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THE IMPACT OF FINANCIAL PERFORMANCE ON SOCIAL PERFORMANCE: EXPLORATORY STUDY ON A SAMPLE OF MOROCCAN LISTED COMPANIES

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ABSTRACT

Objective: This paper examines the impact of financial performance (FP) on the social performance of companies (SPC) in the Moroccan context, a topic of increasing relevance due to the growing social and environmental commitment within organizations.

Theoretical Framework: The research is anchored in a diverse set of theoretical perspectives, including stakeholder theory, agency theory, and institutional theory. Foundational models such as those by Carroll, Wood, and Clarkson help structure the concept of social performance. The study also revisits ongoing debates surrounding the CSR–FP relationship, including the virtuous and vicious cycle hypotheses, trade-off models, and non-linear interpretations, all while considering the unique regulatory and cultural features of the Moroccan business landscape.

Methodology: the study focuses on a sample of 10 companies listed on the Casablanca Stock Exchange that adopt Corporate Social Responsibility (CSR) strategies influenced by labels such as those from the General Confederation of Moroccan Enterprises (CGEM). The central question is to analyze the relationship between FP and SPC using an exploratory qualitative approach based on semi-structured interviews. The data collected were analyzed using NVivo software to identify the underlying dynamics between these two dimensions and to understand how CSR integrates into the strategies of Moroccan companies. This study sheds light on the opportunities and challenges associated with integrating CSR into corporate practices and contributes to understanding the reciprocal effects between financial and social performance. The results are expected to provide valuable insights into the evolution of responsible practices in Morocco and their impact on corporate competitiveness.

Results and Discussion: The findings reveal a strong and positive correlation between FP and SPC. Companies with greater financial resilience are better positioned to invest in meaningful CSR actions, which, in turn, reinforce their public image, employee engagement, and stakeholder trust. However, a wide variation in CSR implementation strategies was observed—ranging from proactive, value-driven approaches to minimal compliance-based practices. The influence of organizational size, sectoral context, and leadership orientation also emerged as key variables in this relationship.

Research Implications: This research offers a foundation for future empirical studies on CSR in Morocco, underlining financial stability as a necessary—though not sufficient—condition for robust social performance. It invites further investigation through quantitative approaches and encourages integration with broader frameworks, such as public policy initiatives or international CSR standards.

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Originality/Value of the Research: As one of the rare qualitative studies addressing the FP–SPC dynamic in a Moroccan context, this research stands out by combining theoretical plurality with a grounded, managerial perspective. Its originality lies in its contextual relevance, its thematic structure, and its potential to inform future mixed-method investigations into CSR practices in emerging economies.

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O IMPACTO DO DESEMPENHO FINANCEIRO NO DESEMPENHO SOCIAL: ESTUDO EXPLORATÓRIO EM UMA AMOSTRA DE EMPRESAS LISTADAS NO MARROCOS

RESUMO

Objetivo: Este artigo examina o impacto do desempenho financeiro (FP) no desempenho social das empresas (SPC) no contexto marroquino, um tópico de relevância crescente devido ao crescente compromisso social e ambiental dentro das organizações.

Estrutura Teórica: A pesquisa é ancorada em um conjunto diversificado de perspectivas teóricas, incluindo teoria das partes interessadas, teoria de agência e teoria institucional. Modelos fundamentais como os de Carroll, Wood e Clarkson ajudam a estruturar o conceito de performance social. O estudo também revisa os debates em curso sobre a relação CSR-FP, incluindo as hipóteses de ciclo virtuoso e vicioso, modelos de trade-off e interpretações não-lineares, tudo ao mesmo tempo considerando as características regulatórias e culturais únicas do cenário de negócios marroquino.

Metodologia: o estudo se concentra em uma amostra de 10 empresas listadas na Bolsa de Casablanca que adotam estratégias de Responsabilidade Social Corporativa (RSE) influenciadas por rótulos como os da Confederação Geral de Empresas Marroquinas (CGEM). A questão central é analisar a relação entre FP e SPC usando uma abordagem qualitativa exploratória baseada em entrevistas semiestruturadas. Os dados coletados foram analisados usando o software NVivo para identificar as dinâmicas subjacentes entre essas duas dimensões e compreender como a RSE se integra às estratégias das empresas marroquinas. Este estudo destaca as oportunidades e os desafios associados à integração da RSE nas práticas empresariais e contribui para a compreensão dos efeitos recíprocos entre o desempenho financeiro e social. Espera-se que os resultados proporcionem informações valiosas sobre a evolução das práticas responsáveis em Marrocos e o seu impacto na competitividade das empresas.

