

# Roles of socially responsible practices during the COVID-19 pandemic: the case of Moroccan companies labeled with the CSR label

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**Abstract:** The world has been shaken by the pandemic COVID-19 and Morocco is struggling through this difficult ordeal of unpredictable spread across the territory. This situation proves to be a test that will reveal, in a context of health crisis, the role of Corporate Social Responsibility (CSR). Our article aims to address the role of CSR and its impact when leaders from all sectors are supposed to protect their employees' health and to mobilize to protect the health of the citizen while supporting the country's economy. Our conducted qualitative study among Moroccan companies labeled by the CSR label of the CGEM shows that several CSR actions have been carried out, aiming to improve the well-being of all stakeholders of the companies interviewed. This analysis has allowed us to understand the interest that CSR could bring in social and health economic development, if it were managed and assumed at best by each company in times of crisis.

**Keywords:** CSR; COVID-19; Moroccan companies; CSR label; CGE.

## 1. Introduction

The Coronavirus Disease (COVID-19) pandemic has led to serious economic and business disruptions, whether or not they are able to continue to operate. These disruptions have had a wide variety of impacts on businesses, many of which are in serious financial difficulty. The COVID-19 crisis has also exposed major vulnerabilities in business operations and supply chains related to working conditions and preparedness for potential disasters.

In Morocco, the government has taken exceptional measures to try to contain the pandemic, such as imposing general containment and large-scale cessation of economic activity, and proposing assistance and redress mechanisms to support businesses and workers in difficulty. Many companies have also mobilized their efforts to participate in containing the pandemic and mitigating the economic blow to their workers and supply chains.

The academic literature on crises, disasters and turbulence focuses on the prevention/preparation, management and, finally, post-crisis learning stages. Indeed, this crisis is pushing towards a greater humanization of management, including new forms of work and business life organisation and more nature, gender and society equity-conscious/sensitive economic and financial development. As a result, CSR is a new mechanism for preventing and managing environmental, social, societal and governance risks.

The purpose of this work is to present the case of Moroccan companies labeled CSR with their socially responsible practices during the COVID 19 pandemic that affected the world and that did not have only



an impact on the economy but also on mental health, the social climate and working conditions of its employees. This choice justifies a determination to address companies that have demonstrated their environmental, societal and social responsible (human) commitment in a formal and voluntary manner. This provides credibility and reliability to the information collected.

To address our problematic: what roles do Moroccan companies' CSR practices have in mitigating the negative effects of the COVID-19 pandemic? we have organized our paper into two parts: The first part focuses on the theoretical framework related to CSR and its evolution in the world before its emergence within Moroccan companies. The second part presents the results of the qualitative study conducted with two large companies labeled with the CSR label of the CGEM to measure the role of their social commitments and their socially responsible practices during the COVID 19 pandemic.

## **2. CSR in Moroccan companies: an overview**

### **2.1. An overview of the CSR concept**

After the success of the industrial revolution, its negative effects on the environment began to be felt. Thus, from 1950, the American company seriously questioned the models of economic growth of companies, in order to take into account/consider the damage of their activities, on the long-term environment. It was at this time that the idea of Corporate Social Responsibility (CSR) was born.

The concepts of "Social Responsibility" and "Sustainable Development" were formally introduced at the United Nations Conference on the Environment in Stockholm in 1972. They were reaffirmed on a number of occasions, including at the Rio summit in 1992. This movement was initially concerned only with the environment. The concept was then extended to employees, customers, suppliers, investors, civil society, etc.

Corporate social responsibility is at the root of the emergence of the concept of "corporate social performance". In fact, CSR has been a subject of intense controversy and interest for the past three decades. However, this debate is partially a consequence of the proliferation of different conceptualizations of CSR.

The term CSR has been defined in several ways, from an economic perspective, namely the creation of wealth for shareholders (Friedman, 1962), to a perspective linking the economic, legal, moral and discretionary sides of responsibility (Carroll, 1979) good corporate citizenship (Hemphill, 2004). These various perspectives contain in part the difference in fundamental assumptions as the meaning of CSR, ranging from the minimum of legal and economic obligations up to the responsibility of shareholders and finally to the point of achieving a responsibility that extends to the company's environment.

Bowen (1953) argues that the concept of CSR affirms the company's obligations to society, beyond legal and economic obligations. This is a voluntary approach and management must strive to meet stakeholder demands (Caperon, 2010). (McWilliams & Siegel, 2001) also define CSR as "actions that appear to be socially appreciated, beyond the interests of the company and those required by law".

CSR goes beyond compliance with legal obligations, but focuses on investment in human capital, the environment and stakeholder relations. It is therefore more a question of an organization's willingness to meet the expectations of its stakeholders regarding its economic, social and environmental performance.

Despite the diversity of approaches to CSR, there is a broad consensus on its main characteristics. They all align with the meaning of social responsibility. Responsibility therefore designates an obligation for companies to create value for society in addition to the added value it generates.

The company's adoption of socially responsible behaviour increases and improves the relationships between the various stakeholders and other partners by meeting their requirements and expectations (McWilliams and Siegel, 2001), in addition to reducing the risk (Boutin-Dufresne and Savaria, 2004). For these reasons, the strategic value of CSR is becoming increasingly recognized (Porter and Kramer, 2002; Saïia, 2001).

In 2005, the Interdepartmental Commission for Sustainable Development, based in Brussels, proposed the following definition: "Corporate Social Responsibility is a continuous process of improvement in which companies voluntarily, systematically and consistently integrate social, environmental and economic considerations into the overall management of the company; in this regard, consultation with corporate stakeholders is an integral part of the process."

