

The transparency and disclosure among the Algerian insurance sector and its impact on the corporate social responsibility

مستوى الإفصاح والشفافية في قطاع التأمين الجزائري وأثرها على تجسيد المسؤولية الاجتماعية

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Abstract: Through this study, we aim to shed the light on the transparency and disclosure (T&D) and how it promotes the corporate social responsibility (CSR) practices among the Algerian insurance sector represented in this study by (SAA, CAAR, CAAT Annaba), the study found a medium impact of the (T&D) practices on achieving the dimensions of social responsibility in the Algerian insurance companies Accordingly, The study recommends maximizing efforts to generalize and promote the adoption of the disclosure and transparency practices Given its strong impact on the CSR.

Keywords: Transparency, disclosure; social responsibility; insurance, stakeholders.

Jel Classification Codes : G35, D21

الملخص: يهدف هذا البحث إلى دراسة مستوى الشفافية والإفصاح (T&D) وأثرها على تبني ممارسات المسؤولية الاجتماعية للشركات في قطاع التأمين الجزائري ممثلا في هذه الدراسة بواسطة (SAA، CAAR، CAAT)، وخلصت الدراسة إلى وجود تأثير متوسط لممارسات الشفافية والإفصاح (T&D) على تحقيق أبعاد المسؤولية الاجتماعية في شركات التأمين الجزائرية، وبالتالي، توصي الدراسة بتكثيف الجهود لتعزيز ممارسات الإفصاح والشفافية نظرا لتأثيرها القوي على المسؤولية الاجتماعية للشركات.

الكلمات المفتاحية: الشفافية، الإفصاح؛ المسؤولية الاجتماعية؛ التأمين، أصحاب المصالح.

تصنيفات جل: G35, D21

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1- INTRODUCTION

The extensive media coverage of corporate scandals and the advent of more intrusive government regulation have placed the issue of transparency and voluntary disclosure near the top of the agenda for large firms. The debate about the disclosure and transparency (T&D) importance comes along with the rising pressure on firms to behave socially, which entails measuring and demonstrating how their activities affect different stakeholders including societies and the environment. Today, transparency is taking on a new meaning of more comprehensive and proactive disclosures instead of the release of corporate governance details or policies in a 'reactive' fashion. The new concept of transparency putting more responsibilities on the corporation not only let the truth be available to the public but imposes to disclose it to every stakeholder and different stakeholder groups. (Fung, B., 2014, p72), This goes to the heart of CSR, which presumes a conscious search for a balance, beyond short-term efficiency, in order to achieve long-term, sustainable success, based on a balanced respect for the interest of all parties involved in the company (Van den Berghe, L., & Louche, C. 2005, p426).

However, The recent collapse of many firms has proven the importance of information transparency, more voluntary disclosure increases the transparency of the company that reduces the information asymmetry between insiders and outsiders, this could promote the management accountability and reduce the monitoring costs of investors. While this type of disclosure may not be mandatory, it is recommended as best practice. (Cheung, Y.-L., Jiang, P., & Tan, W., 2010, p260)

Faced with the increasing pressure for CSR, T&D and a broader role of business in society, it is no longer sufficient for a "responsible firm" to live by the law and focus on financial profit to create value for shareholders, this is also true for the financial and insurance sector, although insurance industries have been less exposed to criticisms than other sectors, like any other business, they are subject to increasing societal scrutiny. However, traditional corporate governance as well as traditional management tools and accounting principles do not allow CSR to be managed efficiently and effectively, (Van den Berghe, L., & Louche, C. 2005, p426), (This is the central thesis we want to discuss in this article). Thus, the problematic of this paper is:

- **Does transparency and disclosure within the Algerian insurance sector (represented in this paper by saa, caar, caat Annaba) has an impact on the corporate social responsibility practices?**

In this paper, we aim to point the impact of T&D on CSR in the Algerian insurance sector, in order to enhance the CSR behavior of these companies, thus, The study derives its importance from the importance of the examined variables in nowadays business environment, besides the crucial role of the insurance sector in the sustainable development of Algeria.