Resultados e Discussão: Os resultados revelam uma forte e positiva correlação entre FP e SPC. As empresas com maior resiliência financeira estão mais bem posicionadas para investir em ações significativas de RSE, que, por sua vez, reforçam a sua imagem pública, o envolvimento dos funcionários e a confiança das partes interessadas. No entanto, observou-se uma grande variação nas estratégias de implementação de CSR — que vão desde abordagens proativas orientadas por valor até práticas mínimas baseadas em conformidade. A influência do tamanho organizacional, contexto setorial e orientação de liderança também emergiram como variáveis-chave neste relacionamento.

Implicações da Pesquisa: Esta pesquisa oferece uma base para futuros estudos empíricos sobre RSE em Marrocos, destacando a estabilidade financeira como uma condição necessária, embora não suficiente, para um desempenho social robusto. Convida a uma investigação mais aprofundada através de abordagens quantitativas e incentiva a integração com quadros mais amplos, tais como iniciativas de política pública ou normas internacionais em matéria de RSE.

Originalidade/Valor da Pesquisa: Como um dos raros estudos qualitativos abordando a dinâmica FP-SPC em um contexto marroquino, esta pesquisa se destaca por combinar pluralidade teórica com uma perspectiva fundamentada, gerencial. A sua originalidade reside na sua relevância contextual, na sua estrutura temática e no seu potencial para informar futuras investigações de métodos mistos sobre práticas de RSE em economias emergentes.

Palavras- chave: Desempenho Financeiro, Desempenho Social, Contexto Marroquino, Selo CSR, CGEM.

EL IMPACTO DEL DESEMPEÑO FINANCIERO EN EL DESEMPEÑO SOCIAL: ESTUDIO EXPLORATORIO SOBRE UNA MUESTRA DE EMPRESAS MARROQUÍES QUE COTIZAN EN BOLSA

RESUMEN

Objetivo: Este trabajo examina el impacto del desempeño financiero (PM) en el desempeño social de las empresas (SPC) en el contexto marroquí, un tema de creciente relevancia debido al creciente compromiso social y ambiental dentro de las organizaciones.

Marco Teórico :La investigación se basa en un conjunto diverso de perspectivas teóricas, incluidas la teoría de los interesados, la teoría de la agencia y la teoría institucional. Los modelos fundacionales como los de Carroll, Wood y Clarkson ayudan a estructurar el concepto de desempeño social. El estudio también revisa los debates en curso en torno a la relación RSE-FP, incluidas las hipótesis del círculo virtuoso y vicioso, los modelos de intercambio y las interpretaciones no lineales, todo mientras se consideran las características regulatorias y culturales únicas del panorama empresarial marroquí.

Metodología: el estudio se centra en una muestra de 10 empresas cotizadas en la Bolsa de Casablanca que adoptan estrategias de Responsabilidad Social Corporativa (RSE) influenciadas por etiquetas como las de la Confederación General de Empresas Marroquíes (CGEM). La pregunta central es analizar la relación entre FP y RCP mediante un enfoque cualitativo exploratorio basado en entrevistas semiestructuradas. Los datos recogidos se analizaron utilizando el software NVivo para identificar la dinámica subyacente entre estas dos dimensiones y comprender cómo la RSE se integra en las estrategias de las empresas marroquíes. Este estudio arroja luz sobre las oportunidades y desafíos asociados con la integración de la RSE en las prácticas corporativas y contribuye a comprender los efectos recíprocos entre el desempeño financiero y social. Se espera que los resultados aporten información valiosa sobre la evolución de las prácticas responsables en Marruecos y su impacto en la competitividad de las empresas.

Resultados y Discusión: Los hallazgos revelan una correlación fuerte y positiva entre el PM y el RCP. Las empresas con una mayor resiliencia financiera están mejor posicionadas para invertir en acciones significativas de RSE, que, a su vez, refuerzan su imagen pública, compromiso de los empleados y confianza de las partes interesadas. Sin embargo, se observó una amplia variación en las estrategias de aplicación de la responsabilidad social de las empresas, que abarcaba desde enfoques proactivos y basados en los valores hasta prácticas mínimas basadas en el cumplimiento. La influencia del tamaño organizacional, el contexto sectorial y la orientación al liderazgo también surgieron como variables clave en esta relación.

Implicaciones de la Investigación: Esta investigación ofrece una base para futuros estudios empíricos sobre la RSE en Marruecos, destacando la estabilidad financiera como una condición necesaria, aunque no suficiente, para un desempeño social robusto. Invita a que se realicen más investigaciones mediante enfoques cuantitativos y alienta la integración con marcos más amplios, como iniciativas de política pública o normas internacionales de responsabilidad social de las empresas.

