

*The reality of sustainable performance of the pharmaceutical sector in Algeria through the moral responsibility theory of corporate sustainability (MRCS) perspective*  
*Case study of Hikma Pharma Algeria*

Mezghiche Abdelhalim <sup>1</sup>, Hachemaoui Mohamed <sup>2</sup>

<sup>1</sup> Faculty of Economics, Business sciences and management sciences, University of Algiers 3 (Algeria) mezghiche1@gmail.com

<sup>2</sup> Faculty of Economics, Business sciences and management sciences, University of Algiers 3 (Algeria) mhachemaoui@yahoo.fr

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### Abstract

The study aims to analyze the reality of sustainable performance in Algeria's pharmaceutical sector through the "moral responsibility theory in corporate sustainability". The e-questionnaire method has been used to investigate (Hikma Pharma) employees' views towards sustainability activities. Hence, the results demonstrated that all participants showed that their company had moral responsibilities towards certain aspects of sustainability. They believed that the corporation was more interested with labor relations, righteous operations activities, and environmental protection than community engagement activities. The results were also interpreted, and several recommendations were presented.

**Keywords:** Sustainable Performance; Pharmaceutical Industry; Moral Responsibility; Spectrum of Sustainability .

**Jel Classification Codes:** M14, Q01, Q56

ملخص:

تهدف الدراسة إلى تحليل واقع الأداء المستدام بالقطاع الصيدلاني في الجزائر من خلال منظور "نظرية المسؤولية الاخلاقية في استدامة المؤسسات". لقد تم استخدام طريقة الإستبانة الإلكترونية للتحقيق في آراء مستخدمي (حكمة فارما الجزائر) حول تصورات مؤسستهم وأهدافها وهيكلها تجاه كل من الأنشطة المدرجة المتعلقة بالاستدامة و أظهرت النتائج أن جميع المشاركين أظهروا أن لشركتهم مسؤوليات أخلاقية تجاه بعض جوانب الاستدامة على وجه الخصوص دون غيرها ورأوا أن المؤسسة تهتم ب علاقات العمل ، أنشطة العمليات الأخلاقية وحماية البيئة على أنشطة المشاركة في العمل المجتمعي عند الوفاء بمسؤوليات الاستدامة الخاصة بهم. كما تم تفسير النتائج وتقديم عدة توصيات.

الكلمات المفتاحية: الإستدامة ، الصناعة الصيدلانية ، المسؤولية الأخلاقية، طيف الإستدامة.

تصنيف JEL: M14, Q01, Q5

**Corresponding author:** Mezghiche Abdelhalim, e-mail: mezghiche1@gmail.com.

## **1. Introduction**

Research in sustainable performance has confirmed that the adoption of the three dimensions of this concept, known as the triple bottom line (TBL) (social, economic and environmental), is not sufficient to reach the desired goals. Studies have pointed out that achieving sustainable performance depends directly on the ability of corporation to absorb this philosophy first and then drop it on processes and supply systems, as well as its embodiment in products that preserve the environment from the early stages of manufacturing, such as reducing waste from raw material conversions or relying on efficient methods in dealing with these materials (rationalizing the use of water ... Etc.). The corporation's absorption to the philosophy of sustainability and its ability to apply it is mainly due to the nature of the motives for its adoption, whether purely subjective motives or objective motives. In 2015, Jung Ha-Brookshire was able to provide a theoretical tool through which to analyze the reality of sustainable performance of corporations, starting from the analysis of the ethical motivation levels of sustainability activities called "The Theory of Moral Responsibility in Corporate Sustainability" (MRCS). In this research, we will try to analyze the reality of sustainability in the Algerian pharmaceutical sector through this perspective and to recognize the extent to which the Pharmaceutical Corporation of Algeria adopts the philosophy of sustainability based on an analysis of electronic questionnaires provided to a group of employees at Hikma Pharma Corporation. It is a corporation with a significant impact on the Algerian pharmaceutical industry.

### **Study problematic:**

How is the reality of sustainability in the pharmaceutical sector analyzed through the perspective of "Moral Responsibility Theory in the sustainability of corporations"?

### **Sub-questions:**

- How do employees view the corporation moral position towards sustainable performance?
- What does the scope of sustainability spectrum in the corporation look like starting from analyzing the moral position, objectives and stated policies?

### **Study hypothesis:**

- The moral position of the corporation is determined by the existence of a visible reflection of sustainability philosophy on the behavior of employees. It is embodied in the extent of their awareness and concern for the need to carry out different functions and activities in a sustainable manner.
- The corporation's classification depends, according to the perspective of sustainability spectrum, mainly on levels of the philosophy of sustainability embodiment in the behaviors of its employees on the one hand and the adoption

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of clear objectives, as well as the existence of policies within its plans related to targeted sustainability activities on the other hand.

## **2. General concepts about the sustainable corporate performance in the pharmaceutical field:**

We will try below to review the most significant concepts of sustainability and sustainable performance in the pharmaceutical field by tackling the conceptual construction and investigating the relationship between sustainable performance philosophies and active corporations in the sector.