The originality of this research is to evaluate the adoption of T&D, and CSR practices within Saa, Caar, Caat Annaba and analyze the leading causes to this adoption, in order to present the appropriate recommendations for saa, caar, caat Annaba in particular, and for the Algerian insurance sector in general for a better performance. The remainder of the paper is structured as follows: In the second section, we deal with the literature review and previous studies. In the third section, we present the methodology, the variables and the hypotheses to be tested. The results discussion and recommendations will be presented in the fourth and fifth sections.

2- Conceptual background and hypotheses generation

2-1: Transparency and disclosure (T&D)

Given the enormous volatility in the international capital markets which can give rise to uncertainty, a strong disclosure regime that promotes genuine transparency is pivotal for market-based monitoring of companies and central to shareholders' ability who can make better decisions and to exercise their ownership rights on an informed basis, In the governance and financial literature, transparency is related to the continuous dissemination through accessibility to media, consistent communication with stakeholders and periodic disclosure of firm-specific information on a voluntary or mandatory basis (Bushman et al. 2004, p210)

According to (Gray et al. 2001,p329; Hackston and Milne, 1996, p78), corporate disclosure can be typically thought of as comprising financial and non-financial information relating to a corporation's activities, aspirations and public image with regard to environmental, employee, consumer issues, energy usage, equal opportunities, fair trade, corporate governance and the like. corporate disclosure may also take place through different media such as annual report, advertising, focus group, employee councils, booklets, school education and so forth, When "transparency",

according to (Barth, M. E., & Schipper, K, 2008,p173), refers to the extent to which financial reports reveal how corporations' managers discharge their responsibilities in a way that is readily understandable by those using the financial reports.

Parker (2007,p 41) points out that corporate reporting involves more than compliance with legal requirements. It incorporates, he adds, the voluntary disclosure of information related to wider organizational issues such as management processes, investors' rights, ownership structure and any other information that discharges corporate management responsibilities, In its turn (OECD, 2006), to improve the transparency issues stated that "corporations must provide adequate, accurate, and timely information to shareholders and the public regarding financial performance, liabilities ownership, and CG issues, since it is in the interest of each organization to provide clear, timely and reliable information that is adequately prepared, and to make relevant information equally accessible to all stakeholders"(Bhasin, M. L. 2010, p150), accordingly, Fung, (2014, p73), sees that transparency ensures that managers will not engage in improper or unlawful behavior since their conduct can be and will be scrutinized. Therefore, to achieve transparency, a company should adopt accurate accounting methods, make full and prompt disclosure of company information and make disclosure of conflict of interests of the directors or controlling shareholders.

There are two types of disclosure – mandatory and voluntary. The information released under mandatory disclosure is set and governed by regulatory agencies, while voluntary disclosure happens when firms provide more information than required as they believe there are benefits from doing so. These benefits associated with reducing information asymmetry include an enhanced reputation, less government regulation, and easier access to capital (Omar, B., & Simon, J. 2011, p166), and lower market risk (Patel, S. A., & Dallas, G. S. 2002, p12); according to the study represents by Standard & Poor's which shows a clear inverse relationship between T&D rankings and market risk (i.e., companies with lower T&D rankings have higher market risk). the lower the disclosure, the less information there is about the company and therefore the higher the market risk and the higher the cost of capital.

2-2: Corporate Social Responsibility (CSR)

Along with the acceleration of T&D issue, one of the most significant and contentious corporate trends of the last decade is the growth of Corporate Social Responsibility (CSR). Debates about CSR continue to grow without a clear consensus on its meaning or value (Carroll, 1979, p497). Foremost, various definitions of CSR have been presented, (Jenkins, H., & Yakovleva, N. 2006, p272) think that CSR is a helpful conceptual framework for exploring the corporate attitude of companies towards stakeholders, balancing the diverse demands of communities, and the imperative to protect the environment, with the ever-present need to make a profit. Also, for Carroll (2016, p2), Hill et al. (2007, p166) the hierarchical CSR is an economic, legal, moral, and philanthropic actions of firms that influence the quality of life of relevant stakeholders. While the definitions of CSR vary, it generally refers to serving people, communities, and society in ways that go above and beyond what is legally required of a firm.

