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RESEARCH ARTICLE

DECIPHERING THE HIDDEN LINKS BETWEEN CSR AND FINANCIAL PERFORMANCE: A CRITICAL APPROACH

Nezha Abdeladim and Taoufiq Yahyaoui

Laboratory for Studies and Research in Management Sciences (Lersg) Agdal Faculty of Legal, Economic and Social Sciences Mohammed V University, Rabat.

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Abstract

In recent years, Corporate Social Responsibility (CSR) has become a central topic in management literature, going beyond mere economic considerations to integrate social, societal and environmental objectives. From this perspective, CSR represents an application of sustainable development within companies, historically perceived as guided solely by the logic of profit. Among the many studies devoted to CSR, a major focus is on its impact on financial performance, although the debate remains open. Research findings to date remain heterogeneous, leaving room for ongoing discussion and justifying further study of this impact. The accumulation of knowledge has not yet led to the development of a unified theoretical framework, nor to a convergence of empirical findings. This article builds on existing theoretical work and explores, through critical analysis, the relationship between CSR, as measured by Corporate Social Performance (CSP), and Corporate Financial Performance (CFP).

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Introduction:-

The current global emergence of Corporate Social Responsibility (CSR) has been accompanied by an almost exclusive focus on its financial impact (Vogel, 2005). Discussions on this subject date back to the early days of CSR thinking, when early theorists and critics were already focusing on the economic conditions that justify its viability (Bowen, 1953; Levitt, 1958; cited by Gond, 2006). In the field of Business and Society, as well as in management more broadly, this phenomenon where societal and extra-financial dimensions seem inextricably linked to financial performance is increasingly observed (Gond, 2010). Despite the considerable volume of scientific articles studying this impact, the precise nature of the link remains obscure.

Various theories attempt to explain how CSR, often measured by Corporate Social Performance (CSP)¹, influences Corporate Financial Performance (CFP). These theories differ as to the nature of the link (positive or negative), its root cause (direction of causality), and its form. Empirically, previous results vary widely, preventing any general consensus, making it difficult to generalize these findings. Although meta-analyses have improved our statistical understanding of the link between PES and EFP and the factors influencing this link, they indicate only a slightly

¹ The concept of Corporate Social Performance (CSP) represents the concrete application of CSR. This concept is easier to operationalize than CSR, as it encompasses dimensions of societal management that are both measurable and observable, and can be directly linked to the evaluation of financial performance.

Corresponding Author:- Nezha Abdeladim

Address:- Laboratory for Studies and Research in Management Sciences (Lersg) Agdal Faculty of Legal, Economic and Social Sciences Mohammed V University, Rabat.

positive correlation, with a persistent degree of opacity. It is therefore crucial to question the validity and robustness of the conclusions of these meta-analyses², given the statistical and methodological challenges they face. Furthermore, relying solely on these meta-analyses neglects recent progress in the field of CSR, leaving a balance sheet that does not fully reflect advances in a rapidly expanding field.

Building on existing theoretical research, this article explores the relationship between corporate social responsibility and financial performance through a critical analysis. This leads us to ask the following question: what is the current relationship between corporate social responsibility and corporate financial performance? To better understand the link between these two concepts, it is first necessary to review the theoretical underpinnings that justify the different types of relationship proposed between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP). Then, through a review of empirical studies carried out on the subject, we will provide an overview of the results obtained both nationally and internationally. Finally, we will highlight the conceptual and methodological anomalies identified in these works. The repetition of these inconsistencies underlines the urgent need to renew thinking on this issue and to reconsider methods for operationalizing PES and PFE.

Theoretical Foundations of the Interaction between PES and PFE

The first questions concerning the impact of social responsibility on corporate financial performance date back to the early 1970s. Moskowitz's article (1972; cited by Gond, 2006) marked the starting point for this exploration. Although criticized for its extra-academic approach, Moskowitz's work sparked a debate that has spawned hundreds of empirical studies over the decades. Moskowitz, adopting a pragmatic perspective, noted the interest of various investors in societal dimensions and tried to explain how to build a portfolio of shares in companies perceived as socially responsible. To this end, he proposed a ranking based solely on his own judgement, without specifying the criteria or statistical method used (Gond, 2010). Thus, his approach was aimed more at building a judgment tool than at developing a general theory on the interaction between PES and PFE³.