### **2.1 The conceptual construction of sustainability:**

After the widespread controversy and the multiple definitions that have been put forward in the subject of sustainability over the years, the concept of sustainability has finally found a fixed perspective or a cornerstone after the 1987 UN report entitled "Our Common Future" to establish the first definition that has been publicly accepted. This report demonstrated a presentation of the sustainability idea starting from the concept of sustainable development and the consideration of sustainable performance emanating from the philosophy of sustainable development, which means "meeting current needs without compromising the ability of future generations to meet their own needs." All subsequent theories and definitions emerged based on this definition.

Elkington's contribution, which crystallized the term Triple Bottom Line, presented a new revolution in this concept at the end of the 1990s, which means: "the mode or method in which sustainability is measured by including three basic dimensions of sustainability: the economic, social and environmental dimensions in order to guide the development of the corporation towards sustainable development at the macro level" (Elkington., 1997.p73) to provide these multiple dimensions of sustainable performance with a motive for various studies covering many areas (e.g. in marketing or in business management) such as those presented by (Choi and Ng , 2011.p270), (Dyllik and Hokert., 2002.p135), and (Ketola., 2008.p430). When studying sustainability, the environmental dimension is one of the most important dimensions that must be seen to be analyzed, as the environmental problem is the first to be raised in this subject. The interest in the environmental aspect of organizations was earlier than the concept of sustainability in its current form. Since the 1980s, environmental issues have been considered to be of great importance and have become a concern for local and global opinion. The term "environmentally responsible development" was introduced in 1992 by a group of World Bank experts, after which the researchers (Serageldin and Streeter, 1993) used the term "environmentally sustainable development" and then the researcher (Goodland, 1995.p10) took to the surface the term "environmental sustainability". The latter researcher included in the

concept the need to protect human well-being by protecting the natural resources of raw materials used in production and the ability to deal with waste in a sustainable manner. The term "environmental sustainability" has been adopted since that study and has become widely used among academics, practitioners and decision makers, as confirmed by researchers (Moldan et al, 2012.p8).

Environmental sustainability topics include potential impacts of: operations, goods, services on the environment, biodiversity, and health. Furthermore, environmental sustainability is a condition for achieving balance, connectivity and flexibility that allows human needs to be met without compromising ecosystem and biodiversity (Morelli, 2011.p2). On the other hand, the social dimension is concerned with the well-being of individuals and communities, health and security in the workplace, working conditions, human rights issues, and labor rights (Moldan et al., 2012.pp3-6), (Bom et al., 2019.p275).

It should be noted here that the concept of social sustainability is a concept that carries in its content a complex relationship and tension between the interests of the community, in addition to the objectives of the corporation (Mohr and Webb, 2005.p132) and the institution's response at the partial level of sustainable issues. This will inevitably be reflected at the macro level, changing the tension and transforming it positively to the common interest of the two parties (Choi and Ng, 2011.p280). (Littig and Griessler, 2005.p73) raised the problem of defining social sustainability and pointed out to the shortcomings in conceptual construction that are due to the complexity of the concept or the term of social sustainability. To illustrate the problem of definitions related to this term, we will include some examples. (Torjman, 2000.p6) addressed social sustainability from the perspective of human well-being, which is difficult to achieve, whether we discuss the effects of the healthy environment on well-being or the problem of not achieving well-being per se due to the absence of economic dynamism. (Mckenzie, 2018.p18) on the other hand defines social sustainability as a condition that includes formal and informal processes, systems, structures and relationships that effectively support the ability of present and future generations to create healthy and livable societies.

The last dimension is the economic dimension of sustainability, which has doubled and increased interest in it in the last two decades, as demonstrated by the Global Reporting Initiative (GRI) when presenting the external effects of corporations on economic systems. GRI defined economic sustainability as the organization's influence on stakeholders and economic systems at the local, national and global levels (GRI.2002). In contrast to this definition, there are other concepts that view the economic dimension of sustainability in a completely different way as it tries to explain the internal effects of economic sustainability on corporations. It seems that the objectives and the search for the corporation profitability is the only way to survive in

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the face of the competition it faces with its own sustainability, but the external economic contribution considers it a burden on the corporation with the aim of achieving sustainability at the level of the remaining two dimensions (environmental and social) (Labushange et al, 2005.p380).

In a study of sustainability economic dimension, the research of (Sheth et al, 2011.p32) presented specifically two aspects of this dimension, the first of which is concerned with the traditional financial performance that the organization aims to achieve, such as cost reduction. The second aspect relates to achieving the economic objectives of external stakeholders, including those directly or indirectly related to the achievement of well-being and the improvement of living conditions. The economic aspect of sustainability can also be explained in: reducing operational costs through systems management, spending rates on research and development operations, labor productivity, and investments directed at human capital (Bom et al., 2019.p275).

## **2.2 The philosophy of sustainable performance in pharmaceutical corporations:**

Questions related to the study of sustainability in the pharmaceutical industry remain linked to the importance of the latter and its direct effects on people's lives. It contributes on the one hand to improving the quality of life of individuals and the health situation in general, and on the other hand, the pharmaceutical industry plays a leading economic role when compared to other economic sectors in the world (EEPIA, 2019). The pharmaceutical industry can be regarded as a sector that includes all processes of: research, development, production and marketing of pharmaceutical products (vaccines and treatments) related to diseases, both rare and common.