However, not all scholars have been of the view that good social performance has financial benefits for firms, however. Historically, the eminent economist Milton Friedman has been one of the most outspoken opponents of CSR. Friedman in 1970, first defines CSR as follows: “Corporate social responsibility is to conduct the business in accordance with shareholders’ desires, which generally will be to make as much money as possible while conforming to the basic rules of society, both those embodied in law and those embodied in ethical custom”,(Friedman, M, 2007, p178). Friedman argued that the application of CSR imposes an unjustified and fundamentally undemocratic taxation on shareholders, that its implementation costs outweigh any potential tangible benefits and that due to this, it constitutes a misallocation and misappropriation of valuable company resources (Jo, H., & Harjoto, M. A.,2012, p55), supporting scholars to Friedman’s point of view, argued that CSR unnecessarily raises a firm’s costs, putting the firm in a position of competitive disadvantage vis-a-vis its competitors. Predominantly based on agency theory, some studies have argued that employing valuable firm resources to engage in CSR results in significant managerial benefits rather than financial benefits to the firm’s shareholders (Brammer, S., & Millington, A., 2008, p1328)

In contrast, CSR’s supportive scholars have argued that CSR can have a positive impact by providing better access to valuable resources, attracting and retaining higher quality employees, creating unforeseen opportunities, and contributing toward gaining social legitimacy (Cheng et al, 2014, p3). Furthermore, CSR may function similarly to enabling firms to

develop intangible assets or attract financial resources from socially responsible investors and attract socially conscious consumers (Kapstein, E. B, 2001, p114). Consequently, moral and social values of companies are expected to emanate from their managerial structures as well as CSR being an integral part of the organizational culture and reflected in their managerial structures (Parsa et al., 2007, p637)

Furthermore, many scholars argue that the adoption and implementation of CSR strategies that lead to superior CSR performance result in lower idiosyncratic capital constraints (Manetti, G. 2011, p111), as Jones (1995, p411) argues, ‘because ethical solutions to commitment problems are more efficient than mechanisms designed to curb opportunism, it follows that firms that contract with their stakeholders on the basis of mutual trust and cooperation will experience reduced agency costs, transaction costs, and costs associated with team production. Second, prior studies have shown that firms with superior CSR performance are more likely to publicly disclose their CSR strategies by issuing sustainability reports and are more likely to provide assurance of such reports by third parties, thereby increasing the credibility of such reports, that are important to the firm’s long term success and financial standing. (Brooks, C., & Oikonomou, I. ,2018, p2).

2-3: The impact of transparency and disclosure on the corporate social responsibility

Following the stakeholder theory, organizations are viewed as social institutions which have responsibilities, not only to their shareholders, but also to other constituents or stakeholders who can have legitimate claims upon the organization and be in a position to affect organizational outcomes (Carroll, 1979, p498). As Firth (1979, p274) asserts, organizational transparency is very crucial for the stakeholders in a sense that it provides access to corporate information, this motive encourages stakeholders to demand more information and improve the control mechanism over the corporation from the CSR perspective. Transparency is also morally important because it enhances an attitude of honesty, openness and a commitment to truth that is implicit in thinking on CSR. Thus, it has been argued that transparency enhances a sense of accountability and responsibility, again virtues relevant for CSR, the argument here is that transparency makes it much easier for stakeholders to confront a company with its actions, thereby stimulating a sense of responsibility in the company (Dubbink, et al, 2008, p393).

While CSR activities satisfy a firm's stakeholders, who in turn will be more supportive towards the firm's operations, and ultimately increase its valuation. Such a view is rooted in the theory of Coase (1937), As such, stakeholders will be more willing to provide resources and devote efforts to cooperate with the firm and contribute to its value (Renneboog, et al ,2008, p1730). From a governmental perspective, CSR is closely linked to transparency, a transparent organization provides information in such a way that the stakeholders involved can obtain a proper insight into the issues that are relevant for them (Dubbink, et al, 2008, p391).