Moskowitz's work has been the subject of significant criticism by later authors, such as Margolis et al. (2003), Roman et al. (1999), and Rowley and Berman (2000). Because of his methodological weaknesses, his article is often excluded from meta-analyses and the main literature (Allouche and Laroche, 2005b). Vance (1975; cited by Boussoura, 2012) was one of the first researchers to empirically test the effect of ESP on EFP. Using student evaluations of PES and simple regressions for data analysis, he put forward a negative effect of PES on EFP, pointing out that societal practices entail costs, thus supporting Friedman's argument.

Alexander and Buchholtz (1978; cited in Boussoura, 2012) carried out another major study, using a more sophisticated methodology than that of Vance and Moskowitz. Based on a financial model, they showed that the measures used to evaluate PES were not related to PFE measures. This study initiated a more structured research approach to this issue, refocusing the debate within an academic framework (Gond, 2006).

Several theories exist to explain and formalize the relationship between PES and PFE, varying according to the nature of the link (positive or negative), the direction of causality, and more recently, its form. The work of Preston and O'Bannon (1997) was among the first to propose a formalized theoretical framework for this relationship. By integrating their typology of formed hypotheses and the synthesis of interactions described by Allouche and Laroche (2005b), seven main hypotheses were identified and have been the subject of numerous attempts at empirical validation. They are presented in the following table

Table 1:- Summary of hypotheses underlying PSE/PFE interactions.

Sense of causality	Sign of causality	
	Positive link	Negative link
PSE \square PFE	Social impact hypothesis Theoretical basis: Stakeholder theory (Freeman, 1984)	Arbitration hypothesis Theoretical basis: Neoclassical economic theory (Friedman, 1970)
	Resource surplus assumption	Opportunism hypothesis

² Meta-analysis is a statistical analysis that compiles and integrates a large set of results from independent studies, with the aim of synthesizing their conclusions.

³ PES and PFE are part of CSR control (Germain and Trébucq, 2004; cited by Kissami, 2021).

PFE □ PSE	Theoretical basis: "Organizational slack" theory (Waddock and Graves, 1997)	Theoretical basis: Agency theory (Jensen and Meckling, 1976; Williamson, 1985)
PSE ⇔ PFE	Synergetic interaction (virtuous circle) Positive or negative Proposed by Waddock and Graves (1997)	
PSE ∅ PFE	No link Hypothesis of no relationship between the two variables Considered by Alexander and Buchholtz (1978)	
PSE (?) PFE	Complex link Hypothesis of a more complex relationship than a linear one Proposed by Moore (2001)	

Source: Adapted from Gond (2006, p. 349)

The first theoretical frameworks designed to explain the relationship between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP) were mainly based on linear models. These models, which postulate a monotonic relationship between these two concepts, do not allow us to draw any generalized conclusions about the nature of this interaction. We will now attempt to analyze each of these hypotheses, revealing their theoretical underpinnings.

Theoretical justifications for the effect of EPS on EFP

The Social Impact Hypothesis

According to stakeholder theory, a company's ability to satisfy stakeholder objectives is conducive to improved economic and financial performance (Freeman, 1984). A good PES will have a positive impact on PFE. This social impact hypothesis therefore implies a "*lead and lags*" relationship between the PES and the PFE, insofar as it is the PES that develops first (in terms of image and reputation) and then exerts an impact on the PFE.

According to Waddock and Graves (1997), the costs of taking responsible action are relatively low compared with the benefits, which can be much higher. Companies with a high level of PES will be known for their management quality, which enables them to control implicit costs and negative externalities. As a result, investors will establish a link between high EPS and management quality, and reward socially responsible companies. In this way, stakeholders will give them a competitive edge, which in turn will boost their financial performance.

For their part, Renneboog et al (2008) attest that a company's societal commitments help reduce the risk and cost of disputes with stakeholders, insofar as the company's CSR reputation can represent a favorable signal capable of influencing shareholder value over the long term.

There is a line of research confirming the positive link between the two components (McGuire et al., 1988; Moore, 2001; Preston and O'bannon, 1997; Waddock and Graves, 1997). Allouche and Laroche (2005b) count 82 studies, of which 75 found a positive link; Margolis et al. (2003) counted 127, of which 54 confirmed the positive link.