The advanced health systems and high life expectancy that the human race has been able to achieve through the great technological development have pushed the pharmaceutical industry towards adopting production methods with concepts that are more closely related to the philosophy of sustainable performance, more controlled and able to increase production rates without compromising environmental and societal standards. This has prompted many researchers to study the various aspects of sustainable activities within the pharmaceutical sector such as the study of (Schneider et al, 2010.p430), the study of (Petryna and Kleinman, 2006.p15) on unequal access to medicines and treatments in different countries of the world, and the study of (Kümmerer and Hempel, 2006.p7) on pollution that is caused by the pharmaceutical industry throughout all stages of manufacturing and the life stages of the final product. These studies are just some of the examples that have called for a serious rethinking in controlling the logic of administrative behaviors and the methods which enterprises are using in its production operations. Not only that, but we find that the serial impact on the need to change the philosophy of pharmaceutical production has extended from

academic studies to the media, which has transformed the subject of sustainability in its various details into a material and a sensitive subject that carries a call for a change in traditional production methods. The media impact on organizations working in this field has also created pressure from environmentally friendly associations and non-profit organizations that are lining up around the idea of environmental management of medicines-producing organizations.

The studies presented in the field of pharmaceuticals emphasize the importance of sustainability for pharmaceutical corporations, not only in order to adopt this philosophy and reach the goals set within its plans, but also because the pharmaceutical sector intersects with sustainability in its three dimensions in all the activities provided. Among the most important research presented in this field are those studies that have focused on the possibility of creation and continuous development of treatments for various diseases, including: studies that have examined the efficiency and financial return of new pharmaceutical products (DiMasi et al, 2016.p26), (Graves and Langowitz, 1993.p600) and (Roberts, 1999.p630), as well as studies that have focused on intra-organizational and inter-organizational processes on development and innovation generation (Cardinal, 2001.p21) and (Bianchi et al, 2011.p31) such as the creation or manufacture of new molecules or new drugs, which are the subject of in-depth discussions in research and development interest (Garnier, 2008 .pp68-70).

### **3. Analysis of sustainability reality through the organization's cognitive perspectives (moral responsibility, goals and policies):**

Carrying out the philosophy of sustainability on the various processes and activities in the organization and bringing it to full integration with its financial and non-financial objectives, away from the conflict that causes the failure of the plans and policies adopted, is primarily due to the nature of the initial motives for adoption. We will try to explain in the following the motives in general and then explain the theory of the study in detail.

#### **3.1 Analysis of the organization's motivation to adopt sustainability:**

Several studies have discussed the catalysts and drivers of sustainability adoption by corporations. The study of (Lynes and Andrachuk, 2008.p377) collected a group of these catalysts include: long-term financial objectives, access to eco efficiencies, competitive advantage, good corporate citizenship, stakeholder pressures, improving the image of the corporation, and avoiding legal problems related to all forms of environmental and social sustainability. (Baron, 2001.p11) also views these motives as direct or indirect motives aimed at maximizing profitability and self-interest, but he has not denied that there is sometimes a moral motive that leads the efforts related to adopting sustainability. He states that the only condition to say that the corporation is socially responsible and applies the principles of social responsibility is

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if these efforts are driven by an altruistic motivation. Therefore, the study and evaluation of social responsibility cannot be done without understanding and determining the motivation that stimulated the corporation to do so (social responsibility and sustainability).<sup>1</sup>

When talking about adopting social responsibility, (Carroll, 1999.p40) focuses on the importance of the ethical responsibility of the corporation: “When studying performance and thinking from the perspective of performance improvement in general, the organization must develop plans, social goals and programs without losing the moral sensitivity of all decision-making processes, policies and actions.”

Previous studies clearly show the sheer size and the sensitive role played by the morality effect on the corporation’s commitment and the extent to which sustainability is applied in its operations.

The study of (Ketola, 2014.p232) divides corporations morally into six categories: criminal companies that do "anything" for profit, including economic crimes. Egoistic companies, which deal morally if only these morals benefit them. Utilitarian companies, which are companies that have become aware of the importance of social role. The dutiful companies, which have come to consider that socially responsible operations are a duty to be given to society. Justice companies are corporations that have been able to shift their mission from meeting the need of stakeholders as a specific group to meet the needs of human beings in general. Finally, virtue ethical companies that have learned "global morals and principles, in addition to transforming them into processes, activities and products through virtuous thinking."

### **3.2 Analysis of Moral responsibility theory in corporate sustainability**

The previous analysis of motivation shows the importance of ethical motivation and in this light, the (Ha-Brookshirs, 2015.pp230-234) proposal for the MRCS perspective or the so-called theory of moral responsibility in corporate sustainability, considers that the pattern of corporations perception of sustainability as a moral responsibility is a critical factor in determining the extent to which they adopt sustainable performance. If the company sees sustainability as a perfect duty, i.e. sustainability-related activities are a general and absolute duty and must be done in all cases and under all circumstances, it will exercise sustainability with understanding and in total manner, which means that the company recognizes that it has a moral duty in all sustainability- related activities. Whereas, if the company considers sustainability as an imperfect duty or, let's say, that doing so requires some kind of competence or it

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<sup>1</sup> There is a mutual and confusing use of the terms social responsibility and sustainability among researchers, and we respect in this article the methodology of each study in defining the concept of sustainability, as the concept of sustainability is often referred to in American studies as social responsibility (Ashrafi et al.,2020)

aims to apply this duty to receive perception, which is quite different from the first concept of a perfect duty that is not intended to achieve any privilege or award, the company will choose how to apply sustainability under certain circumstances. This means that the company will take some sustainability-related activities as activities that must be carried out and will neglect others, leading to the adoption of an optional or partial concept of sustainability.

