The Impact of Social Responsibility on Competitiveness of Small and Medium-sized Enterprises (SMEs) A Field Study of Some SMEs in Tlemcen

أثر المسؤولية الاجتماعية على القدرة التنافسية للمؤسسات الصغيرة والمتوسطة (SMEs) دراسة ميدانية لبعض الشركات الصغيرة والمتوسطة في تلمسان

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Abstract:

The study mainly aims to identify the impact of social responsibility on competitiveness of the Algerian small and medium private enterprises. Accordingly, a questionnaire was prepared for collecting all required initial data where it addressed two main aspects; one related to the various dimensions of social responsibility while the other was concerned with the feature of competeiveness. The study sample included 400 Heads and employees from 30private SME sativa in the industrial field; the sample was selectively chosen according to the researchers' own discretion. The number of duly completed questionnaires that were re-submitted totaled to 327 and the response rate recorded 81.75 %. In order to identify the impact of social responsibility on competitiveness, the simple regression analysis method was adopted where its results demonstrated that social responsibility positively affects competitiveness of private SME sin the State of Tlemcen.

Key Words : Social Responsibility, Small and Medium Enterprises (SMEs) Competitiveness.

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Foreword:

The early emergence of "Social Responsibility"was generally associated to multinational companies and gigantic enterprises given the pervasion of social responsibility practices in places of the kind; in fact, social responsibility wasn't that notably applied in the SMEs. However, if we keenly observe the changes inflicted upon economics of several countries, we'll detect a noteworthy increase in the number of SMEsthat theycurrently represent the majority of countries economics if compared to major enterprises. The fact that these enterprisesare small-sized onesdoesn't mean absolving them from their duties and responsibilities towards society and environment, especially if they represent the majority of a country's economic fabric.

Based on the above mentioned, it became crucially important to widely spread the culture of social responsibility in SMEs,in order to integrate them in the march of development just as is the case with gigantic enterprises. Actually, social responsibility can very probably be a source for opportunities and innovation as well as a real chance to enhance competeiveness.

Additionally, if SMEs adopt the social responsibility philosophy, it shall boost their reputation and trademark and likewise increase the degree of stakeholders' satisfactionby means of listening to the different opinions and views, which earns the enterprise the required competitiveness which in turn boosts its market share.

In light of the above mentioned we could pose the following issue:

What is the impact of social responsibility oncompetitiveness of the Algerian private SMEs in focus for this study?

First: Research Methodology

➕ **1. Research Objectives**: The study mainly aims to:
a. Identity the level of social responsibility accomplished in the Algerian Private SMEs
b. Identify to which extent Algerian SMEs apply social responsibility.
c. Evaluate the impact of social responsibility on competitiveness.

➕ **2. Research Importance:**
The study significance lies in identifying to which extentSMEs apply the concept of social responsibility besides obtaining all data that proves keenness of these enterprises to adopt the social responsibility approach and how it affects competitiveness.

➕ **3. Research Hypothesis:**
The study is based on the following main hypothesis:
❖ Collective application of social responsibility dimensions has significant effect on competitiveness of private SMEs in Tlemcen at 0.05 significance level

The following**five sub-hypotheses**stem from the above main one:

First Sub-hypothesis:Social responsibility towards community has significant effect on competitiveness of private SMEs in Tlemcen at 0.05 significance level

Second Sub-hypothesis: Social responsibility towards customers has significant effect on competitiveness of private SMEs in Tlemcen at 0.05 significance level

Third Sub-hypothesis:Social responsibility towards environment has significant effect on competitiveness of private SMEs in Tlemcen at 0.05 significance level

Fourth Sub-hypothesis:Social Responsibility towards suppliers has significant effect on competitiveness of private SMEs in Tlemcen at 0.05 significance level

Fifth Sub-hypothesis:Social responsibility towardsemployeeshas significant effect on competitiveness of private SMEs in Tlemcen at 0.05 significance level

4. Research Model:

Diagram (01): Hypothesis Model

INDEPENDENT VARIABLE SOCIAL RESPONSBILITY

Dependent variable Competitiveness

- Social responsibility towards community
- Social responsibility towards customers
- Social responsibility towards environment
- Social responsibility towards suppliers
- Social responsibility towards employees