Theoretical justifications for the impact of EFP on EPS

Slack Resources Hypothesis

This hypothesis states that it is not Corporate Social Performance (CSP) that leads to improved Corporate Financial Performance (CFP), but rather the opposite: a high level of CFP enables companies to engage in socially responsible actions. Past financial performance generates surplus resources that can be invested in future socially responsible actions. Thus, a company with additional resources can mobilize them to excel in societal initiatives (Waddock and Graves, 1997). Furthermore, a company wishing to assume its role as a "corporate citizen" must have the necessary funds to play this role (Preston and O'Bannon, 1997). The availability of surplus resources is therefore a prerequisite for corporate citizenship.

This theory is supported by McGuire et al. (1988), who argue that current financial performance guarantees future societal performance. Ruf et al. (2001; Cited by Boussoura, 2012) have also demonstrated a positive correlation between financial performance and current or future EPS evolution. According to Kraft and Hage (1990; Cited by Allouche and Laroche, 2005b), available resources, such as past profits, as well as managerial attitudes towards

society, significantly influence the level of corporate social responsibility. Thus, differentiated profitability enables socially responsible behavior that redistributes surplus resources more effectively. Seifert et al (2004; Cited by Boussoura, 2012) also assert that these surplus resources encourage donations to charitable causes. However, Balabanis et al (1998) report that, although linked to past, current and future financial performance, the correlation with EPS remains weak, with inconclusive results.

Managerial Opportunism Hypothesis

This behavioral model is based on the work of Williamson (1975; cited by Allouche and Laroche, 2005b), who describes managers' behavior as "self-interest with guile". Based on agency theory, this hypothesis suggests that managers pursue personal objectives that may diverge from the interests of shareholders and other stakeholders. Information asymmetry between managers and shareholders can lead to conflict and tension. Managers, acting opportunistically, prioritize their objectives, relegating societal issues to the background. This opportunism is at the root of a negative relationship between PSE and PFE.

Preston and O'Bannon (1997) point out that when financial performance is good, managers tend to cut back on societal spending to boost their personal profits. Conversely, when financial performance declines, they may increase such spending to divert attention, thus temporarily improving societal performance.

The Trade-Off Hypothesis

Referring to Friedman's neoclassical economic theory (1962, 1970; cited by Allouche and Laroche, 2005b), this thesis postulates that any increase in ESR implies additional financial costs, and consequently a competitive disadvantage. From this point of view, any socially responsible initiative distances managers from their goal of profit maximization (Aupperle et al., 1985). Friedman (1970) attests that "*managers who agree to finance societal projects are spending other people's money for the general good of society*" (quoted by Jemel, 2010, p: 248). Indeed, based on the principle that societal responsibility can only be individual, the author sees the manager who commits company resources to societal ends as using shareholders' money to exercise his or her own societal responsibility.

This finding was also confirmed by Aupperle et al (1985; cited by Boussoura, 2012). The authors argue that the company that engages in societal activities (charitable actions, environmental protection, community development) is at a disadvantage compared to its competitors, due to the dissipation of its resources and the additional costs these actions generate. At the same time, Balabanis et al (1998) put forward an argument calling into question a company's interest in being socially responsible. The authors suggest that investment in CSR reduces the amounts that can be allocated to other, more economically profitable activities.

Jensen (2001; quoted in Jemel, 2010), for his part, argues that companies pursuing a corporate social responsibility strategy are considered less competitive when competing with companies focused solely on maximizing profitability. In addition, the author points out the many disadvantages of extending managers' responsibilities to several stakeholders, and the need to avoid spreading oneself too thinly over several objectives. This idea is also shared by Triole (2001; cited by Jemel, 2010), who deems the multiplication of managers' missions to be counter-productive, as it leads to confusion and generates significant costs. Moreover, the author attests that CSR inevitably leads to governance problems, insofar as it can lead to the divergence of different interests and the development of opportunistic behavior on the part of managers.

It should be noted that the number of studies confirming a negative relationship is very small. Of the 127 studies on the subject, only 8 reported a negative correlation between the two dimensions, including Margolis et al. (2003).