MRCS's perspective confirms that although the company has reached the perfect state of perception, sustainability achievement will remain dependent on the existence of clear objectives, specific policies and structures, only then it can be said that the company is truly sustainable. The goals guide all members of the organization to work on sustainable performance explicitly. Moreover, structures and policies ensure that objectives can be pursued and integrated into the organizational structure. In the event that the organization considers or recognizes that sustainability is a perfect duty and has clear objectives but does not have clear policies and structures, most employees and not all of them will follow the goals, leading to conflict and disagreement between the sustainable goals planned to reach and the behavior of the organization members. This will result occasionally unsustainable outcome.

If the organization takes sustainability as a perfect duty with a lack of clear objectives, it will suffer from a lack of coherence and integration in the processes and activities it practices, which results occasional sustainability. If the organization considers sustainability to be an imperfect duty, it will, according to MRCS perspective, choose only some of the activities it wants to do without other sustainable activities. Nevertheless, if it has clear objectives, policies or structures towards this selected group of activities, it will be consistently sustainable in these activities.

If the organization has objectives and does not have structures towards this set of sustainable activities, it is, therefore, of occasionally unsustainable outcomes. If it does not have clear goals for these sustainable activities that it has chosen, it will reap occasional sustainable outcomes as a product of sustainable behavior of the organization's members.

MRCS is therefore a theory that discusses sustainability from the point of view of moral motivation as well as in terms of the inclusion mechanisms within processes and activities. It sets out a framework for the study of performance by asking three questions of perception, objectives and (policies or structures), as illustrated in Table 1. Hence, it sets a moral spectrum from "truly sustainable" to "occasionally unsustainable" to "occasionally sustainable" in all or some activities.

MRCS states that organizations may have several sustainable positions at MS (Moral Spectrum) levels and that their differences and changes in the presence of objectives and structures will clearly determine their sustainable performance status. Several studies contributed based on this theory: for example, (Jang and Ha-Brookshire,

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2017.pp328-232) have studied the customer's perception of the moral duty concerning corporations towards sustainable performance. They found that by comparing the various sustainable activities that the organization provides to the community, customers believe that the organization's improvement and provision of a healthy environment for workplace employees and its concern for the environment are the most important and influential aspects on customers in their purchasing decisions and their choice of an economic actor without another.

In a comparative study of (lee et al., 2018.p1470) between Chinese and American active organizations in the field of clothing, employees were subjected to research about their cognitive levels of sustainability. They found that although employees showed different tendencies for some sustainability activities only, organizations, despite their different nationalities, agreed on the need for sustainability in their activities in general and are well aware of its impact on the results they want to reach.

**Table (01): The Theory of moral Responsibility in corporate Sustainability (MRCS)**

<b>Analysis of corporations types</b>	<b>Does the organization have well-defined "policies and structures" regarding sustainability activities?</b>	<b>Does the foundation have "clear objectives" regarding sustainability activities?</b>	<b>Does the organization view sustainability as a "perfect duty"?</b>
Truly sustainable	Yes	Yes	Yes
Occasionally unsustainable	No	Yes	Yes
Occasionally sustainable	-	No	Yes
Consistently sustainable in selective areas	Yes	Yes	No
Occasionally unsustainable in selective areas	No	Yes	No
Occasionally sustainable in selective areas	-	No	No

Source: (Ha- Brookshirs2015.p229)

**4. Experimental:**

First, we will try to present the methodology of the study and then address the method of collecting and analyzing the data within the framework of the theory under study.

**First: Methodology of field study:**

In this study, the electronic questionnaire method was used, which saved the effort and time to access the participants. The questionnaire was prepared as follows:

In the first phase, the content of activities related to sustainable performance was analyzed and studied by looking at the annual reports of pharmaceutical organizations (Reports of CSR and ESG). In the second phase, we distributed the questionnaire to employees (participants) in order to determine the perception, objectives, structures and policies related to sustainability.

After analyzing the reports, 36 items representing the most important sustainable activities in the pharmaceutical organization were extracted and then dropped on four main axes:

- 1- Environmental Protection, its acronym is (EP) and contains 10 items within it.
- 2- Righteous Operation Activities (RO), which contains 10 items.
- 3- Public Welfare Activities (PW), contains six items.
- 4- Labor Relations Activities (LR), contains 10 items.