Originalidad/Valor de la Investigación: Como uno de los pocos estudios cualitativos que abordan la dinámica FP-RCP en un contexto marroquí, esta investigación se destaca por combinar la pluralidad teórica con una perspectiva fundamentada y de gestión. Su originalidad radica en su relevancia contextual, su estructura temática y su potencial para informar futuras investigaciones de métodos mixtos sobre las prácticas de RSE en economías emergentes.

Palabras clave: Rendimiento Financiero, Rendimiento Social, Contexto Marroquí, RSC, CGEM.

INTRODUCTION

For several decades, Corporate Social Responsibility (CSR) and its relationship with financial performance (FP) have generated significant interest in academic circles. These studies have helped clarify the theoretical foundations, definitions, and areas of application of CSR. However, research on CSR within the Moroccan context remains limited. Most studies focus on general overviews of CSR in Morocco (e.g., M'Hamdi and Trid, 2009; El Hila and Amaazoul, 2012). In contrast, studies specifically addressing the relationship between CSR and FP are even rarer (El Malki, 2010, 2014; Khlif et al., 2015). The most recent study, covering the period 2004-2009 (Khlif et al., 2015), highlights the urgency of exploring more recent periods, as awareness of CSR has significantly increased.

To encourage the integration of CSR, Morocco has implemented several initiatives, including the CGEM CSR label introduced in 2007. However, these initiatives have been little studied. The relationship between financial performance (FP) and the social performance of companies (SPC) is often perceived as interdependent, forming a virtuous cycle: solid financial results enable investment in social initiatives, while social engagement enhances reputation and profitability.

Over the past few decades, many studies have explored this relationship. Among the major works, those by Frooman (1997), Griffin & Mahon (1997), Preston and O'Bannon (1997), and Waddock and Graves (1997) are particularly noteworthy. Periodic reviews (Frooman, 1997; Carroll, 1999, Ullmann, 1985) attempt to provide a comprehensive view of these studies and emerging trends.

However, this relationship remains complex, especially in the Moroccan context, which is marked by economic, institutional, and cultural specificities. This study thus aims to answer the following question: how does financial performance influence the social performance of listed companies in Morocco?

To address this issue, a sample of 10 companies listed on the Casablanca Stock Exchange was selected, considering their sectorial and regional diversity. The methodology is based on semi-structured interviews and thematic analysis of data using NVivo software. The goal is to provide new insights into the dynamics between financial and social performance in the Moroccan context while identifying opportunities and challenges related to the integration of CSR into corporate strategies.

LITERATURE REVIEW

The concept of performance is central to academic debates and discussions, although its definition varies depending on the perspective adopted. According to Marmuse, performance, as a universal concept, lacks tangible existence. Historically, it referred to the results of a racehorse before being associated with sporting achievements, the capabilities of a machine, and then the exceptional performance of an action (Douhou & Berland, 2007).

Two main approaches allow the understanding of performance. The first, financial, focuses on achieving profitability objectives set by shareholders, measured by indicators such as revenue and market share. The second, more holistic, includes social and environmental dimensions, reflecting a broader, multidimensional view of performance (Douhou & Berland, 2007). This complexity makes it difficult to precisely define the concept.

The measurement of performance is crucial for business management, although it is challenging due to the multiple requirements that must be met. Historically, management control initially focused on minimizing costs in the early 20th-century industrial context. However, this approach has shown its limits in the face of complex economic environments, where factors such as innovation, customer satisfaction, and social responsibility play a key role. Therefore, performance should be considered globally, integrating financial, social, and environmental dimensions to reflect sustainable value creation (Lebas, 1995).

Financial Performance (FP)

FP is a key indicator used to assess a company's health and its ability to generate profits while attracting investors. It is measured through financial statements such as the income statement, balance sheet, and ratios such as return on assets (ROA), return on equity (ROE), or return on investment (ROI). Market indicators such as the Price-to-Book Ratio and Price Earnings Ratio (PER) also help evaluate a company's ability to create long-term value for its shareholders (Lebas, 1995, cited by Tebini, 2013). Financial performance can only be properly assessed through prolonged observation, reflecting the ability to maintain positive results consistently.