Justifications for the Synergistic Interaction Model between PES and PFE

According to research by Waddock and Graves (1997), the interaction between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP) is based on a combination of the "organizational slack" and social impact hypotheses, paving the way for a synergetic interaction. Thus, superior financial performance enables greater investment in societal actions, and strong societal commitment ensures better future financial performance. This model envisages the existence of a virtuous circle, where societal performance and financial performance positively reinforce each other. In this case, a high level of EPS improves PFE, facilitating reinvestment in social responsibility. Conversely, a negative synergy could occur: a low PES leads to a drop in PFE, limiting societal investment (Allouche and Laroche, 2005b).

Justifications for the Model Suggesting the Absence of a Link between PES and PFE

Proponents of the lack of correlation between PES and PFE argue that these two concepts are distinct. McWilliams and Siegel (2001) attribute the lack of consensus in the empirical results to a supply and demand model of social responsibility. According to them, a supply and demand for social responsibility in a conventional microeconomic environment drives companies to engage in societal actions to meet stakeholder expectations. Societal responsibility, generating both costs and profits, influences market equilibrium, suggesting that interactions between PES and PFE are neutral.

Some question the very existence of a link. Ullmann (1985; cited by Boussoura, 2012) argues that any link is due to chance, resulting from unpredictable intermediate variables that connect the two concepts. Furthermore, Waddock and Graves (1997) argue that analysis is often clouded by methodological problems when evaluating CSR.

Many recent empirical studies show no link between these dimensions (Aupperle et al., 1985; Graves and Waddock, 1999). Some conclude that the link is negligible, or even non-existent (Balabanis et al., 1998), while others, like Griffin and Mahon (1997), note that the indicators used are inadequate for measuring corporate performance.

Justifications for a Complex Relationship between PSE and PFE

One school of thought maintains that the relationship between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP) is intrinsically complex. The idea of complexity justifies the hypothesis of a non-linear interaction between these two concepts (McWilliams and Siegel, 2001; Moore, 2001). Such an approach, perceived as less constraining and more realistic, is supported by economic theory, which proposes that companies can reap the economic benefits of better societal performance by proactively improving their relations with employees, the community and products, over and above regulatory obligations. However, neoclassical theory suggests that the marginal costs of improving societal performance eventually outweigh the marginal benefits, resulting in a potentially negative, linear relationship (Moore, 2001). It is therefore unlikely that increasing CSR activities will continue to improve financial performance indefinitely. The marginal benefits of societal performance diminish, and eventually, efforts to improve it generate net costs, reducing financial performance. This suggests that there is a financially optimal level of societal performance, where societal commitment is beneficial up to a certain point, beyond which it compromises financial performance (Gond, 2006).

Marom (2006; cited in Tebini, 2013) was among the first to formulate a non-linear model of the relationship between an overall concept of PES and PFE, suggesting an inverted-U-shaped relationship between CSR outcomes and financial performance. This conceptual vision would reconcile some of the contradictory results observed in previous empirical studies. McWilliams and Siegel (2001) echo this model, drawing a parallel between economic exchange (products and consumers) and CSR (societal actions and stakeholders). The exchange contract in the CSR context is implicit, extending over a long period due to complex reward mechanisms. Similarly, Lankoski (2008; cited in Tebini, 2013) adopts this perspective, arguing that the relationship between PES and PFE is concave in nature, due to the increase in marginal costs and decrease in marginal benefits under CSR.

Johnson (2003; cited in Tebini, 2013) proposes a more general theoretical framework in which the relationship between EPS and EFP is seen as a "continuum" through five levels of CSR transition⁴, ranging from irresponsibility to a societal vocation. In his view, organizational behaviors in response to societal pressures determine the impact of EPS on PFE. A company's position on this continuum will influence the profitability of its EPS. This theoretical framework concludes that companies acting illegally or in a minimally legal manner are penalized financially. Those that strategically target specific societal issues, such as employee relations or customer satisfaction, can improve their PFE, while fragmented or merely sufficient corporate social responsibility does not necessarily offer financial benefits. Finally, socially-minded companies that consider CSR as crucial as profit may experience a negative financial impact.

Within this complex theoretical framework, a large body of empirical research has sought to map this systematic relationship. The following section summarizes the essence of this work.