Each item of the 36 elements was separately examined by asking three main questions to the participants: **How does your organization view this activity?** The aim of this question is to measure the organization's perception of sustainable activity targeted for subsequent reclassification according to the theory. The participant was presented with Likert five-scale to express his opinion. The second question is: **Does your organization have clear objectives regarding this activity?** The participant was presented with an optional answer (yes, no). The third question is: **Does your organization have clear policies or structures regarding this activity?** The answer is also optional (yes, no). The questionnaire was written in English and French to simplify the concept and ensure that the concepts targeted by the study reached full to employees. In addition, the scale (questionnaire) was tested on a group of experts to confirm the following elements: the difficulty of answering the question and the comprehensiveness of the question content. The response was positive except by one expert who advised to reformulate two questions to be modified before submitting the questionnaire for the test.

#### **Second: Data collection (study sample):**

The researcher obtained 72 complete questionnaires out of 120. employees have been generally targeted without discrimination based on the premise that they are the best to answer the existence and presence of sustainability activities as the first subject to apply the rules of sustainability and related laws, and they are the ones who practice them in the first place. Not only that, but employees are internal stakeholders in terms of sustainability theories and are directly influenced by the results of its application. Therefore, after consulting some specialists, it is believed that employees who have had more than six months of experience working for the organization and have a sufficient level of education regardless of their job or degree, have the full capacity to say that an activity in the organization is sustainable or not. To ensure that the sample of the study corresponds to the general framework of the study, 4 questions were asked

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within the questionnaire, which were about (functional experience with the company, nature of work, gender, and age).

The answers were as follows: Out of 72 participants, 76% were males, and they represented the majority of the answers of the sample under study. For experience, the questionnaire has been directed to employees with more than six months of experience and the categories after consultation have been developed and answered as follows: less than two years: 6%, between three years to five years: 37%, over five years: 57%. As for the age of the participants: the majority of the participants (65%) were between 25-34 years old. There was not a single participant under the age of 25. For the age groups between (35 and 44) and (45 and 54), they were the least attended: 29% and 6%, respectively.

**Third: Data analysis:**

The structural honesty was confirmed by applying the questionnaire to the participants and the Alpha Cronbach stability coefficient was extracted. Further, the internal consistency of all the questionnaire paragraphs was studied. The Alpha Cronbach coefficient was found to be equal to 0.841 and its stability is 0.917, i.e. there is a clear internal consistency and if the tool is reapplied in the same conditions, we will get the same results.

To answer the first part of the problematic related to: How do employees view the corporation moral position towards sustainable performance, the answer to question 1 has been reviewed: "How does your organization view this activity according to you?" We calculated the arithmetic means and the standard deviations of each element in order to understand the participants' assessment of each of the activities mentioned, and to apply the MRCS model to determine the respondents' perception of the moral duty position for each activity.

The answers were encoded and categorized by reference to the definitions of the terms "perfect duty" and "imperfect duty" in MRCS theory. The code was as follows: as for the Likert scale, the answers "must be done under all circumstances" and "good to do", were given the code: A1, which means that the participant thinks his organization sees that activity as perfect duty. The study of (Dolnicar and Grun, 2007) indicated that participants when using the Likert five-scale may be inclined to clarify and express their opinions less sharply. This hypothesis has been used in this study to determine the position of the moral duty. The following explains the coding method used for each answer:

**Table (02): Questionnaire Answers Coding Plan**

SQ1: How does your organization view this activity?	It must be done under all circumstances. It is good to do	} <b>A1</b>
	May or may not need to do it	} <b>A0</b>
	Does not have to do it Does not have to be done at all	} <b>A99</b>
SQ2: Does your organization have clear objectives regarding this activity?		Yes <b>1</b> No <b>0</b>

Source: made by the researcher

As for the answer: "May or may not need to do it", it has been coded With A0, which indicates that the organization views the activity as a "not perfect duty", i.e. doing this activity is a good job to do but it is not necessary. If the answer is "Does not have to do it" and "Does not have to be done at all", the 99A code was given to them and here the answer is classified as "no duty" and does not need to be done. Value ratios and repetitions of (A0, A1, A99) are calculated for clarification. Each table contains the number and ratios of participants who believe that this activity is "perfect duty", "imperfect duty," "no duty."

As for the second part of the problematic: which relates to the determination of sustainability spectrum scopes, it was answered through four stages:

**I.** Based on the first question (SQ1), the organization is classified according to the following: if the Answer is A1 for all elements (36 elements) the organization is classified as a **perfect duty company**. For an organization that is symbolized with 99A in all elements without exception, it is classified as **no duty company**. The rest of the answers are classified as an **imperfect duty company**.

**II.** The second question (SQ2) is marked with: 1 if the answer is "yes" and means that the organization has clear objectives regarding the activity specified in the question. If the answer is "no", it is marked with 0.

**III.** The third question (SQ3) is marked with: 1 if the answer is "yes", meaning that the organization has clear policies and structures regarding the activity specified in the question and a "0" if the answer is "no."

**IV.** At this stage, the three answers of SQ1, SQ2, and SQ3, are reviewed by sustainability spectrum scopes: if the organization is classified as a "perfect duty company" from the answer to the first question and the coding for each activity is (1) in all the answers to the remaining questions SQ2, SQ3 (the organization has clear objectives, specific structures and policies in all activities), then the organization is classified as truly sustainable. If the organization is classified as "perfect duty company" from the answer to the first question SQ1, and carries the code 1 in all

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answers to the second question SQ2, and code 1 in some activities concerning the third question SQ3 or does not carry it in any activity, the organization is classified as occasionally unsustainable. If the organization does not carry the code 1 in the 36 elements as a whole (SQ2, SQ3) or does not carry code 1 in all SQ2 answers, the organization is classified as occasionally Sustainable by theory.