Cost
Quality
Flexibility
Delivery
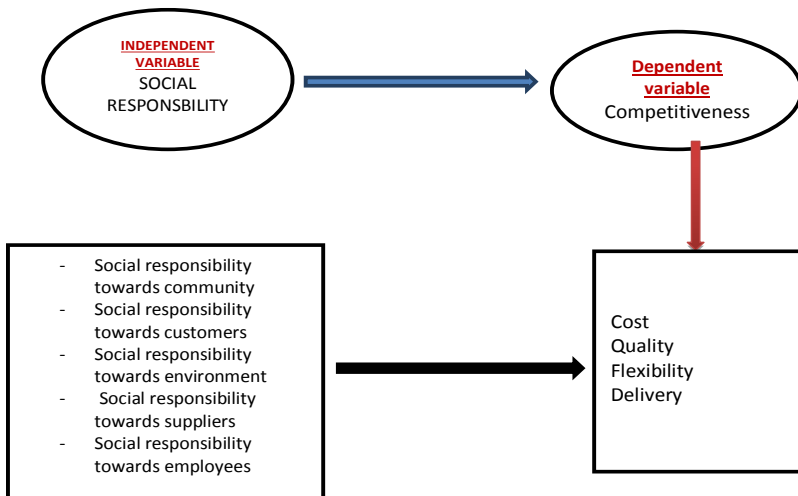
Second: Theoretical Framework

1. **Definition of Social Responsibility:**

The term "Social Responsibility" refers to the ethical behaviourassociated to various issues including environmental pollution, unemployment, inflation and the increasing poverty among some social minorities. In this respect, social responsibility arises from business enterprises failure to carry out their obligations towards society. (Arab Society of Certified Accountants, 2001 – 185)

On the other hand, "Albakry" defined social responsibility as the group of decisions and acts taken by the enterprise in order to achieve its set objectives, which arepart of the direct economic benefits that theenterprise management aims to achieve being an integral part of its strategy. (Albakry, 1996, 14)

However, "Schermerhorn" defined social responsibility as obliging organizations to work in a manner that serves the internal and external people of

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interest as well as bodies of relevance to the enterprises. (Schermerhorn, 2002, 158)

Actually, writers and administrative researchers have varied opinions regarding the different definitions of social responsibility as viewed by company managers. Social responsibility is the practices involving various parties dealing with the company including customers, competitors, government, employees, suppliers, accreditors, etc. In general, the concept of social responsibility varies from one industry to another and there isn't that one specific standard that a company can adopt in this regard because company managers vary in the way they think about the so-called "Social Behaviour". Managers believe that social responsibility is a commitment; whereas others consider it an interactive situation and at times an expected behaviour.

2. **Dimensions of Social Responsibility**

A. **Social Responsibility towards Local Community**:

Business organizations count local community among the important segments with which they aim to build and fortifytheir relationship. Therefore, the named organizations are required to double their activities related to local community through the provision of more public welfare. This includes contributing tosupport the infrastructure, constructing bridges and gardens besidesparticipating in curbing unemployment. It also includes supporting a range of activities including recreational clubs, respecting customs and traditions, supporting the local community institutions, offering materialistic assistance to people of special needs and the provision of continuous support to the scientific centres i.e. research centres and hospitals. Enterprise responsibility towards its local community is usually viewed through different perspectives for it might probably include sponsoring charity works, sports and arts, education and training in addition to starting local projects of developmental nature.

B. **Social Responsibility towards Employees**:

If enterprisestake human capital that seriously then they most definitely have to provide their employees with the very best of everything. In fact, efficient employees on the local and international domain, now focus on social responsibility besides the other important factors. It was practically proven that most people would rather work for and commercially deal with enterprises of good environmental and societal policies.

C. **Social Responsibility towards Customers**:

This segment of society is utterly important for all enterprises unexceptionally. Social performance directed to customers includes providing them with safe quality products at reasonable prices as well as being honest and reliable in advertising products. Moreover, there's the provision of clear instructions of how to use the various products, continuous improvement of the offered products, commitment of enterprises to fix any after-sale issues along with the

ethical obligation of not breaking work regulations i.e. monopoly. (Badawy Mohamed Abbas, 2000, 95)

D. Social Responsibility towards Suppliers:

The relation holding suppliers and business enterprises is regarded as one of mutual-interest. Accordingly, suppliers expect business organizations to fully respect their aspirations and legitimate demands. Suppliers' main requirements are represented in the fact that the business organizations should continue to supply them with the necessary raw materials required for the production process besides getting fair and acceptable prices for materials prepared especially for business organizations. That's in addition to payment of obligations, honesty in dealing and training suppliers to the different methods of work development. (AlghalebyTaher Mohsen and Alamery Saleh Mahdy, 2005, 81)

E. Social Responsibility towards Environment:

Once more, focus was concentrated on social responsibility ethics with regard to the various environmental aspects. In terms of this context, social responsibility includes self-imposed environmental systems - onescompulsory as part of the enterprise philosophy – and environmental reports.