Empirical Investigations of the Link between PES and PFE: Controversial Results

The study of interactions between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP) is probably one of the most empirically explored academic questions in the field of management and, more

⁴ (1) Irresponsibility/illegality, (2) Conformity, (3) Fragmentation, (4) Targeting and (5) Social purpose.

specifically, in Business and Society for almost thirty years. However, the results obtained are often considered disappointing and ambiguous (Gond, 2010). These studies reveal a wide variety of results, supporting in turn the existence of a positive, negative or even the absence of a distinct link between PES and PFE. Some findings also suggest a more complex relationship.

Synthesis of Main Empirical Results on an International Scale

A large number of studies have synthesized empirical knowledge on the relationship between PES and EFP, establishing a survey of the results obtained (Allouche and Laroche, 2005b; Griffin and Mahon, 1997; Margolis et al., 2003). These studies provide an overview of the nature of the relationship - whether positive, negative, insignificant, or sometimes mixed and nuanced. The most comprehensive study to date is that of Margolis et al. (2003), which distinguishes the nature of the relationship according to whether PES is considered as a dependent or independent variable in the analysis.

It should be noted, however, that the methodologies used to synthesize these results often lack homogeneity. Some propose results according to the PSE measure (Ullmann, 1985; cited by Boussoura, 2012), others according to whether PSE is a dependent or independent variable (Margolis et al., 2003). Most research simply specifies the sign of the link without clearly indicating which construct impacts the other (Griffin and Mahon, 1997; Orlitzky et al., 2003).

The reviews by Griffin and Mahon (1997) and Margolis et al. (2003) provide an overview of the theoretical corpus dealing with the interaction between PES and EFP. However, they have methodological limitations, notably in applying the same weights to all studies, an inappropriate approach given the heterogeneity of the samples and measures used. Despite these limitations, they include several biases that restrict their scope.

To overcome these shortcomings, some studies have used meta-analysis techniques (Allouche and Laroche, 2005a; Margolis et al., 2007; Orlitzky et al., 2003; Wu, 2006; cited by Boussoura, 2012). These analyses enable us to gain a better understanding of the magnitude of statistical effects, and to correct any biases linked to the methods used to measure PSE and PFE, as well as to sample size. We will briefly present the contributions of these four studies.

Orlitzky et al (2003)

In the work of Orlitzky and colleagues (2003), we find the first quantitative synthesis exploring the relationship between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP). Analyzing the results of 52 empirical studies, they conclude that, after correcting for statistical artifacts, the relationship between CSP and CFP is positive. However, analysis of the residual variance reveals heterogeneity among the included studies, suggesting that moderating variables could influence the intensity of the relationship.

To identify the sources of this heterogeneity, the authors used a stratified meta-analysis. The results show that the average correlation between PES and PFE varies according to the types of indicators used. They found a stronger correlation between societal performance measures and accounting indicators, while reputation indices showed an even stronger correlation with financial performance than other societal performance measures (Allouche and Laroche, 2005b).

Allouche and Laroche (2005a)

The meta-analysis by Allouche and Laroche (2005a) takes into account a wider range of studies (82) and includes research conducted outside the USA. These results indicate a positive but weak relationship between PES and IEPs, after correcting for publication, sampling and measurement biases. In addition, the authors highlight the importance of contingency factors affecting this relationship. They note that methodologies influence the results; for example, reputation indices used to measure PES are strongly correlated with accounting measures of PFE. Research using ordinary least squares (OLS) regression often leads to positive results. Thus, studies where PFE is a dependent variable find a positive relationship, as do those where it is independent, suggesting a potential virtuous circle (Gond, 2006).

Wu (2006; cited by Boussoura, 2012)

The meta-analysis conducted by Wu (2006) further expands the sample to 121 empirical studies. The results show a continuous positive causality between PES and PFE. Wu points out that financial performance measures such as market value or accounting ratios show a weaker relationship between PES and PFE. In addition, the relationship is

stronger with reputational indices such as Fortune or KLD, compared with internal measures of societal performance. The influence of the Fortune reputation index is significantly higher than that of KLD.

Margolis et al (2007)

Margolis et al. (2007) conducted a meta-analysis of 167 studies, confirming a positive effect of PES on PFE. They report that there is no financial penalty for good PES, and note that PFE works equally well as an explanatory variable. The relationship is stronger in contexts of charitable contributions, disclosure of wrongdoing, or environmental performance. Conversely, the link is weaker for the specific dimensions of corporate policies and transparency, particularly when the PES is assessed by specialized firms.