Social Performance of Companies (SPC)

The notion of social performance of businesses (SPC) has seen considerable evolution over time. This is an aspect of the overarching dynamics of corporate social responsibility (CSR) that aims to assess the degree to which a firm fulfills societal expectations (Carroll, 1999). Numerous academics have endeavored to delineate and examine it through diverse models, including those proposed by Carroll (1979, 1991), (Wood, 1991, 2004), (Clarkson, 1995), and Quazi & O'Brien (2000).

Carroll's (1979) theoretical framework is among the most important. He presents a four-tiered framework for corporate social responsibility. The corporation possesses an economic obligation: it must generate profit to endure (Carroll, 1991). Subsequently, it must adhere to the prevailing laws and regulations (Crane and Matten, 2004). In addition to these tasks, it possesses an ethical responsibility grounded in principles of justice and fairness, irrespective of legal requirements (Bowen, 1953; Carroll, 1991). Ultimately, philanthropic responsibility includes voluntary efforts designed to enhance society welfare (Crane and Matten, 2004).

This model, while necessary, has faced criticism. Schwartz and Carroll (2003) observe that it fails to elucidate the management of the disputes arising from these disparate roles. Furthermore, the concept of an implicit hierarchy—where philanthropy appears less critical—is not universally acknowledged. Certain corporations, in fact, position social initiatives at the heart of their strategy (Snider et al., 2003).

Wood (1991) advocates for a more cohesive approach to address these problems. She asserts that social performance is contingent upon three components: the tenets of social responsibility, the organization's responsiveness to public expectations, and the measurable outcomes of the actions executed. She asserts that the firm cannot be simplified to a single economic entity; it is integrated into a complex ecosystem of stakeholders, possessing rights and responsibilities (Preston and Post, 1975). This method underscores the significance of environmental concerns and their impact on the actions of corporations and consumers (McDonough and Braungart, 2002).

Clarkson (1995) employs a pragmatic approach by incorporating stakeholder theory. He differentiates between main stakeholders—those critical to the company's survival (customers, employees, owners, suppliers, and governments)—and secondary stakeholders, who, while not directly affecting its viability, can influence its reputation and strategic choices. He defines a socially responsible firm as one that adeptly balances the interests of various stakeholders by proactively addressing societal concerns.

Additional models enhance this contemplation. Wartick and Cochran (1985) integrate the tenets of social responsibility, the organization's responsiveness to society's expectations, and its policies concerning the management of social concerns. Wood (1991) critiques this approach for its ambiguity on the specific acts to be executed and the outcomes to be assessed.

Basu and Palazzo (2008) suggest that we understand social performance through "sensemaking." They say that social responsibility is not just a list of actions, but rather a way for the organization and its stakeholders to understand and interact with each other. Their approach comprises three dimensions: cognitive (the company's thought structure), linguistic (the discourses and rationalizations it employs), and conative (the actions it does and their underlying reasons). This method emphasizes the significance of context and power dynamics in defining and executing social responsibility measures (Gilormini, 2008).

Matten and Crane (2005) give a different point of view by connecting social performance to the idea of corporate citizenship. They say that businesses have a duty to protect and advance basic rights, which include social rights like access to education and healthcare, civil rights like freedom of expression and property rights, and political rights like participation in democratic processes. Businesses can act as providers, subscribers, or facilitators of these rights, which increases their societal commitment (Carroll, 1998).

The methodologies for measurement differ. Certain researchers favor subjective methodologies, like the examination of annual reports and business communications (Wang et al., 2016). Some depend on reputation metrics, such as the Moskowitz index (1972) or the Fortune magazine rankings, which consider Wood (1991) defines it as a combination of principles, processes, and organizational programs related to societal relationships, highlighting its multidimensional nature.

Theoretical Explanations of the Link

The correlation between corporate social performance (CSP) and financial performance (FP) has generated significant scholarly discourse over numerous decades. This connection is complex and relies on various factors, including economic, strategic, and ethical concerns. Numerous theories have been formulated to elucidate this link, including stakeholder theory (Freeman, 1984), neoclassical theory (Friedman, 1962, 1970), neo-institutional theory, and agency theory (Jensen and Meckling, 1976).

Certain academics contend that corporate social responsibility (CSR) enhances financial performance by elevating the company's reputation, cultivating staff loyalty, and reinforcing consumer relationships (Freeman, 1984; Waddock and Graves, 1997). The "Social Impact Hypothesis" posits that a corporation fulfilling stakeholder expectations gains a competitive advantage, resulting in enhanced financial profitability (Allouche and Laroche, 2005; Wang et al., 2016).