F. Social Responsibility towards Shareholders:

Shareholders represent an important category of stakeholders who benefit from anenterprise various activities. Enterprise responsibility towards suppliers is embodied in helping them accomplish supreme profits, maximize stock value, increase sales volume besides protecting their assets and stocks. (SwaidanNizam and HadadShafiq, 2006, 81)

3. <u>Importance of Social Responsibility for Small and Medium Enterprises</u>

A. <u>For the Enterprise:</u>

▪ Improves the enterprise image in the community especially for the customers and employees

▪ Commitment to social responsibility improves work atmosphere and fuels it with the spirit of cooperation and interconnection between all parties.

▪ Social responsibility represents an effective response with the changes in the community needs.

B. <u>For the Community:</u>

▪ Social stability due to prevalence of justice and dominance ofthe equal-opportunityprinciple- which is the essence of any enterprise social responsibility

▪ Improves the quality of services offered to the community

▪ Increasing awareness of the importance of full integration between institutions and different categories of interest

▪ Promotes development by means of further enlightening and increasing citizens' awareness

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C. For the State:

- Commitment to environmental responsibility maximizes state revenues given theenterprisesawareness of how important it is to fairly and properly participate in bearing the social costs.
- Contributes to the technological development and elimination of unemployment as well as other issues
- Alleviates the burdens that the statetolerates in order to execute its health, cultural and social missions (FathyDerdar, 2002, 14)

4. Concept and Dimensions of Competitiveness

1. ### Concept of Competitiveness

    Defenition1: Competitiveness arises once the enterprise discovers new methods that are more effective than those adopted by its competitors as the enterprise becomes able to field-embody its new methods. In other words, competitiveness arises once innovation, in its broadest sense, occurs.

    Definition 2: Competitiveness is the enterprise's superiority element or feature that is actualized in case the enterprise adopts a certain strategy for competition. (Nabil Morsi Khalil, 1996, 36)

2. ### Dimensions of Competitiveness:

A. **Cost:**

- Companies, which endeavour to attain bigger market share in order to accomplish their success and excellence, are ones which offer their products at costs lower than those of their competitors.
- Offering lower costs is the main operational objective of companies that essentially operate according to cost-basedcompetition. Actually, even other companies that compete based on other advantages than cost also seek to produce their products at lower costs.
- Any given company can reduce costs through efficient exploitation of the available production capacity in addition to continuous improvement of product quality as well as innovation in product designs and technology operations. This is considered an important basis for cost-reduction besides the managers' assistance and support to the company strategy to help it assume leadership in the field of cost reduction.
- Operations Departments seek to reduce production costs than their competitors in orderto eventually reach competitive prices that enhance competitiveness of their products in the markets.

B. **Quality:**

   Quality is one of the important competitiveness advantages and it indicates that all matters are appropriately executed in order to offer products that fulfil the customers' requirements. In general, customers demand quality products that are up to their expectations and are as per advertised. Companies which fail to offer products that meet the customers' requirements and expectations can't compete for long.

C. **Flexibility:**

Flexibility is the fundamental foundationbased on which any company can achieve competitiveness. Flexibility is all about fast response to any changes in designing products in a manner that best suits the customers' needs.

Flexibility refers toenterprise ability to change operations in terms of changing the performance of these operations as well as the method and time of their execution. Customers need such operational changes to secure the following four requirements:

➢ Product Flexibility: refers to operations ability to offer new or modified products

➢ Assortment Flexibility: refers to operations ability to produce assorted products

➢ Size Flexibility:refers to operations ability to change the output or production activity level in order to provide different sizes of products.

➢ Delivery Flexibility: refers to the ability of operations to alter product delivery times.

D. **Delivery:**

This is the basic rule of market competition between companies. The main idea is based on deadline reduction and speed in designing new products then offering them to the customers at the shortest possible. Three main time-related priorities are associated to the aspect of delivery, namely: speed of delivery, on-time delivery and speed of development. (Akram Ahmed Altawil and Ragheed Ibrahim Ismail, 2008,13)

E. **Innovation:**

Some writers and researches list innovation as yet another aspect of competitiveness. In this regard, they have different opinions and definitions related to innovation. For instance, one definition stated that innovation is the process or activity that the individual carries out and results in a new outcome. However, "Scott" came up with a different definition for innovation: "the outcome of beneficial ideas as well as the ability to adopt and apply those ideas" (Scott, W.G., and Mitchell, 1994, 560)

Third: The Practical Aspect

1. **Research Methodology:**

For this study, we adopted the descriptive approach which depends upon the sampling technique. A questionnaire was used in order to collect the information from heads of enterprises and employees at all managerial levels at private SMEs in Tlemcan in order to interpret this information and accordingly draw conclusions.