These meta-analyses support the hypothesis of a positive relationship between PES and PFE. However, Allouche and Laroche (2005b) describe this relationship as "fragile and contrasted", underlining its complexity. Recent analyses emphasize the importance of contingencies influencing this relationship, raising questions about the methodological rigor and significance of such analyses in an evolving context. The aggregation of heterogeneous studies calls into question the interpretation of conclusions, while historical definitions of PES sometimes ignore the evolution of CSR over time. After the 1987 Brundtland Report, improved transparency in organizations and increased attention to CSR were observed, criticized by Beurden and Gossling (2008; cited in Tebini, 2013). For her part, Pelozo (2009) highlights the fa

Summary of empirical studies conducted in Morocco

Despite the increase in academic publications, little empirical research in Morocco has examined the relationship between CSR and EFP. El Malki's (2010) study is notable, using a sample of 255 Moroccan companies to examine CSR engagement across employee relations, community, territory, and environmental protection. The results indicate a relationship between the dimensions of PES and PFE, particularly in the textile and chemical/parachemical sectors, although the results are often mixed and the "employees" dimension seems particularly essential.

Amaazoul (2017), based on a sample of 107 companies, evaluates CSR along six dimensions, revealing that Moroccan managers overwhelmingly perceive a positive relationship between PES and PFE. Correlational analyses support this idea, albeit with limited explanation. The relationship becomes stronger when control variables are added, but remains relatively weak.

In our own research on Moroccan CSR-labeled companies, we found that the overall level of PES positively influences financial performance. The dimensions "Employees", "Customers", "Natural Environment", and "Corporate Governance" showed a positive influence, while "Suppliers" and "Community" did not (Mohcine, 2019).

El Yaagoubi (2019), analyzing a sample of 28 listed Moroccan companies from 2012 to 2017, finds a complex impact of CSR: positive on ROA, neutral on ROE and negative on ROA, leading to the suggestion of judicious stakeholder selection.

Mouatassim Lahmini and Ibenrissoul (2016) studied 65 companies listed on the Casablanca Stock Exchange over five years, concluding that compliance with CSR principles positively influences performance, but differently depending on the indicators.

In summary, Moroccan research reveals a mixed picture in terms of the stable and systematic relationship between PES and PFE. Discrepancies in findings are fuelled by heterogeneous methodological and conceptual approaches, underlining the need to standardize assessments of societal and financial performance.

Recurring methodological pitfalls

An analysis of the works and their results reveals numerous confusions and inconsistencies. The latter are mainly attributed to disparities in theory and methodology. In addition, the wide diversity of variables used from one study to the next limits the relevance of comparisons between research studies. Studies differ in the measures of key concepts, such as Corporate Social Performance (CSP) and Corporate Financial Performance (CFP), the choice of study periods, the control variables, and the linear methodologies employed. For some researchers, these discrepancies can be explained by the fact that the research does not take into account the dynamic nature of PFS. We detail these main recurring limitations below.

Lack of uniformity in EPS measurements

As the stakes surrounding CSR have risen, numerous PSE measures have emerged, including: pollution indexes, reputation indexes, charitable donations, environmental scores and the assessments of specialized rating organizations (Tebini, 2013). This diversity complicates the comparability and generalization of results. Some measures used in early research may no longer be adequate to assess current practices, while others are no longer theoretically justified (Preston and O'Bannon, 1997) or capture only part of the EPS (Carroll, 2000; cited by Boussoura, 2012). This lack of uniformity is often cited as the main source of divergence in the results of previous studies. Griffin and Mahon (1997) examined the relationship between PES and PFE using four different measures, namely the KLD social rating, a "Toxics Release Inventory (TRI)" environmental index, Fortune ranking, and philanthropy. Of these, only the perceptual measures, KLD and Fortune, show a correlation with PFE. This discrepancy was also observed in studies using the same PES measure, but with different sample periods and samples.

Faced with this divergence, it becomes crucial to assess the contingent nature of PES measures. Indeed, the proliferation of rating agencies and the availability of social and environmental information have led to the development of PES measures that evolve in line with CSR issues. For example, the KLD rating agency has adjusted its indicators to include new social and environmental issues, or to eliminate obsolete ones. Thus, it would be relevant to analyze the combined effect of the choice of EPS measure and the study period on the relationship. Assessing the sensitivity of the relationship to EPS measurement over a long period would not only illustrate the relevance of these factors in explaining the disparity in results, but also highlight their joint effects.