**Table (03): Classification of the organization according to sustainability spectrum scopes**

Sustainability	Goals	Policies and structures	Classification according to sustainability spectrum scopes
<b>Perfect duty company:</b> all activities (36 items) coded A1 concerning SQ1	All items (36) coded 1 concerning SQ2	- All items is coded 1 concerning SQ3	Truly sustainable
		- Not all items carry the code1 concerning SQ3 or there is no 1 at all	Occasionally unsustainable
	Not all items carry the code 1 concerning SQ2 or there is no 1 at all	--	Occasionally sustainable
<b>Imperfect duty company:</b> does not carry the code A1 or A99 in all activities (36 items) concerning SQ1	Carries the code 1 in one item at least concerning SQ2	- carries the code 1 for the item or items that have clear goals concerning SQ3	Consistently sustainable in some selective areas
		- carries the code 0 for the item or items that have clear goals concerning SQ3	Occasionally unsustainable in some selective areas
	Carries the code 0 in all items concerning SQ2	--	Occasionally sustainable in some selective areas
<b>No duty company:</b> carries the code A99 in all activities	--	--	---

Source: made by the researcher

If the organization is a "perfect duty company" with objectives or at least one objective, policies or policy that is at least clear towards one sustainability activity, the organization is considered as consistently sustainable in some selective areas. If it has objectives or at least one objective towards at least one element but does not have clear policies or structures towards that activity, the organization will be occasionally unsustainable in some selective areas. Moreover, if it does not have any objective towards any of the 36 elements, it will be occasionally sustainable in some selective areas.

## 5. Results and Discussion

As for the first part of the problem, we found that the arithmetic means of the first question for the four axes of the questionnaire were as follows:

**EP:** 4.01 (SD=0.879), **RO:** 4.13 (SD=0.897), **LR:** 4.37(SD=0.842), **PW:** 3.73 (SD=0.544)

These results highlight the importance of Labour Relations activities (LR) and

Righteous Operation activities (RO) to participants. employees believe that activities related to these two axes are the most important in the organization when compared to the remaining two axes. The axis of Public Welfare Activities (PW) recorded the weakest results, which is considered the least important axis in the organization with an average of 3.73. The high dispersion of standard deviations values (SD) is explained by the absence of accreditation and certificates application related to each axis within the organization.

**Table (04): participants' perception levels for the axis of righteous operations activities**

Percentages and repetitions					
Sustainable activities	Perfect duty (%)	Imperfect duty (%)	No duty	Mean	Standard deviation
1. Comply with rules relating to the integrity of work (e.g. paying taxes in accordance with the law....)	72 (100%)	0 (0%)	0 (0%)	4.66	0.474
2. Improve product/service quality and increase customer satisfaction	72 (100%)	0 (100%)	0 (0%)	4.81	0.387
3. Provide safe and transparent products	72 (%100)	0 (100%)	0 (0%)	4.56	0.498
4. Protect customer information and business secrets	71 (98%)	1 (2%)	0 (0%)	4.71	0.487
5. Respect/protect intellectual property	69 (95%)	3 (4%)	0 (0%)	4.80	0.493
6. Enhancing supply chain management (e.g. evaluating suppliers, checking supplier performance on location)	71 (98%)	1 (2%)	0 (0%)	4.44	0.527
7. Obtaining ISO 9001certificate	3 (4%)	61 (85%)	8 (11%)	2.95	0.440
8. Combating and preventing corruption in the corporation	71 (98%)	1 (2%)	0 (0%)	4.36	0.511
9. Oppose improper business practices in the sector in general (monopoly, illegal operation, commercial fraud, etc.)	8 (11%)	64 (89%)	0 (100%)	3.18	0.539
10. Promoting the development of national industry (e.g. helping the government formulate industrial development plans, policies and standards in the industrial field and provide consultation)	0 (0%)	62 (86%)	10 (14%)	2.86	0.348

Source: made by the researcher

Table (04) values show employees perception levels for the Axis of Righteous Operations Activities (RO). In general, employees believe that most activities fall between the maximum Likert scale values: "must be done under all circumstances" and "good to do" except for two activities that have shown clear weakness: obtaining ISO 9001certificate: 2.95 (SD=0.440) and promoting the development of national industry: 2.86 (SD=0.348). The table shows that the first six sustainable activities: comply with rules relating to the integrity of work, improve product quality, provide safe and transparent products, protect customer information, respect intellectual property and

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enhancing the performance of suppliers concerning chain management, are activities of perfect duty with a percentage of more than 95%. Moreover, we did not find a single participant who views opposition to improper business practice as undue activity. 89% of the answers were "may or may not need to do", i.e. the activity is imperfect by reference to the theory.