2. **Study Population:**

The study population includes Heads and employees at all managerial levels at private SMEs in Tlemcen. Their total number was 9272, according to the special report forthe first six months of 2013 related to the Algerian Ministry of Small and Medium Enterprises

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3. Study Sample:

The study sample included 400 Heads and employees distributed over thirty SMEs, all active in the industrial field; the sample was selectively chosen according to the researchers' own discretion. In this sample, the community categories were chosen based on easiness and appropriateness through the availability of those who shall receive the questionnaire in the small and medium enterprises of Tlemcen.

A total of (400) questionnaires were distributed, (384) of which were submitted back. Upon reviewing the re-submitted questionnaires, (57) of which weren't valid thus were eliminated to be left with only (327)questionnaires representing 93 % of the originally distributed and reviewed ones.

Table (1) Number of Questionnaires (distributed - resubmitted – valid for analysis)

No. of distributed Questionnaires	No. of resubmitted Questionnaires	No. of Dully completed questionnaires (Valid)	% of questionnaires valid for the study
400	384	327	81.75 %

4. Data Collection Method:

The researcher used a survey form (questionnaire) as her tool for collecting all data and information of relevance to the study. It included (27)items to measure the impact of social responsibility on competitiveness ofprivate industrial SMEs (appendix No. 01) distributed over nine variables, namely:

Table (2) Distribution of questions over variables

Variables		Questions
Independent Variable Social Responsibility	Social Responsibility towards Community	3-2-1
	Social Responsibility towards Customers	6-5-4
	Social Responsibility towards Environment	9-8-7
	Social Responsibility towards Suppliers	11-10
	Social Responsibility towards Employees	18-17-16-15-14-13-12
Dependent Variable Competitiveness	Cost	21-20-19
	Quality	23-22
	Flexibility	25-24
	Delivery	27-26

Source: Prepared by the researcher

All items were measured according to Quintet Likert scale that was classified as follows

Classification	Strongly agree	agree	neither	disagree	Stronglydisagree
Rate	5	4	3	2	1

5. Questionnaire Consistency and Validity

The Alpha-Cronbach coefficient was used in order to measure the study validity and internal consistency of the questionnaire items as illustrated in the following table:

<p align="center">Table (3)Consistency Coefficients - Alpha-Cronbach method</p>

Criterion	Number of items	Alpha-Cronbach
Social Responsibility	18	0.832
Competitiveness	09	0.732
All items	27	0.782

Source: prepared by the researcher based on the statistical program results (spssv19)

The Alpha coefficient value for all study variables reached (78.2 %) which indicates existence of good coherence and consistency between all questionnaire items given that the coefficient percent exceeds the statistically acceptable (60 %)

6. Discussing Analysis Results and Testing Hypothesis

➤ **First: Statistical analysis of Study Variables:**

The following distribution (Quintet Likert scale) was adopted to analysis the study data and draw conclusions by application of the following key:

Response Degrees	Very strong	strong	moderate	weak	Very weak
Response Degree	5	4	3	2	1
Arithmetic mean	5.0 -4.21	4.20-3.41	3.40-2.61	2.60-1.81	1.80-1

❋ **A. Social Responsibility Variable**

<p align="center">Table (4) Social Responsibility</p>

	Arithmetic mean	Standard Deviation	Order
Social responsibility towards Community	3.53	0.85	**2**
Social responsibility towards customers	4.07	0.93	**1**
Social responsibility towards environment	3.21	1.05	**3**
Social responsibility towards suppliers	2.91	1.17	**5**
Social responsibility towards employees	2.96	1.30	**4**
Total arithmetic mean and standard deviation	3.34	1.06	

<p align="center">Source: Prepared by the researcher based on the results of the Statistical Package for Social Sciences (SPSS V19)</p>

The above-illustrated results, according to Headsand employees at the private industrial SMEs in Tlemcen indicate the following:

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❖ Social Responsibility of Industrial private SMEs in Tlemcen is generally medium recording a general arithmetic mean of 3.34

❖ Social responsibility towards customers assumes top of the list in terms of importance for private industrial SMEs with a 4.07 general arithmetic mean

❖ Social responsibility of SMEstowards community comes in second place with a 3.53 arithmetic mean , followed in third place by social responsibility of SME towards environment with a general arithmetic mean of 3.21

❖ Social responsibility of SMEs towards both the employees and suppliers assumed last places with general arithmetic means 2.96 and 2.91 respectively.