Arguing in a similar vein, (Haniffa, R. M., & Cooke, T. E., 2002, p320) assert that higher level of transparency may be able to positively affect firm performance based on the premise that improved disclosure as well as timely reporting may reduce cost of capital and mitigate information asymmetry, Hence, based on this argument, it is expected that firms with a higher level of disclosure and greater timeliness in reporting will gain better market performance. and limiting managers' opportunistic behavior. (Chi, L. C. 2009, p11198; Aksu, M., & Kosedag, A., 2006, p282; Forker, J. J. 1992, p113). Depending on (Gao et al. 2015, p3; Fung, B., 2014, p73).), firms assigned with higher scores of CSR reports attract greater analyst coverage, a higher level of institutional ownership, and greater stock liquidity. Such mechanisms eventually result in a higher valuation in equity offerings and a lower cost of debt. These economic benefits, though, are largely concentrated in firms with a strong CSR performance.

2-4: Proposed Model and Hypotheses to Test

Recognizing the importance of T&D and CSR, it is vital to have a study focusing on developing a framework and benchmarking T&D and CSR practices among Algerian insurance companies. Since The insurance sector presents some specific characteristics, which make it an interesting case for applying the analysis of CSR and T&D, Hence, this study attempts to find out whether T&D practices have a positive impact on the CSR practices among Algerian insurance companies. The findings of this study are important to regulators, investors, academics and others who contend that good T&D is important for increasing investor confidence and market liquidity through enhancing CSR practices.

Since it is not possible to observe T&D impact directly, it is necessary to develop an instrument that can measure objectively this latent variable. According to this model (table 1), the measurement is made through the measurement of two variables, Thus, according to this theoretical framework, this research will test the following main hypotheses:

The Main Hypothesis: transparency and disclosure have a statistical significance ($\alpha < 0.05$) impact on corporate social responsibility.

Hypothesis 1 (H1): transparency and disclosure have a statistical significance ($\alpha < 0.05$) impact on CSR' **ethical** dimension.

Hypothesis 2 (H2): transparency and disclosure have a statistical significance ($\alpha < 0.05$) impact on CSR' **economic** dimension.

Hypothesis 3 (H3): transparency and disclosure have a statistical significance ($\alpha < 0.05$) impact on CSR' **legal** dimension.

Hypothesis 4 (H4): transparency and disclosure have a statistical significance ($\alpha < 0.05$) impact on CSR' **philanthropic** dimension.

3- Methods and tools:

3-1: Methodology of study

The methodological approach that employed in this study is a quantitative approach which is used to collect data in numerical form and measure and analyze the impact of corporate transparency and disclosure on the application of corporate social responsibility dimensions.

3-2: Study tool and data collection:

This study applied a quantitative form of research design which specifically encompassed descriptive and causal type of research. Such a design is relevant to achieving the main objective of the study i.e. to investigate the extent of corporate transparency and disclosure and its impact on the corporate social responsibility dimensions application. The questionnaire consists of three major sections. Section A gathers demographic information of the respondents such as gender, age, level of education, years of experience, and occupation, section B gathers information on corporate's level of transparency and disclosure, while section C covers statements on corporate's adoption of CSR activities engaged by business organizations. The statements were divided into four dimensions of CSR: economic, legal, ethical and philanthropic responsibilities.

3-3: Study sample

The sample of this study consists of the top 3 insurance companies working in Annaba (CAAR, CAAT, SAA), where we did distribute 60 questionnaires on the executive employees (Chief Executive Officer,

Deputy Chief, Financial Officer, Director of Internal Audit...), working at the regional Directorates of Annaba during the period of September 2018, since we investigate the effect of one of the corporate governance principles (transparency and disclosure) and managers performance, also a selection of sample was due to that top leading companies are more likely to engage and disclose CSR information, as insurance activity and large companies are expected to have a high transparency level and reputation thus display their socially responsible activities, Therefore, the final sample of this study consists of 50 questionnaires is considered reasonable as (Sekaran, U., & Bougie, R. 2016) states that to generate a good result on a study, the sample size used should be a minimum of 30 and a maximum 500.