Lack of homogeneity in EFP measurements

The lack of consensus in the studies may also be due to variations in the choice of Corporate Financial Performance (CFP) measures. Indeed, two main types of financial performance indicators have been used in existing research. The first category, the most frequently employed, uses accounting data and focuses on historical aspects of performance (McGuire et al., 1988; Preston and O'Bannon, 1997; Waddock and Graves, 1997). The second category, on the other hand, relies on stock market data, reflecting investors' perceptions of the company's future financial health (Garcia-Castro et al., 2010; cited by Tebini, 2013).

Within these two categories, a multitude of indices have been used, creating diverse perspectives in the measurement of EFP. Griffin and Mahon (1997) list 80 EFP indicators, 57 of which have been used only once. This diversity compromises the validity and reliability of these measures, and limits the possibility of comparing results effectively. Better correlations were observed with accounting data than with stock market indicators, as corroborated by the meta-analysis of Orlitzky et al. (2003). Studies also show that the relationship between PES and PFE varies according to the indicator used. For example, McGuire et al. (1988) show that return on assets (ROA) and total assets are positively correlated with PES, while profit growth shows a negative correlation. Waddock and Graves (1997) find a positive impact of EPS on PFE using ROA, but this impact becomes insignificant when PFE is measured by return on equity (ROE). In the study by Callan and Thomas (2009; cited in Tebini, 2013), a significant positive relationship is observed with ROA, return on sales (ROS) and Tobin's Q, but not with ROE. Garcia-Castro (2010; cited by Tebini, 2013) notes a neutral relationship between EPS and ROA, ROE and Tobin's Q, but a negative relationship with stock market value added.

These recent studies illustrate the sensitivity of the results to the choice of EFP measures, making it difficult to synthesize and interpret previous results and to understand the nature of the relationship. Examining the impact of the choice of EFP measure on the relationship could help verify whether the conclusions are reliable and robust, or whether they depend on the chosen measure. Although some of these studies highlight this effect, the combined impact with other methodological factors remains to be fully explored.

Anomalies linked to the selected samples

Another source of divergence in the results of the studies is the lack of representativeness of the samples. Margolis et al (2007) highlight the tendency to focus on "extreme" companies: those that are either the most admired, or perceived as the most polluting (e.g., in the chemical, steel or textile sectors), or large companies (such as those in the Fortune 500). These companies, under greater pressure, exhibit specific behaviors that cannot be generalized to other companies. To better understand the interaction between PES and PFE, it would be crucial to include company-specific characteristics in the studies. The KLD database also illustrates this problem of representativeness, as in the 90s it only covered companies in the S&P 500 index and those in the DSI 400 index,

thus limiting the diversity of the data. This lack of representativeness can bias estimates and call into question the external validity of conclusions.

Another area of criticism is sample size. A great deal of previous research, particularly older research, is based on small samples, which affects the robustness of the results obtained.

In addition, the sector of activity is another critical factor in sample composition. Although some studies argue that sector is a variable that conditions the relationship between PES and PFE, the majority of research uses cross-industry data, implicitly assuming that the relationships between PES and PFE are homogeneous across industries. However, these studies may conceal industry-specific effects, due to internal and external pressures such as public visibility, stakeholder configuration, level of activism and regulation, which define the supposedly uniform social interests within a single industry. Given the contingent nature of the CSR concept, multi-sector studies may prove inadequate. Although many studies suggest focusing research on specific sectors, few efforts have been made in this direction.

Inadequacy of Statistical Methods

Existing studies mainly use two statistical approaches. The first compares the average EFP of groups of companies with different levels of PES (Bowman and Haire, 1975; cited by Boussoura, 2012). The second examines the degree of association between PES and PFE through correlation analyses (McGuire et al., 1988) or multiple regression models. However, these methods do not always take into account certain factors potentially influencing the relationship. Although multivariate analyses, with their numerous control variables, are more suitable, they complicate comparisons of results. Whether for cross-sectional (Waddock and Graves, 1997) or longitudinal (Ruf et al., 2001; cited by Tebini, 2013) analyses, or for panel data (Garcia-Castro et al., 2010; cited by Tebini, 2013), the implicit assumption is often that of a linear relationship between PES and PFE. Thus, divergent results from these techniques have been explained by the limitations of linear methods (Bouquet and Deutsch, 2008). These works question the assumption of a monotonic relationship and point out that linear methodologies may not be suitable for the complex nature of the relationship (Moore, 2001). The few studies examining a non-linear relationship also produce controversial results.