To identify the nature of variables associated to each of the social responsibility elements, each of these factors shall be addressed in terms of the following:

A-1 Social responsibility towards Community

<div align="center">Table (5) Aspect of Social Responsibility towards Society</div>

	Arithmetic mean	Standard Deviation	Order
Private SMEs participate in reducing unemployment	4,49	0.50	1
Private SMEs provide work opportunities for the disabled and people of special needs	1,92	0.96	3
Private SMEs provide training programs for university students	4,17	1.08	2
Total arithmetic mean and standard variation	3.53	0.85	

<div align="center">Source: Prepared by the researcher based on the (SPSS V19)</div>

Results illustrated in the above table indicate, according to Heads and employees at private industrial SMEs in Tlemcen, that private industrial SMEs assume big social responsibility towards community as it recorded a general arithmetic mean of 3.53. In other words, the private industrial SMEs in Tlemcen contribute to reducing unemployment and offer training programs to university students.

A -2 Aspect of Social Responsibility towards Customers

<div align="center">Table (6) Aspect of Social Responsibility towards Customers</div>

	Arithmetic mean	Standard Deviation	Order
Private SMEs take customers' complaintsseriously and seek to resolve them on spot	3,93	1.04	3
Private SMEs are committed to timely execute all agreements conducted with the customers	3,94	1.06	2
Private SMEs work to offer customers quality products at reasonable prices	4,35	0.69	1
Total Arithmetic mean and Standard Deviation	4.07	0.93	

Source: Prepared by the researcher based on the (SPSS V19)

Results illustrated in the above table indicate, according to heads and employees at the private industrial SME in Tlemcen, that the SMEs in general assume big social responsibility towards customers with a general arithmetic mean of 4.07. In other words, the private industrial SMEs of Tlemcen dedicate a huge deal of care to customers with whom they deal in terms of urgent addressing of any problems as well as offering them products of adequate prices and quality.

A-3 Aspect of Social Responsibility towards the Environment

Table (7) Aspect of Social Responsibility towards Environment

	Arithmetic mean	Standard Deviation	Order
Private SMEs adopt modern techniques to avoid causes of air, water and soil pollution	2,33	1.29	3
Environment protection is generally essential in the culture and administration values of Private SMEs	4,11	1.03	2
Private SMEs participate with relevant authorities in preserving the environment	3,20	0.84	1
Total Arithmetic mean and Standard Deviation	3.21	1.05	

Source: Prepared by the researcher based on the (SPSS V19)

Results illustrated in the above table indicate, according to Heads and employees at the private industrial SME in Tlemcen, that SMEs social responsibility towards the environment is moderate as it recorded a general arithmetic mean of 3.21. Therefore, we can deduct that the private industrial SMEs approach towards environment is acceptable especially that environmental protection is fundamentally essential in the culture and administration values of the private industrial SMEs inTlemcen.

A-4 Social Responsibility towards Suppliers

Table (8) Aspect of Social responsibility towards suppliers

	Arithmetic mean	Standard Deviation	Order
Private SMEs are committed to pay the suppliers entitlements in their due time	3,35	0.96	1
Private SMEs deal with a broad number of suppliers	2,47	1.38	2
Total arithmetic mean and Standard Deviation	2.91	1.17	

Source: Prepared by the researcher based on the (SPSS V19)

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Results illustrated in the above table indicate, according to Heads and employees at the private industrial SME in Tlemcen, that the private industrial SMEs social responsibility towards suppliers is generally moderate as it recorded a general arithmetic mean of 2.91. Thus, the private industrial SMEs grant considerable attention to the suppliers with whom they deals especially where it comes to paying their entitlements in their due time.

A-5 Social Responsibility towards Employees

Table (9) Aspect of Social Responsibility towards Employees

	Arithmetic mean	Standard Deviation	Order
Private SMEs offer their employees fair salaries	2,67	1.38	3
Private SMEs offer their employees appropriate incentives and rewards in appreciation of their efforts	2,57	1,47	5
Private SMEs grant opportunities of fair promotion	2,38	1.36	7
Private SMEs offer training opportunities to all employees regardless of their managerial levels	2,62	1.45	4
Private SMEs offer appropriate health care to all their employees	3.58	1.50	2
Private SMEs offer social insurance services to all their employees	4.46	0.54	1
Private SMEs offer social services to their employees as of parties and trips	2.41	1.42	6
Total Arithmetic mean and Standard Deviation	2.96	1.30	

Source: Prepared by the researcher based on the (SPSS V19)

Results illustrated in the above table indicate, according to Heads and employees at the private industrial SME in Tlemcen, that the private industrial SMEs social responsibility towards employees is generally moderate as it recorded a general arithmetic mean of 2.96. Hence, the private industrial SMEs do care for their employees particularly where related to social insurance services, which assumed major importance and came on top of the list followed by health care service. However, each of the promotion opportunities, social services and incentives were listed as least important.