**Table (05): participants' perception levels for the axis of labor relations activities**

Percentages and repetitions					
Sustainable activities	Perfect duty (%)	Imperfect duty (%)	No duty	Mean	Standard deviation
1. Protecting the democratic rights of employees (e.g. communication system, complaints and collective bargaining agreement)	72 (100%)	0 (0%)	0 (0%)	4.86	0.348
2. Prohibiting child labor and forced labor	65 (90%)	5 (7%)	2 (3%)	4.04	0.591
3. Compliance with laws/policies relating to employment (employment contract, legal working hours, legal remuneration standard)	72 (100%)	0 (0%)	0 (0%)	4.90	0.298
4. Improving the health and safety of employees (e.g. appropriate work environments, safety accident training and precautions)	72 (100%)	0 (0%)	0 (0%)	4.88	0.316
5. Prohibiting harassment, corporal punishment and ill-treatment	72 (100%)	0 (0%)	0 (0%)	4.61	0.490
6. Eliminate discrimination on the basis of race, nationality, gender or region	63 (87%)	8 (11%)	1 (2%)	4.58	0.745
7. Provide promotion opportunities	72 (100%)	0 (0%)	0 (0%)	4.31	0.469
8. Protecting the rights of both female and male employees	69 (96%)	3 (4%)	0 (0%)	4.23	0.517
9. Get certification from OHSAS 18001	0 (0%)	35 (49%)	37 (51%)	2.48	0.503
10. Training employees for achieving professional development	72 (100%)	0 (0%)	0 (0%)	4.76	0.427

Source: made by the researcher

For the axis of Labor Relations Activities (LR), Table (05) demonstrates that all elements have shown their importance to the organization except for the OHSAS18001 certification. 49% of employees showed that obtaining this accreditation is "may or may not need to be done", i.e. this activity is an imperfect duty and 51% answered that getting it is not necessary at all (No duty).

concerning the elements: compliance with laws, improving the health of employees, protecting the democratic rights of employees, their arithmetic averages were the highest, and their standard deviations recorded a weak dispersion, which indicates the consistency of the results and their distance from statistical dispersion: 4.90 (SD=0.298), 4.88 (SD=0.316), 4.86 (SD=0.348). Hence, it is the most interested

elements compared to other activities.

**Table (06): participants' perception levels for the axis of environment protection activities**

Percentages and repetitions					
Sustainable activities	Perfect duty (%)	Imperfect duty (%)	No duty	Arithmetic mean	Standard deviation
1. Compliance with environmental laws and policies	72 (100%)	0 (0%)	0 (0%)	4.72	0.451
2. Rationalize energy consumption (such as water, electricity, coal, steam, etc.)	65 (90%)	7 (7%)	0 (3%)	4.44	0.669
3. Management and control of dangerous chemicals	72 (100%)	0 (0%)	0 (0%)	4.61	0.490
4. Control and check emissions (such as dirty water, fumes, noise, etc.)	72 (100%)	0 (0%)	0 (0%)	4.45	0.501
5. Recycling materials and energy (such as sewage, heat, waste, etc.)	71 (98%)	0 (0%)	1 (2%)	4.18	0.484
6. Designing and developing sustainable and environmentally friendly products	32 (44%)	39 (54%)	1 (2%)	3.44	0.553
7. Making partnerships with environmental organizations (Non-governmental organizations such as WWF)	0 (100%)	68 (49%)	23 (32%)	2.68	0.469
8. Obtaining ISO 14001 certificate	4 (6%)	52 (72%)	16 (22%)	2.83	0.503
9. Monitor supplier activities to be sustainable, including enhancing supply chain transparency	72 (100%)	0 (0%)	0 (0%)	4.30	0.463
10. Use environmentally friendly/sustainable raw materials (such as organic cotton, improved cotton, etc.)	07 (97%)	2 (3%)	0 (0%)	4.48	0.556

Source: prepared by the researcher

As for the environmental protection activities axis (EP), the results in Table (06) also demonstrated the importance of sustainable activities to the organization. This is evident in the first five answers when more than 90% of employees answered “perfect duty”. The element of compliance with environmental laws had the highest ratio with an average of 4.72 (SD=0.451). The lowest perceived value was related to the element of partnerships with environmental organizations with an arithmetic mean of 2.68 (SD=0.469).

**Table (07): Analysis results of participants' perception levels for the public welfare activities**

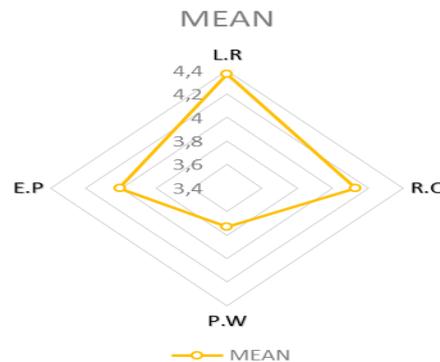
Percentages and repetitions					
Sustainable activities	Perfect duty (%)	Imperfect duty (%)	No duty	Arithmetic mean	Standard deviation
1. Respect for local culture and traditions (customs, religions and beliefs)	50 (69%)	22 (31%)	0 (0%)	3.69	0.463
2. Promoting local economic and social development, and improving the living standards of the local population	43 (60%)	26 (36%)	3 (4%)	3.55	0.578
3. Help the poor (employees, students, families, seniors, etc.)	53 (74%)	19 (26%)	0 (0%)	3.77	0.509
4. Caring for people with special needs and increasing their employment	60 (83%)	12 (17%)	0 (0%)	3.94	0.527
5. Conduct care campaigns or participate in activities that promote the social aspect, including donations, gifts or voluntary services	68 (94%)	4 (6%)	0 (0%)	3.95	0.262
6. Form emergency rescue teams and participate in disaster relief	32 (44%)	38 (53%)	2 (3%)	3.48	0.671

