

Global performance management using dashboard integrating stakeholders expectations: case study of an agribusiness company

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Abstract— In a context of growing social and environmental concerns, the term Corporate Social Responsibility Organizations (SRO) moved gradually into the common vocabulary, it means that a company must not only worry about its economic profitability and growth, but also its environmental and social impacts and be more attentive to the concerns of its stakeholders. This article provides a generic approach to design a dashboard in the event of a caper production enterprise for sustainable development in the enterprise while integrating the expectations of these stakeholders

Index Terms— Social responsibility of the organization; sustainable development; stakeholders.

1 INTRODUCTION

Considering the rising awareness of consumers and businesses towards social stakes, as well as environmental issues, like the need to protect a constantly deteriorating environment and labor security and safety promotion, today's business is seen as a tool of production and commercialization aiming at financial profit, but also as a source of social progress, where the wellbeing of different members of society is a top priority [1] In fact, businesses sustainability do not only depend on the financial aspect of their activities, but also on their managerial practices. Hence, they have wider responsibilities towards shareholders, and also stakeholders, whose aspirations became one of the corner stones of businesses performance and sustainability. A corporate social responsibility (CSR), is the fruit of sustainable development principles in the field of business. This is where businesses, on their own initiative, contribute in social development and environment protection, while considering the expectations of stakeholders. Businesses are acknowledging more and more their societal responsibility, by adopting plans at the structural level and with their stakeholders.

In this regards, our role is to suggest a plan aiming at building performance management dashboard, consisting of a set of indicators that will enable business managers to be aware of the state and the progress of their actions aiming at meeting sustainable development of their business, while respecting the expectations of stakeholders.

2 CONTEXTE

Businesses are active members of society, as they in permanent interaction with different social groups, whose aspirations differ from one to another. These social groups are called "Stakeholders", who could be a person, a group or an organization that has interests or stakes in an organization or a business, by opposition to "Shareholders", who are a group or an organization that owns one or more shares in a company. The stakeholders include external and internal community of the company, such as customers, shareholders, employees, unions, suppliers, banks, insurance companies, media, government, legislators, associations and NGOs, neighbors, activists, pension funds, pension funds, savings funds, universities, clubs, etc. They are affected either directly or indirectly by the companies' decisions, activities and impacts. Hence, there is a link of interdependence between companies and their stakeholders. Consulting "stakeholders" is a management tool for companies that enables them to identify sustainable development issues (which constitute areas of progress on which they will have to work and communicate) and to identify specific points (Crises, emissions, accidents, new technologies, etc.). On the other hand, stakeholders have expectations towards companies, namely, alleviating the impacts of their activities on economic, social, societal and environmental patrimony, which they consider as their own. This necessity becomes vital for the performance, attractiveness and sustainability of business in such a way that it encourages them to try to meet their stakeholder's expectations. However, these expectations could vary from one stakeholder to another and there is sometimes a conflict of interests. Given the stakes, it is therefore important for companies to define their expectations through dialogue and to identify those stakeholders in order to avoid frustration that may lead to a counterproductive operation.

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3 STAKEHOLDERS TYPOLOGIES

According to Mayers [2], stakeholders analysis helps in making the right decision towards the achievement of a certain balance and in managing conflicts of interests, and also in business forecasting (Whose problem is that? Who wins? Who loses? What are the links and the differences in power between the two stakeholders? What is the influence of each party?) Processing stakeholders introduces the issue of their efficient identification and classification. Hence, literature readily distinguishes:

3.1 Primary SH and Secondary SH

Primary stakeholders are directly involved in the economic process and have an explicit contract with the company. They include business owners, customers, employees and suppliers and are essential to the survival of the business. Shareholders and management are also important stakeholders that are essential for the survival of the company. Secondary stakeholders have rather an implicit or moral contract with the company, links may be intentional or spontaneous. This category includes other interest groups such as the media, consumers, certain lobbies, governments, competitors, the public and society [3].