In contrast, some, like Milton Friedman (1970), argue that social performance impedes profitability by incurring costs that diminish shareholder returns. Neoclassical theory says that a company's main goal should be to make as much money as possible, and that any social work is an extra burden that could be better put on projects that are only focused on making money. Vance (1975) concurs with this perspective, asserting that corporations implementing social programs position themselves unfavorably in the market.

Alternative methodologies, shown by Waddock and Graves (1997), propose that financial performance impacts social performance. The "available funds" concept posits that financially robust corporations possess adequate flexibility to invest in social initiatives without jeopardizing their revenue. Consequently, a successful corporation can dedicate resources to corporate social responsibility (CSR) without negatively impacting its financial performance (Preston and O'Bannon, 1997).

Agency theory (Jensen and Meckling, 1976) presents a more nuanced perspective, emphasizing a potential conflict of interest between managers and shareholders. Faced with investor pressure to enhance earnings, executives may be inclined to curtail expenditures on corporate social responsibility. This methodology elucidates why certain corporations prioritize immediate financial gains over social performance.

The stakeholder theory (Freeman, 1984) posits that corporations must fulfill the expectations of not only shareholders but also stakeholders, including employees, customers, local communities, and public authorities. Donaldson and Preston (1995) describe three ways to look at this theory: a descriptive approach looks at how companies interact with their stakeholders; an instrumental approach focuses on how managing stakeholders can help a company make money; and a normative approach says that companies have a moral duty to their stakeholders, no matter what the financial consequences are.

Clarkson (1995) delineates a distinction between primary stakeholders, vital for the company's survival (customers, employees, owners), and secondary stakeholders, who exert an indirect influence yet can impact the company's reputation. Mitchell et al. (1997) agree with this distinction and suggest a classification of stakeholders based on three factors: power, which measures their ability to sway the company; legitimacy, which measures the moral or legal weight of their claims; and urgency, which measures their need for quick decisions. In addition to these theoretical frameworks, researchers have established other empirical models to quantify the correlation between CSR and FP. Legitimacy theory (Suchman, 1995) stresses how important it is for a business to keep a good public image in order to avoid problems with regulators or angry customers. Deegan (2002) asserts that firms with robust financial performance can leverage these resources to augment their social engagement and bolster their credibility. If we view social activities as mere marketing instruments meant to sustain profits, we may view this strategy as opportunistic (Ashforth & Gibbs, 1990). Neo-institutional theory (Meyer and Rowan, 1977) looks at things from a more practical point of view. It says that companies are affected by the social and regulatory environment they are in.

This makes them do socially responsible things to keep their legitimacy and meet the needs of their stakeholders. This method shows three types of institutional isomorphism: normative isomorphism, which happens when professional standards and industry groups put pressure on companies; mimetic isomorphism, which happens when companies copy the socially responsible actions of their competitors; and coercive isomorphism, which happens when authorities force companies to follow certain rules.

Researchers have developed multiple hypotheses to elucidate the precise nature of the link between CSP and FP. The "virtuous circle" hypothesis (Preston and O'Bannon, 1997; Waddock and Graves, 1997) posits a positive synergy between the two dimensions: good social performance leads to better financial performance, which in turn allows for greater investment in social initiatives. Conversely, the "vicious circle" hypothesis suggests that poor social performance can harm the company's profitability, thereby reducing its ability to finance responsible actions.

Other hypotheses propose a more complex relationship. The Trade-off Hypothesis is based on the idea that a company allocating too many resources to social performance risks compromising its profitability due to the high costs associated with these initiatives (Friedman, 1970; Jensen, 2002). The Managerial Opportunism Hypothesis postulates that managers may use CSR as a strategic tool to divert investors' attention when financial performance is poor (Preston and O'Bannon, 1997).

Finally, some studies suggest that the relationship between CSR and FP could be non-linear. An inverted U-shaped relationship (Schaltegger and Synnestvedt, 2002) says that a moderate level of CSR is best for business performance, while too much CSR could lead to too many costs. Conversely, a U-shaped relationship (Barnett and Salomon, 2006) assumes that companies with the best social performance manage to offset these costs by gaining better support from stakeholders.

In conclusion, we cannot reduce the complex relationship between social performance and financial performance to a simple positive or negative correlation. While some theories argue that CSR improves companies' profitability by enhancing their reputation and fostering customer and employee loyalty, others believe it represents a cost that harms their competitiveness. The diversity of approaches and empirical results shows that this relationship depends on multiple factors, including the industry sector, the economic context, and the strategies adopted by the company. Future research will need to refine these analyses to better understand how companies can reconcile social responsibility and economic performance in a sustainable manner.