3-4: Measuring of Variables

This section describes the variables used for measuring the presence of corporate transparency and disclosure, and corporate social responsibility.

- **Corporate Transparency and Disclosure:** This scale was based on (OECD and IAIS CG principles, 2009). multiple items (five-point Likert-type scales) were used for measurement.

- **Corporate Social Responsibility:** Hence, this scale was based on (Carroll's csr dimensions, 1991). multiple items (five-point Likert-type scales) were used to measure CSR dimensions application.

3-5: The Statistical Tools Used:

In order to answer the questions of the study and to analyze the data, the following statistical tools have been used:

- **Descriptive Statistic Measures:** Using the arithmetical averages and standard deviations to precise the proportional significance of the sample individuals, response towards the axes and the dimensions of the study variables.

- **Simple Linear Regression:** Using the simple regression coefficient to measure the impact of the independent variable on the dependent one.

- **Cronbach Alpha:** for testing the reliability of the study tool.

3-6: Testing the Reliability of the Tools:

Pre-test was conducted and measures the reliability with Cronbach's Alpha coefficient in order to determine the reliability of the instrument used. The scale results would be statistically accepted if the Cronbach alpha value was more than (0.60) (Sekaran, 2006). Each time this value is closer to 1, it means that the degree of reliability is higher, it is suggested that, the values

of 0.6 to 0.7 as the acceptable level for reliability measure, According to the data mentioned in the table (01), we notice that the Cronbach alpha ranges between (0.653 – 0.814), and the overall Cronbach’s Alpha coefficient of survey instrument is 0.874, this guarantee that the instrument used, questionnaires, is the good tool for data collecting.

Reliability Of The Study Tool		Cronbach Alpha Coefficient of The Reliability
CSR Dimensions	Ethical	0.653
	Economic	0.679
	Legal	0.791
	Philanthropic	0.655
	CSR total reliability	0.814
Transparency and disclosure		0.733
Total reliability of the study tool		0.874

Table (01): coefficients of the reliability of the study tool

Source: constructed by the authors on the basis of the SPSS results.

4- Results and discussion

4-1: Descriptive Statistics of T&D and CSR dimensions:

The table (2) provides the descriptive results for T&D and CSR characteristics, It is shown in Table (2) that the existence of transparency and disclosure was average from the point of view of the executive employees, since its mean reaches (3.394) and a standard deviation of (0.44). Also, the table (2) shows an average existence of the corporate social responsibility (CSR), since its mean reaches (3.38).

The results shows a difference in the existence of each dimension of the CSR., the highest is the economic dimension with a high degree with a mean of (3.53) and a standard deviation of (0.656) .The second is the legal dimension with a high degree and a mean of (3.515) and a standard deviation of (0.824). The third is the ethical dimension with a medium degree and a mean of (3.275) and a standard deviation of (0.57). When the philanthropic came last with a medium degree and a mean of (3.193) and a standard deviation of (0.73). These results reflex the average level of transparency and disclosure that the under-study insurance companies (represented in this study by saa, caat, caar Annaba) offers to its stakeholders, also the average application of the CSR dimensions, However,

the economic and legal dimension was highly applied, supported by the workplace and investment regulations.