Neglect of Control Variables

Another major problem is the underestimation of contingency factors, which can significantly influence the link between PES and PFE. Many studies have incorporated a series of control variables. For example, Cochran and Wood (1984; cited in Gond, 2006) have demonstrated the importance of factors such as size, risk and age in better analyzing this link. Griffin and Mahon (1997) recommend controlling for sector of activity, as each industry operates in a context of specific social and environmental interests. McWilliams and Siegel (2001) invalidated the findings of Waddock and Graves (1997) by stressing the importance of controlling R&D and advertising expenditure. In a later study, Waddock and Graves (1997) showed the significant impact of management quality on the relationship. Despite the consideration of control variables, these studies do not explore their impact on the intensity of the relationship, assuming a homogeneous relationship regardless of company size, risk or investment level.

However, several studies highlight the non-uniform nature of the relationship, confirming its contingent nature. Schaltegger and Synnøestvedt (2002; cited by Boussoura, 2012) assert that, although certain external factors such as regulation can strengthen the link between PES and PFE, the characteristics of the firm, the sector, and the stakeholders are crucial to understanding this interaction. Barnett (2007; cited in Tebini, 2013) argues that the conversion of CSR actions into financial benefit depends on firm resources and time. Elsayed and Paton (2009; cited by Tebini, 2013) emphasize that investment decisions in social activities depend not only on cost-benefit but also on the dynamic characteristics of the company.

The impact of company size is often examined, with some authors suggesting that larger companies may be more competitive thanks to their access to resources, market power, and economies of scale (Baum, 1996; cited by Boussoura, 2012). However, the effects of size on the PSE/PFE relationship vary. Other researchers focus on factors such as the degree of innovation, risk, or sector of activity. Time is another important variable, showing that CSR has evolved, modifying the costs associated with social practices and investor perception. This evolution affects the PSE/PFE relationship, as well as stakeholders' priority issues, which have varied from human rights concerns in the 1970s to recent debates on governance and business ethics. Consequently, it is unrealistic to expect the PSE/PFE relationship to remain constant over time.

Conclusion:-

For three decades, the financial impact of Corporate Social Responsibility (CSR) has been a central issue in management fields, and more specifically within Business & Society (Griffin and Mahon, 1997; Orlitzky et al., 2003; Preston and O'Bannon, 1997). Research into the link between Corporate Social Performance (CSP) and Corporate Financial Performance (CFP) seeks to validate CSR in the face of its critics, who often see it as a cost impeding profitability or the creation of competitive advantages, according to a narrow economic and financial vision (Gond, 2010). Despite the boom in empirical studies exploring this relationship, a clear consensus on the nature and mechanism of the interaction is still lacking. This lack of clarity is attributed to insufficient theoretical and conceptual foundations, a lack of homogeneity in the evaluation of societal and financial performance, methodological shortcomings (Allouche and Laroche, 2005a), and little consideration of the dynamic nature of CSR. While a majority of studies suggest a positive relationship between PES and PFE, Margolis and Walsh (2003) warn against jumping to hasty conclusions. The lack of consensus highlights the heterogeneous nature of the body of knowledge, reinforced by an accumulation of work that fuels persistent conflict and confusion about the profitability of responsibility.

Our research is rooted in the prolific and topical field of CSR, helping to understand the phenomenon and its financial impact. It aims to enrich previous theoretical work. A second major contribution lies in the literature review, which highlights the origins and theoretical bases of interactions between PES and PFE, underlining the diversity of the results obtained. This work offers a new synthesis of theoretical hypotheses concerning these complex relationships. Nevertheless, our theoretical framework alone is not sufficient to fully grasp the relationship between CSR and financial performance. An empirical study, particularly in the Moroccan context, would be necessary to deepen this understanding. Such an empirical investigation would provide companies engaged in CSR initiatives with valuable information to make secure strategic decisions in the short term, while considering the long-term stakes.

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