the costs that the Saidal group spends on the development of its services, whether it spends on its products or on its workers to provide the best, as we find that it provides significant amounts to achieve its goals, especially in the field of research and development.

**Conclusion:**

Through this study, we tried to show the reality of social performance in the group complex and how to deal with it in terms of accounting measurement, through exposure to the most important areas of Social Responsibility and projecting them on the Applied side for the SAIDAL Group.

Several results were reached, the most important of which are the following:

- Measuring and disclosing social performance enhances the transparency of financial reporting, helping to improve the organisation's image to investors and stakeholders.
- There is a positive relationship between commitment to social performance and improving the reputation and market value of the enterprise.
- The SAIDAL Group attaches great importance to social performance in its business and practices by working to provide job opportunities, thereby contributing to reducing the unemployment rate and financing projects adopted by civil society organizations. It provides material support to local interests and is keen to provide health and social care to workers and their families.
- Social responsibility accounting is a tool that provides users with accounting information and decision makers with information about costs related to social aspects to give a complete picture, including data related to the social performance of the organization, as well as data related to financial performance.
- SAIDAL group is still somewhat far from a culture of social responsibility from a conceptual point of view, as well as the accounting aspect in terms of measurement and accounting disclosure has not been done perfectly as required, as it still considers it only a voluntary procedure on a regular basis.
- The financial accounting system applied in Algeria largely ignores the reflection of social costs in the financial statements because there are no methods and means that require the need to include them in the financial statements.

Based on the results obtained, the most important suggestions can be made as follows :

- Spreading awareness of the importance of social practices among various departments and employees, with the design and implementation of programs to train volunteers from the human

resources of the enterprise and those interested in carrying out social activities both inside and outside enterprises, and this is necessary to be part of the work strategy of the enterprise.

- The need to allocate training and educational programs for those responsible for preparing financial statements to identify social responsibility and activate the adoption of its practices.
- The Council for the Regulation of the Accounting Profession in Algeria must implement special instructions and develop guidelines and standards on measurement and disclosure of social costs and benefits.



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