Table (02): Descriptive Statistics of Variables

Study Tool variables	Mean	Std. Deviation	Estimation
T&D	3.3943	0.44320	medium
CSR	3.3814	0.52422	medium
Ethical	3.2750	0.57643	medium
Economic	3.5333	0.65638	high
Legal	3.5150	0.82439	high
Philanthropic	3.1933	0.73182	medium

Source: constructed by the authors on the basis of the SPSS results. (*sig $\alpha < 0.05$)

4-2: Correlation coefficient of variables:

Before conducting regression analysis, we undertook bivariate analysis. According to the table (3) that shows the Pearson’s correlation coefficient test, the dependent variables (CSR Dimensions, ethical, economic, legal and philanthropic) are correlated positively with the transparency and disclosure (at the 0.01 level, 2-tailed). To determine the strength of the relationship the value of correlation coefficient is considered. Values between 0 and 1 (or -1) offer a degree of relationship although the strength of it is questioned by several authors. Pallant (2016, p158-162) offered a suggestion for the evaluation of the strength of the correlation: values between 0,10 and 0,29 represent a weak association, values between 0,30 and 0,49 represent a medium association and values above 0,50 represent a strong association.

Between the dependent variable Corporate social responsibility (CSR), representing the extent of the application of CSR dimensions, and the dependent variable T&D (transparency & disclosure), the study finds a strong, positive correlation, with $p = 0.758^{**}$, indicating at a level of significance < 0.01 that the level of corporate transparency and disclosure is positively associated with the application of corporate social responsibility dimensions.

Table (03): Correlation Coefficients of Variables

	1	2	3	4	5	6
1.T&D	1					
2. CSR	0.758**	1				
3. Ethical	0.574**	0.723**	1			
4. Economic	0.615**	0.761**	0.485**	1		
5. Legal	0.552**	0.815**	0.340**	0.554**	1	

6. Philanthropic	0.550**	0.678**	0.420**	0.305**	0.367**	1
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Source: constructed by the authors on the basis of the SPSS results.

** Correlation is significant at the 0.01 level (2-tailed)

4-3: Testing the hypotheses:

❖ The Main Hypothesis:

To make sure that the main hypothesis is true, which is: transparency and disclosure has a statistical significance ($\alpha < 0.05$) impact on corporate social responsibility, table (4) shows the simple regression of the impact of the transparency and disclosure on corporate social responsibility:

- In connection with F-statistic (**F-Value = 64.792*****), the overall model could account for transparency and disclosure that had an effect on corporate social responsibility application., Table (4) clearly indicates that the value of the determination coefficient is (**R² = 0.547**), i.e. Transparency and disclosure has an explanatory power of 54,7% of the variance in the extent of corporate social responsibility, which means that the transparency and disclosure strategy among Saa, Caar, Caat Annaba has a medium impact on the CSR practices among these companies.
- Since the value (**t=8.096*****), significance level (**0.000**), strong positive (**β value (0,758)**), the information regarding the contribution of the independent variable transparency and disclosure to the prediction of the dependent variable (CSR) can be found, which led to the approval of the main hypothesis, which emphasizes the existence of transparency and disclosure has a statistical significance ($\alpha < 0.05$) effect on corporate social responsibility.

Table (04): the results of the simple regression analysis of testing the impact of transparency and disclosure on CSR

The dependent variable : CSR					
The independent variable: Transparency and disclosure	(Beta) value	B	(T) value	(F) value	sig
	0.758	0.896	8.096***	64.792***	0.000***
R ² =0.574					

Source: constructed by the authors on the basis of the SPSS results. (*sig $\alpha < 0.05$)

The study findings are consistent with the literature, demonstrating that the corporate transparency and disclosure is still a determinant of a company's extent of CSR.

❖ **The first secondary hypothesis:**

To make sure that the first secondary hypothesis is true, which is: transparency and disclosure has a statistical significance ($\alpha < 0.05$) impact on CSR’ **ethical** dimension, table (5) shows the simple regression of the impact of the transparency and disclosure on CSR’ ethical dimension, which indicates that :

- The value of the determination coefficient is ($R^2 = 0.33$), i.e. Transparency and disclosure has an explanatory power of 33% of the variance in the extent of CSR’ ethical dimension.
- The value ($t=4.857^{***}$), significance level (**0.000**), and positive (β) **value (0.574)**, prove that the information regarding the contribution of the independent variable Transparency and disclosure to the prediction of the dependent variable CSR’ ethical dimension can be found, which led to the approval of the first secondary hypothesis, which emphasizes the existence of transparency and disclosure has a statistical significance ($\alpha < 0.05$) effect on CSR’ ethical dimension.