❋ **B. Competitiveness Variable**

Table (10) Statistical Analysis of Competitiveness Dimensions

Aspect 2 Competitiveness	Arithmetic mean	Standard Mediation	Order
Cost			
Private SMEs exploit available resources in an economic and rational manner	3,38	0.95	3
Private SMEs use research and development to update their production operations so as to achieve objectives at the least cost possible	2,97	1.09	7
Private SMEs seek to continually reduce direct	4,24	0.84	1

production expenses			
Quality			
Private SMEs use various ways to improve quality	2,38	1.28	9
Private SMEs work to properly design their production operations in order to help production units reach highest attainable standards	3,17	1.02	5
Flexibility			
Private SMEs employees enjoy multiple skills which enables them to execute multiple tasks	2.68	1.34	8
Private SMEs respond fast to the changes required in designing products	2,98	1,05	6
Delivery			
Private SMEs are constantly committed to deliver products to customers in their due time	4,10	,92	2
Private SMEs are capable of delivering the customers' orders faster than their competitors	3,36	1,05	4
Total arithmetic mean and standard deviation	3.25	1.06	

Source: Prepared by the researcher based on the (SPSS V19)

The general arithmetic mean of competitiveness variable reached (3.25) which highlights the private SMEs interest in both aspects of cost and delivery by means of constantly reducing the direct production costs and commitment to deadlines in delivering products to customers.

➢ **Second: Testing Hypothesis:**

a. **Main hypothesis:**Collective application of social responsibility dimensions has a significant effect on competitiveness of private SMEs in Tlemcen at significance level 0.05

Table (11) Results of testing impact of Social Responsibility on Competitiveness in private SMEs

Correlation Coefficient R	Coefficient of determination R^2 Adjusted	Variation coeffecient	Degree of impact B	Significance Sig
0.747	0.556	409.084	0.344	0.000

Source: Prepared by the researcher based on the (SPSS V19)

• Results illustrated in table (11) indicate that social responsibility has significant effect on competitiveness of private SMEs inTlemcen where the correlation coefficient reached 0.747 at significance level 0.05

• The R^2 adjusted recorded 55.6 % which means that the independent variable (social responsibility) explains 55.6 % of the changes that occur to the dependent variable (competitiveness)

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- The impact degree reached 0.344 and this means that change in one unit of any of the social responsibility dimensions changes the significance effect on competitiveness by the value of 0.344.The diversity factor recorded F409.084 at significance level 0.05

- Likewise, the significance level was estimated by 0.000 which is less than 0.05. This proves that there is a statistically significant relation between social responsibility and competitiveness of private SMEs inTlemcen.

- Thus, the study main hypothesis is acceptable given that its significance level didn't exceed 0.05 which is an accredited level for this study. So, there is a statistically significant effect of collectively applying social responsibility dimensions on the feature of competitiveness of private SMEs in Tlemcen at significance level 0.05

B. **Variables that have greatest impact on competitiveness:**

   Variables, which most significantly affect competitiveness, are illustrated in the following table:

Table (12) Order of Social Responsibility Dimensions according to the study sample

Service Quality Dimensions	Degree of Impact	Significance
Social responsibility towards community	,483	**,000**
Social responsibility towards customers	,568	**,000**
Social responsibility towards environment	1,211	**,000**
Social responsibility towards suppliers	,324	**,079**
Social responsibility towards employees	-,091	**0.176**

Prepared by the researcher

Results illustrated in the above table were deducted based on the outcome of the multiple regression analysis of competitiveness feature over social responsibility dimensions towards each of the community, customers, environment, suppliers and employees. The results indicate that the social responsibility factor that plays the major part of this effect is the environmental care as it recorded 1.211 which is significant at 0.05 significance level.

Social Responsibility towards customers comes in second place with impact degree 0.568 which is significant at 0.05. Social responsibility towards community is up in third place with impact degree 0.483, significant at 0.05. However, the social responsibility towards neither suppliers nor employees recorded any significant effect.