3.2 Internal SH and External SH

Caroll & Nasi [4] call for the classification of stakeholders in accordance with their position vis-à-vis the organization. Internal stakeholders involve owners, directors, employees. Whereas external stakeholders comprise competitors, consumers, governments, pressure groups, media, community and natural environment

3.3 Voluntary SH & Involuntary SH

Voluntary stakeholders generally accept via a contract to be exposed to some risks, whereas involuntary stakeholders sustain this risk without being linked to the company [3].

3.4 Normative, functional, diffused and consuming stakeholders

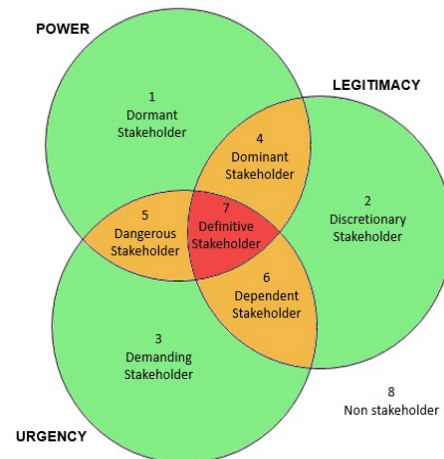
this classification is based on the link between stakeholders and their company. Normative stakeholders represent are the authorities regulating the company's activities, functional stakeholders affect the operation of the company on a daily basis, whereas secondary stakeholders are those interested in defending third parties against the company and consuming stakeholders are the customers.

3.5 Mitchell and his collaborators Typology (1997)

This quite dynamic approach suggests the classification of stakeholders in accordance with their power (capacity to influence the company directly or through other stakeholders). The Legitimacy of their relation with the company (Recognition of stakeholder merits to express a request to the company) and the Urgency of the demand (the urgency of the stakeholder's demands concerning the firm) [5]. Seven types of

stakeholders are then identified, depending on whether they have one, two or three attributes

Fig 1: Stakeholder Typology: One, Two or Three attributes
Source [5]



Through this typology, which deals with this subject from a different angle, Mitchell and his collaborators have made a great contribution to the field of stakeholders' management. Indeed, the authors identify the characteristics that make a group of individuals considered by the company as a stakeholder. Using these three attributes, this typology identifies the importance of these stakeholders. The first fundamental hypothesis of this typology says that the directors give a very particular attention to the different classes of stakeholders, in order to attain their goal. The second one says that the perception of managers dictates the prioritization of stakeholders. Finally, the third and last basic hypothesis is that several classes of stakeholders could be identified by relying on the possession of one or more of the attributes cited above: power, legitimacy and urgency.

4 PRESENTATION OF OUR CASE STUDY

4.1 Industrial Need

Morocco is considered to be the world's largest producer of capers. Local consumption is very modest compared to exported processed products to different foreign markets, which are known for their quality preconditions imposed on imported products. A real constraint for industrials and reflects their evolving contribution to performance, which is a major issue for the survival of businesses and the maintenance of good agricultural development at the provincial, regional and national levels. First, to comply with market regulations and their obligations, and also in order to cope with the growing competition. Capers production companies are obliged to improve their productions under the best conditions and at low-

er cost. This is possible through a wise management of their performance

4.2 Presentation of the Company

Our case study is an Agribusiness producing capers destined for exportation, it intervenes in all manufacturing process of this very tasty condiment, from cultivation to ready-to-eat products (packaged in glass, plastic and metallic recipients), these products are consumed in Europe, America, Asia Africa and Oceania, in more than 50 countries. Between commercial exchanges with this very demanding countries and the need to improve the performance, this company wants to manage its performance using a system of indicators that takes into consideration the expectations of its stakeholders in a sustainable development approach. We shall present hereafter its main activities.