Source: prepared by the researcher

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Finally, the axis of public welfare activities (PW), although there are relatively weaker values for participants perception in all elements than in other axes, we find that the percentage of answers that view these activities as a perfect duty is more than 44%. The arithmetic mean of the highest element: conduct care campaigns was estimated at 3.95 (SD=0.262). The low standard deviation ratio (SD) indicates poor dispersion and data coherence, as the formation of emergency teams and participation in disaster relief showed the lowest arithmetic average: 3.84 (SD=0.671). 44% said that the organization considered the latter activity as a perfect duty, while 53% said that the organization believed that it was an imperfect duty. 3% of participants said that the organization believed that the activity was unnecessary (No duty).

**Fig 01:** The Four Axes of Sustainability Activities of Hikma Pharma organization in Algeria



Source: made by the researcher

In order to determine the scope of the corporation under study from the point of view of the participants, we analyzed the answer to the two questions: (SQ2) related to the existence of clear goals for the organization regarding the specific activity coded with 1 if the answer is "yes" and 0 if the answer is "no", and (SQ3) related the existence of clear policies and structures of the corporation regarding the activity specified in the question in which the symbol 0 is given if the answer is "no" and 1 is given if the answer is "yes". By reviewing the answer to the first question (SQ1), we find: Not a single employees out of 72 participants believes that the organization views all activities without exception as a perfect duty, but most participants view the insignificance of certain activities within the organization and agree on them overall, such as obtaining accreditations and certificates. employees agreed that obtaining certificates is either classified as an imperfect duty or non-necessary duty at all (No duty). The highest employee answer achieved a value of 83% of activities that the organization considers to be a perfect duty, while the lowest answer recorded 63% of activities as a perfect duty as well. Through this analysis, we classify the corporation

as an imperfect duty company. By definition, the organization that considers sustainability as an imperfect duty and has chosen, according to MRCS perspective, only some of the activities it wants to undertake, in addition to having clear objectives in at least one activity, i.e., the answer to question SQ2 was marked 1, as well as has clear policies or structures i.e. SQ2 also carries the code 1 towards this selected group of activities, the organization will therefore be classified as consistently sustainable in selective areas. Thus, we have answered the problem raised in the study.

## **6. Conclusion:**

The study attempted to investigate the reality of sustainable performance in pharmaceutical corporations through the perspective of the MRCS theory proposed by (Ha-Brookshire, 2015), which relies primarily on employees in the analysis process. Hikma Pharma Corporation has been adopted as a model to give an overview of the extent to which sustainable performance concepts are being adopted in this sector. 72 employees of the company who meet the requirements were questioned with the aim of determining the scopes of the sustainability spectrum based on their perception and levels of awareness of the extent to which the philosophy of sustainability is applied. Then, it has been ensured from the existence of clear structures and objectives in the company for all the 36 activities that have been established as proof criteria for the presence of sustainability culture or not. The results showed that the majority of participants recognize the existence of an application for sustainability activities in general although this orientation is not inclusive of all activities. The four axes showed a difference in their interest in which environmental protection activities (EP), righteous operations activities (RO), and labor relations activities (LR) were the most applied and the first of the most interesting areas compared to the activities of public welfare (PW). This is what the previous analysis showed (Figure 01). All the axes show a clear reluctance of the corporation to adopt any certificate or accreditation, as the answers concerning the degree of organization willingness to adopt it or not were the reason for further statistical dispersion. By a simple comparison, the standard deviation is becoming more coherent by reducing the answers of whether or not to obtain a certificate. Finally, the findings have shown that the corporation can be classified as consistently sustainable organization in some areas according to the perspective introduced by Jung Ha-Brookshire.

Although this study attempted to analyze the reality of sustainable performance by using Hikma Pharma Corporation as a model, it has clear limits in terms of generalizing the result to the sector clearly. The existence of other studies such as a study and comparison between corporations or a wider group of companies based on this research will be the gate to understand the pharmaceutical sector more. This analogy can also be directed only to company managers to achieve more accurate and practical results and to improve the target sample as the researcher assumed (Carroll

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1991)."

**Recommendations:**

- Intensify training courses that allow employees to strengthen their position towards the idea of sustainable performance.
- The need to rectify misconceptions, such as the clear indifference towards improper business practices in the sector in general, as well as promoting the development of national industry (e.g. helping the government to formulate development policies and provide consultation) since the corporation hardly sees any point in these two activities.
- Rise interest in the participation of employees in creating the sustainability culture at different levels of the corporation and understanding their needs and aspirations.
- Discussing the vision again and promoting sustainability by linking objectives to each other and clarifying financial and non-financial outcomes when adopting sustainability.
- The need for the state to intervene and influence through a clear legal arsenal and control its application processes as well as evaluating the results obtained to protect the interest of the community and environment from waste and unsustainable behaviors of pharmaceutical corporations.

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