C. **Testing first Sub-hypothesis:**

   Social responsibility towards society has significant effect on competitiveness of private SMEs inTlemcen at significance level 0.05

Table (13): Results of testingimpact of social responsibility towards community on competitiveness in private SMEs

Correlation Coefficient R	Coefficient of determination R^2 Adjusted	Variation Coefficient F	Degree of impact B	Significance Sig
0.404	0.160	63.210	1.227	0.000

Source: Prepared by the researcher based on the (SPSS V19)

- Results illustrated in table (13) indicate, according to the opinion of the sample members, that social responsibility towards community has significanteffect on competitiveness of private SMEs inTlemcen where the correlation coefficient reached 0.404 at significance level 0.05

- The R^2 adjusted reached 16 %, thus the independent variable (social responsibility towards society) explains 16 % of the changes that occur to the dependant variable (competitiveness)

- The impact degree recorded 1.227, thus the change in one unit of social responsibility towards society changes competitiveness by 1.227

- The variation coefficient F confirmed 63.210 significance at0.05 significance level

- Level of significance was estimated by 0.000 which is less than 0.05, hence there is a significant relation between social responsibility towardscommunity and competitiveness of private SMEs inTlemcen.

- Based on the above mentioned the study first sub-hypothesis is accepted given that its significance level didn't exceed 0.05 which is the significance level approved for this study - one stating that social responsibility towards community has significantefect on competitiveness of private SMEs in Tlemcen at significance level 0.05

D.   **Testing Second Sub-hypothesis:**

Social responsibility towards customers has significant effect on competitiveness of private SMEs inTlemcen at significance level 0.05

Table (14) : Results of testing impact of social responsibilitytowards customers on competitiveness of private SMEs

Correlation Coefficient R	Coefficient of determination R^2 Adjusted	Variation coefficient F	Degree of impact B	Significance Sig
0.529	0.277	126.051	1.071	0.000

Source: prepared by the researcher based on the results of the (spss v19)

- Results illustrated in table (14) indicate, according to the opinion of the sample members, that social responsibility towards customers has significant effect on competitiveness of private SMEs inTlemcen where the correlation coefficient reached 0.529 at significance level 0.05

- R^2 adjusted reached 27.7 %, thus the independent variable (social responsibility towards customers) explains 27.7 % of the changes that occur to the dependant variable (competitiveness)

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- Impactdegree recorded 1.071, thus change in one unit of social responsibility towards customers changes competitiveness by 1.071
- Variation coefficient (F) confirmed 126.051 significanteffect which is significant at F0.05 significance level
- Level of significance was estimated by 0.000 which is less than 0.05, hence there is a significant relation between social responsibility towards customers and competitiveness of private SMEs inTlemcen.
- Based on the above mentioned the study second sub-hypothesis is accepted given that its significance didn't exceed 0.05 which is the significance level approved for this study – one which states that social responsibility towards customers has significant influence on competitiveness of private SMEs inTlemcen at significance level 0.05

e. **Testing third sub-hypothesis:**

Social responsibility towards environment has significant effect on competitiveness of private SMEs in Tlemcen at significance level 0.05

Table (15) : Results of testing the impact of social responsibility towards environment on competitiveness of private SMEs

Correlation Coefficient R	Coefficient of determination R^2 Adjusted	Variation coefficient F	Degree of impact B	Significance Sig
0.761	0.577	446,148	1.635	0.000

Source: prepared by the researcher based on the results of the (spss v19)

- Results illustrated in table (15) indicate that according to the opinion of the sample members social responsibility towards environment has significant effect on competitiveness of private SMEs inTlemcen where correlation coefficient reached 0.761 at significance level 0.05
- The R^2 adjusted reached 57.7 %, thus the independent variable (social responsibility towards environment) explains 57.7 % of the changes that occur to the dependent variable (competitiveness)
- The impact degree recorded 1.635, thus change in one unit of social responsibility towards environment changes competitiveness by 1.635
- The value of variation coefficient (f) confirms significance of this impact which reached 446.148 at significance levelF0.05
- Level of significance was estimated by 0.000 which is less than 0.05, hence there is a significance relation between social responsibility towards environment and competitiveness of private SMEs inTlemcen.
- Based on the above mentioned the study third sub-hypothesis is accepted given that the study significance didn't exceed 0.05 which is the significance level approved for this study - one which states that social responsibility towards the environment has significant effect on competitiveness of private SMEs inTlemcen at significance level 0.05

f. **Testing fourth sub-hypothesis:**

Social responsibility towards suppliers has significant effect on competitiveness of private SMEs inTlemcen at significance level 0.05

Table (16) : Results of testing impact of social responsibility towards suppliers on competitiveness of private SMEs

Correlation Coefficient R	Coefficient of determination R^2 Adjusted	Variation coefficient F	Degree of impact B	Significance
0.653	0.425	242.044	1.533	0.000

Source: prepared by the researcher based on the results of the (spss v19)