5 PROPOSED APPROACH

As a decision-making and forecasting tool, the sustainable development dashboard is a set of indicators conceived to the company managers to know the progress status of each taken action in order to insure sustainable development of its business. To establish this dashboard, the following steps were observed:

5.1 Step 1: Identification of Stakeholders

In this section, it is necessary to identify individuals or organizations, internal and external, which influence the projects of the foregoing company. Different methods of stakeholder ranking could be applied. Stakeholders can be internal or external to the company, direct or indirect, contractual or non-contractual and belonging respectively to the social, public, economic, industrial and scientific spheres. We identified the stakeholders in our case study according to 4 main spheres:

- A social sphere: employees, consumers and customers;
- A public sphere: public authorities, social and environmental NGOs and associations, the Environment;
- An economic sphere: shareholders, suppliers;
- An industrial and scientific sphere: universities and research centers

5.2 Step 2: Identifying the Expectations of stakeholders

The following table presents the expectations of each stakeholder

Table 1: Expectations of the company's stakeholders

	Economic	Environmental	Social
Customer /Consumer	- Competitive price - Product quality and safety	-Products respecting environmental and social criteria	-Ethics -Fair trade -Respect of social law

Employees & their representatives	- Social Equity - Remuneration - Providing opportunities for sharing the growth and profitability of the company - Employee Empowerment (Delegation of Authority)	-Respecting local environment - Prioritizing employee health and safety issues	-Motivation -Internal Consultation -Training - Development - Supporting employees, giving them give them the opportunity to achieve a certain balance between work, family and personal development - Respecting human rights
Suppliers	-Long-term partnership relation -Respecting orders, delivery and payment deadlines	-Sustainable and equitable relation -Integrating social and environmental values in purchase decisions. - Formalization of technical specifications	- Formalization of ethical and deontological requirements - Not dealing with companies resorting to illegal practices (exploitation of children)
Shareholders and banks	-Financial result -Economic sustainability and Working capital	-Management of environmental risks and their financial impacts -Anticipation and Transparency	- Anticipating reclassification needs in order to limit the costs - Management of risks related to corporate image and crisis management

Authorities	<ul style="list-style-type: none"> - Contribution to national and local wealth -Fighting corruption and money laundering 	<ul style="list-style-type: none"> -Respecting environmental regulations 	<ul style="list-style-type: none"> -Respecting labor law regulations -Payment of social contributions
Social and environmental associations and NGOs	<ul style="list-style-type: none"> - Involvement in philanthropic activities overlapping with the community needs -Orientation of the company's actions towards real priorities determined people involved in this field -Develop partnerships with NGOs or associations 	<ul style="list-style-type: none"> -Limiting environmental and climatic degradation -Spreading the trend of "sustainable development" in all its aspects: "transfer of knowledge" 	<ul style="list-style-type: none"> - Recruitment practices targeting disadvantaged groups
Environment	<ul style="list-style-type: none"> - Integrating Environmental Values into Purchasing Decisions 	<ul style="list-style-type: none"> -Respect of environmental regulations -Preservation of natural resources -Analysis of full life cycle performance for all products and services -Reduction of raw material consumption - Commitment to minimize negative impacts and resources optimization -Measuring and limiting the impacts of the company's activity and repairing existing damage 	<ul style="list-style-type: none"> -Raising the awareness of all actors (staff, management) about the environmental stakes

Universities and research centers	<ul style="list-style-type: none"> -Signing partnerships aiming at the implementation of specific projects -Aid and grants to universities and research centers 	<ul style="list-style-type: none"> -Contributing to the promotion of sustainable development jobs 	<ul style="list-style-type: none"> -Offering business internships for students - Participating in vocational training - Recruitment of students, who specialize in "sustainable development"
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5.3 Step 3: Classification of Stakeholders

In order to classify stakeholders, we are going to use Mitchell, Agle and Wood typology, which shall be presented in the following table:

Table 2: Classification of Stakeholders according to Mitchell, Agle and Wood (1997)

Types/ Attributes	Power	Legitimacy	Urgency
Dormant : authorities	x		
Discretionary: Social and environmental associations and NGOs		x	
Demanding: Environment, universities and research center			x
Dominant : Employees and representatives	x	x	
Dependent: Supplier		x	x
Dangerous: Customers and consumers	x		x
Definitive: Shareholders and banks	x	x	x