Table (5): the results of the simple regression analysis of testing the impact of transparency and disclosure on Ethical dimension

The dependent variable : Ethical dimension				
The independent variable:	(Beta) value	B	(T) value	sig
Transparency and disclosure	0.574	0.747	4.857***	0.000***
$R^2=0.33$				

Source: constructed by the authors on the basis of the SPSS results. (** sig $\alpha < 0.01$)

❖ **The second secondary hypothesis:**

To make sure that the second secondary hypothesis is true, which is: transparency and disclosure has a statistical significance ($\alpha < 0.05$) impact on CSR’ **economic** dimension, table (6) shows the simple regression of the impact of the transparency and disclosure on CSR’ economic dimension which indicates that:

- The value of the determination coefficient is ($R^2 = 0.379$), i.e. Transparency and disclosure has an explanatory power of 37.9% of the variance in the extent of CSR’ economic dimension.
- The value ($t=5.408^{***}$), significance level (**0.000**), and positive (β) **value (0,615)**, prove that the information regarding the contribution of the independent variable Transparency and disclosure to the prediction of the

dependent variable CSR' economic dimension can be found, which led to the approval of the second secondary hypothesis, which emphasizes the existence of transparency and disclosure has a statistical significance ($\alpha < 0.05$) impact on CSR' economic dimension.

Table (06): the results of the simple regression analysis of testing the impact of transparency and disclosure on economic dimension

The dependent variable: Economic dimension				
The independent variable:	(Beta) value	B	(T) value	sig
Transparency and disclosure	0.615	0.911	5.408***	0.000***
R ² =0.379				

Source: constructed by the authors on the basis of the SPSS results. (** sig $\alpha < 0.01$)

❖ **The third secondary hypothesis:**

To make sure that the third secondary hypothesis is true, which is: “transparency and disclosure has a statistical significance ($\alpha < 0.05$) impact on CSR' **legal** dimension.”, table (7) shows the simple regression of the impact of the transparency and disclosure on CSR' **legal** dimension indicates that:

- The value of the determination coefficient is (**R² = 0.305**), i.e. Transparency and disclosure has an explanatory power of 30.5% of the variance in the extent of CSR' legal dimension.
- The value (**t=4.587*****), significance level (**0.000**), and positive (**β value (0,552)**), prove that the information regarding the contribution of the independent variable Transparency and disclosure to the prediction of the dependent variable CSR' legal dimension can be found, which led to the approval of the third secondary hypothesis, which emphasizes the existence of transparency and disclosure has a statistical significance ($\alpha < 0.05$) impact on CSR' legal dimension.

Table (07): the results of the simple regression analysis of testing the impact of the transparency and disclosure on legal dimension

The dependent variable : legal dimensions				
The independent variable:	(Beta) value	B	(T) value	sig
Transparency and disclosure	0.552	1.027	4.587***	0.000***
R ² =0.305				

Source: constructed by the authors on the basis of the SPSS results. (** sig $\alpha < 0.01$)

❖ **The fourth secondary hypothesis:**

To make sure that the fourth secondary hypothesis is true, which is: transparency and disclosure has a statistical significance ($\alpha < 0.05$) impact on CSR' **philanthropic** dimension, table (8) shows the simple regression of the impact of the transparency and disclosure on CSR' philanthropic dimension indicates that:

- The value of the determination coefficient is ($R^2 = 0.302$), i.e. Transparency and disclosure has an explanatory power of 30,2% of the variance in the extent of CSR' philanthropic dimension.
- The value ($t=4.559^{***}$), significance level (**0.000**), and positive (β) value (**0,55**), prove that the information regarding the contribution of the independent variable (T&D) to the prediction of the dependent variable CSR' philanthropic dimension can be found, which led to the approval of the first secondary hypothesis, which emphasizes the existence of transparency and disclosure has a statistical significance ($\alpha < 0.05$) impact on CSR' philanthropic dimension.