- Results illustrated in table (15) indicate that according to the opinion of the sample members social responsibility towardssuppliers has significant effect on competitiveness of private SMEs inTlemcen where the correlation coefficient reached 0.653 at significance 0.05
- R^2 adjusted reached 42.5 %, thus the independent variable (social responsibility towards suppliers) explains 42.5 % of the changes that occur to the dependent variable (competitiveness)
- Impact degree recorded 1.533, thus change in one unit of social responsibility towards suppliers changes competitiveness by 1.533
- The value of variation coefficient (f) confirms significance of this impact which reached 242.044, significant at 0.05 significance level
- The level of significance was estimated by 0.000 which is less than 0.05, hence there is a significant relation betweensocial responsibility towards suppliers and competitiveness of private SMEs of Tlemcen.
- Based on the above mentioned the study third sub-hypothesis is accepted because the significance didn't exceed 0.05 which is the significance level approved for this study - one which states that social responsibility towardssuppliers has significant impact on competitiveness of private SMEs inTlemcen at significance level 0.05

g. **Testing fifth sub-hypothesis:**

Social responsibility towards employees has significant effect on competitiveness of private SMEs inTlemcen at significance level 0.05

Table (17) : Results of testing impact of social responsibility towards employees on competitiveness of private SMEs

Correlation Coefficient R	Coefficient of determination R^2 Adjusted	Variation coefficient F	Degree of impact B	Significance Sig
0.547	0.297	138.597	0.505	0.000

Source: prepared by the researcher based on the results of the (spss v19)

- Results illustrated in table (17) indicate that according to the opinion of the sample members social responsibility towards employees has significant effect on competitiveness of private SMEs inTlemcen where the correlation coefficient reached 0.547 at significance level 0.05

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- R^2 adjusted reached 29.7 %, thus the independent variable (social responsibility towards employees) explains 29.7 % of the changes that occur to the dependent variable (competitiveness)
- Impact degree recorded 0.505, thus change in one unit of social responsibility towards employees changes competitiveness by 0.505
- The value of variation coefficient confirms significance of this impact which reached 138.597 at significance level F0.05
- Level of significance was estimated by 0.000, which is less than 0.05, hence there is a significance relation between social responsibility towards employees and competitiveness of private SMEs inTlemcen.
- Based on the above mentioned the study third sub-hypothesis is accepted because the significance didn't exceed 0.05 which is the significance level approved for this study – one which states that social responsibility towards employees has significant effect on competitiveness of private SMEs inTlemcen at significance level 0.05

Fourth: Conclusions and Recommendations

1. Conclusions

Statistical analysis and testing hypothesis led to the following conclusions:

1. Private SMEs are interested in the following social responsibility dimensions:

➢ Social responsibility towards customers: through the provision of products at prices and quality convenient to customers

➢ Social responsibility towards community: through participation in reducing unemployment

➢ Social responsibility towards environment: environmental protection is fundamentally essential in the culture and administration values of the private SMEs in general

   2. Private Small and Medium Enterprises are interested in the following competitiveness dimensions:

➢ Cost: private SMSs continuously seek to reduce the production direct costs

➢ Delivery: private SMEs are always committed to deliver products to customers in their due times

3. When social responsibility dimensions are collectively applied then they shall have significanteffect on competitiveness in the private SMEs inTlemcen at 0.05 significance level

4. variables most influential on competitiveness:

➢ Social responsibility towards environment

➢ Social responsibility towards customers

➢ Social responsibility towards community

5. Social responsibility towards community has significant effect on competitiveness of private SME in Tlemcen at 0.05 significance level

6. Social responsibility towards customers has significant effect on competitiveness of private SME in Tlemcen at 0.05 significance level

7. Social responsibility towards environment has significant effect on competitiveness of private SME in Tlemcen at 0.05 significance level

8. Social responsibility towards suppliers has significant effect on competitiveness of private SME in Tlemcen at 0.05 significance level

9. Social responsibility towards employees has significant effect on competitiveness of private SME in Tlemcen at 0.05 significance level

2. Recommendations:

Upon proper and clear review and analyses of study results, the following is recommended:

1. Private SMEs should grant extra care tosocial responsibility towards both suppliers and employees.

2. The importance of giving priority to quality and flexibility in administrative operations

3. SMEs are further interested in studying the customers' needs through the provision of new quality products at competitive prices besides taking their complaints seriously and addressing them on spot.

4. SMEs should further care for the environment in order to reduce pollution by means of exploiting modern technology to avoid main causes of soil, water and air pollution.

5. Importance of raising awareness of SMEs regarding the importance of social responsibility and its role in achieving competitive excellence

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