METHODOLOGY OF THE QUALITATIVE STUDY

In this study, we adopted a qualitative approach based on thematic content analysis to structure our reflection around the main themes defined in the interview guide, which were aligned with the pre-established conceptual framework. Data collection took place between June 1st and January 31th, 2023, combining semi-structured interviews conducted in person and via videoconference. We adhered to the principle of saturation, which, although debated, remains a standard in qualitative research. Thus, we ceased conducting interviews once the data became redundant and no longer provided new information.

The interviews resulted in a corpus of 20 pages, transcribed meticulously to faithfully capture the participants' verbatim responses. This careful work was essential for delving deeply into the content of the collected data and ensuring a detailed analysis. Thematic analysis was prioritized to interpret these data, as it allows for grouping participants' discourse around similar concepts or objectives. The themes to be studied were defined in advance to guide our exploration.

To enhance the analysis and visualize the textual data, we used InVivo software, which facilitates the creation of word clouds. This method enabled us to quickly identify the most frequent words and expressions in the participants' discourse, providing an initial overview of emerging trends. In addition to confirming the main themes, it also allowed us to uncover unexpected elements that could enrich the interpretation.

This study used an exploratory methodology to examine the correlation between financial performance (FP) and social performance (SPC) in publicly traded enterprises in Morocco. Due to the scarcity of research on this subject in the Moroccan setting, an exploratory study is appropriate for uncovering the essential dynamics and preliminary observations regarding the impact of financial success on corporate social responsibility (CSR) activities. This method facilitates hypothesis formation and enhances comprehension of the obstacles and possibilities encountered by enterprises in Morocco. Nonetheless, given the limited sample size of merely 10 organizations, this study does not aim to provide definitive conclusions but rather to establish a preliminary framework for subsequent research. Future research will adopt a confirmatory strategy, employing a bigger sample to validate the findings and evaluate their generalizability across a wider array of Moroccan enterprises. As the research moves from exploratory to confirmatory, the conclusions will be more reliable and we will have a better understanding of the link between CSR and FP.

The target population, also referred to as the reference population, consists of the individuals or elements to which the results of a study are intended to be generalized (Giannelloni & Vernette, 2015). The study was conducted with 10 publicly listed companies in Morocco, selected from different regions to ensure geographic and sectoral diversity. This choice aimed to guarantee a better representativeness of the data while considering local and economic specificities. The development of our interview guide for the publicly listed companies in Morocco was guided by four main themes:

1. **Evaluation of Financial Performance;**
2. **Evaluation of Social Performance;**
3. **Impact of Financial Performance on Social Performance;**
4. **Factors Influencing the Relationship;**

RESULTS

Figure 1. Analysis of Interviews and Results from the Word Cloud

Notes: the interviews were conducted in French, and the in vivo word cloud analysis was also carried out in French.
Sources: Invivo

The analysis of the interviews and the results derived from the word cloud reveals an undeniable link between financial performance (FP) and social performance (SP) in listed companies. These two dimensions, far from being independent, are deeply intertwined:

financial results directly influence a company's ability to invest in social initiatives, and conversely, strong social engagement can enhance financial performance.

Indeed, a company with robust financial health is better equipped to allocate resources to social responsibility actions. This is reflected in an increased commitment to stakeholders, whether employees, customers, or the broader community.

Financial performance remains a key indicator of a company's viability, often measured through well-established variables such as:

- **Revenue**: representing the income generated from sales.
- **Net profit**: allowing for the measurement of profitability after deducting all costs.
- **Return on investment (ROI)**: a crucial indicator to assess the effectiveness of invested capital.
- **Cash flow**: showing available liquidity to finance operations or new investments.
- **Liquidity ratio**: essential for verifying a company’s ability to meet short-term obligations.

These financial indicators not only allow for an evaluation of a company’s overall performance but also determine to what extent it can invest in social initiatives. On the other hand, social performance is increasingly scrutinized, particularly through indicators related to corporate social responsibility (CSR). Among these indicators, we find:

- **Employee satisfaction**: reflecting the quality of work-life and the company’s efforts to create a healthy work environment.
- **Diversity and inclusion**: measuring equity within the organization and the ability to value differences.
- **CSR initiatives**: illustrating the company’s commitment to society through social or environmental actions.
- **Community engagement**: through local or global projects aimed at supporting social causes.
- **Fair labor practices**: ensuring respect for employee rights and promoting their well-being.

These indicators demonstrate the company’s commitment to meeting the expectations of various stakeholders. The interconnection between financial and social performance forms a virtuous cycle. A financially strong company is capable of investing in responsible practices. These practices, in turn, enhance the company's image, attracting ethical investors and fostering customer loyalty. This mutual reinforcement contributes not only to profitability but also to long-term sustainability.