Finally, we summarized our work in a chart that represents suggested performance indicators, classified in accordance with the stakeholders of the company subject to this case study. We shall also present these indicators, the frequency and the person responsible for data collection. There follows our dashboard design:

Table 3 Final dashboard

	Indicator	Frequenc	Officer	Action plan
Clients	-Rates of new customers	Half-yearly	Packaging Manager	- Establish a system for managing the quality and safety of products and their certification - Ensuring price fairness -Measuring the satisfaction of customers -Evaluate environmental impacts of goods or services based on life cycle assessment
	The turnover generated by loyal customers	Annual		
	- Number of customer complaints	Quarterly		
Suppliers	-Number and duration of partnerships signed with suppliers	Quarterly	Supply Manager	-Conclude or strengthen long-term contracts -Respect orders, delivery and payment deadlines -Monitoring the sustainability of suppliers - Introduce social, environmental, quality and safety clauses in contracts with suppliers.
	Evaluation of average payment terms from year to year for the main categories of suppliers	Annual		
	Percentage of contracts, whereof the conditions have been met (Order, delivery and payment methods	Quarterly		
	- Number of incidents with suppliers	Half-yearly		
	-Percentage of contracts including social and environmental clauses	Annual		
	-Percentage of returned goods	Quarterly		

Employees	Means of wage increase in hierarchical level	Annual	personnel manager	<ul style="list-style-type: none"> - rewarding employees' efforts - carrying out annual interviews with employees - Noting the observations or suggestions of employees - Measuring employee satisfaction - Promote the maintenance of employment and the evolution of wages. -Develop social dialogue and collective bargaining - Insuring the health and safety of employees. -Promoting the training and the development of employees.
	Men / Women promotion rate	Annual		
	Average gross annual remuneration broken down by gender, hierarchy and differences	Annual		
	Number of positions filled by external recruitment compared to the number of positions filled by internal promotion	Annual		
	Number of suggestions that were retained by management	Quarterly		
	Percentage of reclassified employees as part of reclassification actions	Annual		
	Frequency of accidents	Annual		
	Number of training hours for each employee	Quarterly		

	Repartition of Men/Women by rank age and seniority	Annual		
Shareholders & Banks	Turnover evolution	Annual	Finance Manager	<ul style="list-style-type: none"> -Managing the company's activity around better risk management. - Carry out external assessments. - Regular and transparent communication with shareholders and banks.
	debt recovery	Annual		
	Green products revenues share	Annual		
Authorities	Number and nature of regulations' infringement, penalties and fines paid for these infringements.	Annual		<ul style="list-style-type: none"> - Conducting internal audits (compliance with labor legislation and environmental legislation) - Involvement in community life.
	Percentage of donations to civil society, local authorities.	Annual		
Environment	-Evolution of energy consumption	Quarterly	Quality Manager	<ul style="list-style-type: none"> -Reducing the consumption of energy, water and raw materials. -Reducing the waste disposal. - Improving environmental performance
	- Evolution of consumption of raw materials	Quarterly		
	-Number of accidents / Number of hours worked	Annual		
	-Volume of water withdrawn	Quarterly		

Associations and NGOs	- Sponsoring, support, human resources and equipment allocated to partner associations or NGOs.	Annual		-Developing partnerships with NGOs and associations
	-Percentage of income devoted to social, sports, cultural, educational or health actions	Annual		
Universities and research centers	-Percentage of business internships offered to students.	Annual	Personnel Manager	-Contribute to training and academic research in the field of sustainable development
	-Percentage of grants and benefits granted to universities and research centers	Annual		
	- Recruitment rate of students qualified in sustainable development.	Annual		

6 CONCLUSION

We contributed by suggesting a structured and generic plan to establish a sustainable dashboard that involves performance indicators, while taking into account the expectations of stakeholders. This method is adopted by a Moroccan company producing capers.

Its generalization over similar businesses will be of great importance for the sustainable development of small and medium-sized businesses in Morocco.

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