Table (08): the results of the simple regression analysis of testing the impact of transparency and disclosure on philanthropic dimension

The dependent variable : philanthropic dimensions				
The independent variable:	(Beta)	B	(T) value	sig
Transparency and disclosure	0.55	0.908	4.559***	0.000***
$R^2=0.302$				

Source: constructed by the authors on the basis of the SPSS results (** sig $\alpha < 0.01$)

4-4: Results Discussion

The study demonstrated the adoption of the companies under study the principle of disclosure, transparency and social responsibility of companies, and this is due to the nature of the activity of these companies based on providing an insurance product and gaining the confidence of the insured by knowing all the necessary informations, furthermore, the study shows a direct and strong impact of disclosure and transparency on CSR dimensions, as the insurance activity is based on gaining the insured trust by providing the best service to him, (Louche and Van den Berghe, 2005) study discussed the importance of disclosure and considered it as the most important principle in building a strong relationship between governance and social responsibility in insurance companies across the world .

Thus, we also conclude through this study that the Algerian insurance companies under study show less importance For stakeholders and social responsibility compared to international companies, especially the ethical and philanthropic dimensions, due to the absence of a clear vision and a strategy for establishing the social responsibility in the organizational culture of Algerian companies in general, and the lack of initiatives on the importance of social responsibility and governance in the business sector, therefore, the Algerian business sector strongly needs a modern and rigorous management approach that brings out Algerian companies from the corruption area and promote transparency and responsibility.

5- Conclusion

5-1: Results

The present study has attained the following results:

1. The T&D's importance has been widely recognized by both academics and market regulators, resulting in numerous rules and regulations being introduced over time to ensure timely and reliable disclosure of financial information, creating standards to which companies must adhere.
2. The level of the transparency and disclosure in the insurance corporates of Annaba (represented by saa, caar, caat) from the perspective of the executives is average, this reflects the existence of disclosure and transparency, but also the lack of reporting and regulations that obligates and enforces this existence.
3. the level of the corporate social responsibility in the insurance corporates of Annaba (represented by saa, caar, caat) from the perspective of the executives is average. This reflects that the CSR is present in these corporates.
4. the results have revealed that the existence of the economic dimension comes at the first place. Then, followed by the legal dimension with high presence level, followed respectively by ethical and philanthropic dimensions. This implies that the insurance corporates of Annaba (represented by saa, caar, caat), respect the regulations that organize the relationships between corporate and its employees and clients, but less committed to the ethical and philanthropic dimension, because of the lack of mandatory regulations in this field.

5. The study has revealed that there is an impact having statistical significance of the transparency and disclosure on the corporate social responsibility.

6. The study has revealed that there is an impact having statistical significance of the transparency and disclosure on the CSR' ethical, economic, legal and philanthropic dimension

7. The findings of this study were found that the economic dimension was the most affected dimension by transparency and disclosure, followed by ethical dimension, then legal and philanthropic. the insurance corporates of Annaba (represented by saa, caar, caat)

8. seemed to have the viewing in CSR priority nearly similar to Carroll's pyramid which suggested that for business institutions, economic responsibility is their most basic responsibility, followed by legal, ethical, and philanthropic responsibility.

5-2: Recommendations:

According to the study findings, the following recommendations are presented:

9. Obliging the insurance companies to periodically disclose their operational and financial informations, their strategies and their performance, especially the social and the environmental ones, through periodic reporting that measures the extent of companies' compliance with the principle of transparency and disclosure, exactly as it is applied in all the international companies.

10. The appointment of competent internal auditors, who have the academic qualification in the field of accounting and auditing, international standards and professional ethics, to ensure the reliability of reports and the extent to which insurance companies adhere to laws and regulations, thus enhancing the application of the legal and economic dimension of social responsibility.

11. Intensifying initiatives aimed at adopting the dimensions of CSR and incorporating them into the strategy of the Algerian insurance corporates, through a mandatory adoption of the social responsibility standard ISO 26000, as a start to create a responsible corporate culture and awareness of the role of these insurance corporates in building a stable financial system

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