Companies that succeed in harmonizing their financial performance with social engagement thus create a positive dynamic. They not only improve their immediate profitability but also build a strong, lasting reputation, strengthening their position in the market while meeting stakeholder expectations.

DISCUSSION AND OBSERVATIONS

This study examines the relationship between financial and social performance in the Moroccan context. At the theoretical level, several works have attempted to explore the link between the two variables, but we observe an inconsistency in the theoretical postures of researchers. Some theorists argue that the social involvement of companies can generate various benefits and spin-offs, which could potentially improve the company's financial profitability. Some researchers put forward the opposite thesis, suggesting the existence of a negative correlation between social and financial performance, due to the costs associated with implementing these practices. Rejecting the two previous hypotheses, a third line of thought suggests a neutral relationship between the two types of performance. Proponents of a positive correlation between social performance and financial performance put forward three distinct hypotheses based on the causality between these two variables. The main hypothesis in our work is the one known as 'organisational slack'. This hypothesis postulates that financial performance has a positive impact on social performance. According to numerous authors (Cyert & March, 1963, cited by Wiseman & Bromiley, 1996; Ulmann, 1985), it is widely accepted that it is financial performance that has a positive influence on social performance, and not the other way round. In the analysis carried out during interviews with professionals, we realized that evaluating financial performance is much more than just a figure. A number of studies have attempted to evaluate financial performance. It turns out that evaluation relies on tools that differ according to the nature of the data they use. These tools fall into three main categories: accounting indicators, market indicators, and hybrid indicators, which combine elements of the previous two (Mouatassim, 2019).

Similarly, evaluating social performance is equally complex and varied. Each company has its own method of measuring its social impact, often through Corporate Social Responsibility (CSR) (Dahlsrud, 2008), which accounts for the absence of consensus around its measuring criteria (Davenport, 2000). This includes factors such as working conditions, inclusion, and community engagement. It is not just about ticking boxes or meeting quotas. These social indicators reflect the company's commitment to its employees, society, and the environment. Companies do not merely comply with laws; they seek to integrate ethical values into their strategy.

What is interesting is how closely financial and social performance are linked. A financially well-off company has the means to invest in ambitious social initiatives. And these initiatives, in turn, enhance the company's reputation, increase employee satisfaction, and improve relationships with stakeholders. It is a virtuous cycle: economic success supports social engagement, and this engagement contributes to financial stability.

However, all this does not happen automatically. Several factors influence the relationship between financial and social performance. Company size, for example, plays a crucial role. Larger companies, with more resources, can undertake more significant social actions. The industry sector also matters: certain industries are naturally more concerned with social or environmental issues. Finally, the management style and leadership vision make a difference. A company with leadership committed to CSR is more likely to integrate these practices coherently into its overall strategy.

Ultimately, what stands out is that financial performance provides the company with the means to engage in social actions that not only strengthen its reputation but also its long-term sustainability. It is this interconnection between finance and social responsibility that allows a company to thrive while having a positive impact on society.

Despite the challenges that managers face in using tools to evaluate both variables, these obstacles can be overcome with appropriate measures, even though managers experience an emotional attachment and a sense of duty. This attachment also allows them to anticipate certain limitations, particularly those related to company culture.

According to all participants in the study, financial performance is a source of motivation for managers aiming to improve social performance. Overall, it constitutes a commitment to strengthening this improvement. The influence of financial performance on social performance is viewed positively, as good financial health automatically allows the company to consider the social aspects of the business.

Table 1. Causes and Consequences: a Synthesis Analysis

Causes (Financial Performance)	**Effects (Social Performance)**	**Consequences**
Allows investment in social initiatives, such as improving working conditions or supporting community causes.	Strengthens the company's reputation, idealizes employees, and attracts socially responsible investors.	Enhances the company's image, fosters loyalty from stakeholders, and strengthens its market position.
Strong financial performance	Increases productivity, reduces recruitment and training costs, improves internal cohesion.	Increases employee satisfaction and reduces turnover.
High profitability (Revenue, Net Profit, ROI, etc.)	Facilitates the implementation of continuous training programs and employee benefits.	Develops internal skills, retains talent, and improves the company’s competitiveness.
Availability of cash flow	Promotes increased involvement in Corporate Social Responsibility (CSR) initiatives.	Enhances brand image, strengthens relationships with stakeholders, and increases customer loyalty.
Stable profit margins	Allows for increased investments in social and environmental projects.	Reduces ecological footprint, improves reputation as a sustainable organization, and provides potential tax benefits.
Good cost management	Strengthens ties with the community, improves employee well-being, and builds a positive reputation that attracts new clients and partners.	Supports community projects and partnerships with local organizations.
Solvency and liquidity	Strengthens the company’s social engagement, improves stakeholder satisfaction, and increases collaboration opportunities.	Increases funds available for social and philanthropic initiatives.
Revenue growth	Allows redistribution of profits in the form of bonuses or benefits to employees.	Improves employee morale, increases engagement, and reduces internal conflicts.
Increase in earnings per share (EPS)	Strengthens the company’s position as a leader in the industry in terms of responsible practices.	Increases resilience to economic crises and attracts new talent.
Low debt and strong financing capacity	Allows funding of large-scale projects in sustainability and inclusion.	Enhances the company's ability to withstand challenges, boosts market position, and attracts new talent.

Source: Authors

CONCLUSION

The exploratory qualitative study presented in this article has provided insights into the realities of Corporate Social Responsibility (CSR) implementation in the Moroccan context, offering a nuanced perspective on the perceptions and practices of various stakeholders. The findings reveal several key observations. First, it appears that the motivations of Moroccan companies to adopt CSR practices are largely influenced by external factors, such as pressures from international markets, stakeholder expectations, and institutional incentives. However, these motivations are often accompanied by structural challenges, including a lack of financial resources, limited organizational capacities, and a narrow understanding of sustainable development issues.

Second, the initiatives identified demonstrate a heterogeneity in the adoption of CSR practices. Some companies highlight flagship actions, such as responsible resource management or contributions to local development, while others limit their efforts to mere compliance with regulations. This variability underscores the importance of tailored strategic support to enhance the integration of CSR within the Moroccan economic fabric.

Finally, this study highlights both research and action opportunities. It specifically calls for further analysis of the impact of public policies and institutional frameworks on the diffusion of CSR, as well as an exploration of the relationship between CSR practices and overall business performance. The collected data also emphasize the need to raise awareness among economic actors regarding societal and environmental challenges, while strengthening their capacity to implement concrete and sustainable actions.

In conclusion, this qualitative study makes a significant contribution to understanding the dynamics of CSR in Morocco and lays the groundwork for future strategic and scientific initiatives.

Diverse CSR Adoption: There is significant variation in how companies implement CSR. Some prioritize key initiatives like responsible resource management and local development, while others focus solely on meeting regulatory requirements. This highlights the need for strategic support to better integrate CSR into the Moroccan economy.

Opportunities for Further Research: The study suggests further investigation into the role of public policies and institutional frameworks in promoting CSR, as well as the relationship between CSR practices and overall company performance. It also emphasizes the importance of raising awareness among economic actors about societal and environmental issues and improving their capacity for sustainable actions.

In summary, the study contributes significantly to understanding CSR dynamics in Morocco and sets the stage for future research and strategic initiatives.

LIMITATION

Like every scientific study, this research has specific limitations that must be acknowledged.

First, the restricted sample size, consisting of 10 companies listed on the Casablanca Stock Exchange, may limit the generalizability of the findings. While this approach facilitates in-depth qualitative research, it may not fully capture the diversity of Moroccan businesses or those operating in other geographic or institutional contexts.

Moreover, the qualitative methodology employed—based on semi-structured interviews—focuses on participants' perceptions. While these perceptions provide valuable insights, they are inherently subjective and potentially influenced by personal or professional biases. Additionally, the absence of quantitative data limits the ability to establish robust statistical correlations between financial and social performance. Combining qualitative and quantitative approaches could have strengthened the validity of the findings.

The geographic scope of the study, confined to Morocco, constitutes another limitation. The cultural, institutional, and economic characteristics specific to the Moroccan context inevitably shape the results. Expanding the research to include other countries or regions would help evaluate the robustness of these findings under diverse conditions.

The study's relatively short timeframe also restricts the analysis of long-term interactions between financial and social performance. A longitudinal study would allow for a more comprehensive understanding of these relationships over time.

Finally, the study's focus on the CGEM's CSR certification, while highly relevant to the Moroccan context, excludes other international frameworks such as the Sustainable Development Goals (SDGs) or ISO 26000 standards. Incorporating these frameworks could have enriched the analysis and provided a more holistic perspective.

These limitations, however, do not detract from the significance of this study. Instead, they highlight opportunities for future research, such as integrating mixed-method approaches, expanding the sample size, and conducting comparative analyses across different national contexts.

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