## **2.2. CSR in Morocco : a choice or a necessity ?**

The evolution of the Moroccan social context, has predisposed companies to quickly adopt socially responsible practices that allow a reconciliation between economic and social performance. Thus, the General Confederation of Companies of Morocco (CGEM) adopted a chart of social responsibility and its social label, in parallel with its participation in the project «sustainable development thanks to the global pact». The elaboration of the "CSR Chart" and the "CGEM label for CSR" in accordance with international standards, has allowed the CGEM to position itself as a pioneering employer organization in terms of sustainable development and CSR.

Corporate social responsibility has been introduced in Morocco by subsidiaries of multinational companies engaged in such processes and by their local partners (Filali Maknassi, 2009). Its development is supported by a favourable global context supported by legal and institutional reforms among them: the National Initiative for Human Development (INDH), the reform of the legislative framework and the standardization movement. In fact, the Moroccan legislative framework saw the publication in 2004 of a new labour code that strengthens the attachment to human rights and international labour conventions. The social dialogue is one of the reinforced points in this new labour code with the institution of mediation, arbitration, consultation and mechanisms of periodic collective bargaining. In addition, the new labour code proposes instruments for adapting certain measures to sectoral and organisational specificities. These are mainly internal tools such as the enterprise committee, the health and safety committee, the enterprise agreement and the collective convention of the industrial branch.

On the other hand, Morocco is experiencing an emerging standardization movement. The Department of Industry, Trade and Economic Upgrading has demonstrated a high market demand in this area. Several Moroccan standards are therefore established. They contain particularly the management of social aspects in the company through the standard NM00.5.600 (Management System of Social Aspects in the Company), this standard refers to the principles defined in the SA 8000 (Social Accountability 8000) and the eleven conventions of the International Labour Organization. It takes into account local regulations and the labour code and it is compatible with other management systems (quality, environment and safety). In addition, Morocco is a member of the French-speaking commission for the preparation of the

ISO 26000 standard on social responsibility. This standardization movement reflects a dynamic orientation towards the integration of social issues into management systems and a desire to establish the normative basis beyond legal obligations and contribute to a climate of trust between the various socio-economic actors.

The presentation of the CGEM CSR label The General Confederation of Companies of Morocco has defined and implemented the CGEM label to promote social responsibility among its members. This label aims to make socially responsible companies known to their public and private institutional partners, financial and service partners and to enable them to derive concrete benefits from this label. The label is awarded to companies that respect the Social Responsibility Chart. This chart shall be defined in accordance with the fundamental principles of the constitution and with international conventions and recommendations that should respect fundamental human rights, environmental protection and good governance, and fair competition...

In addition, it should be noted that to date, 101 companies are CSR labeled, one third of which are SMEs with a turnover of not more than 200 million dirhams, 40% are in the industry sector and 70% are Maroco-Moroccan companies. There are several obstacles to its implementation in management systems. According to Filali Maknassi (2009), these factors are mainly staff qualifications, lack of information and financial resources. These factors are rooted in the cultural background of Morocco based on traditional paternalistic values (Mezuar, 2002). To conclude this overview of the Moroccan context in terms of socially responsible practices, we can say that the globalization of the economy imposes a new order on Moroccan companies marked by the opening of markets and the appearance of new international competitors. One of the differentiating factors is technological and organisational innovation. In this context, many opportunities are opening up to encourage the integration of social management practices into managerial practices in Morocco. The Moroccan context offers several opportunities for companies to implement a CSR approach for example, but this does not exclude the existence of a number of obstacles that must be overcome by all socio-economic actors.

In this second part, we will try to present the results of the qualitative study conducted with two Moroccan companies on the impact of their CSR practices during the pandemic.

### **3. Role of Moroccan Corporate CSR Practices in Response to Covid-19**

Questioning the role of CSR in the face of the pandemic is the major challenge for every country that seeks better development. In fact, the health crisis has spread throughout the world and has led to tragic human tragedies and deaths. It rapidly turned into a socio-economic crisis, bringing the global economy to its knees and forcing nearly half of humanity to live in confinement/quarantine for several months. The pandemic is a public health emergency that has had a great impact on different aspects of life, including human, social and economic. It is therefore in its human, social and economic enterprise that this pandemic deserves to be observed.

It was in light of the role and strategy of Social Responsibility (CSR) that a particular focus was placed on its practice during the Covid19 pandemic. In this global health crisis, companies are facing immediate and multi-faceted risks - (risks to personnel, risks to revenues, supply risks), which necessitates to put in place appropriate devices/ measures to monitor the situation, coordinate the reactions and actions of the various corporate bodies and have the ability to make decisions quickly. (How to Deal with the Impacts of COVID 19) Given the variables and unknown surrounding the spread of the pandemic, companies are forced to adapt their crisis and business continuity plans to the pandemic situation.

### **3.1. CSR and Covid 19 in Morocco: a qualitative study of companies labeled with the CSR label in Morocco.**

The pandemic of the novel coronavirus, which continues its ravages around the world, has proven to be a true test of effective corporate engagement at all levels and has propelled CSR (corporate social responsibility), long considered a simple bonus, into the spotlight. This unprecedented crisis has, in fact, highlighted the resilience of companies that have developed or even expanded a CSR strategy, and taken into account their relationships with their employees, suppliers and local communities, then properly transformed their organization. On the contrary, those who considered CSR merely a matter of reputation or communication encountered more difficulties. For Omar Benaicha, 1st Vice-President of the CSR Observatory in Morocco (ORSEM) and doctor of management sciences, the current crisis highlights the importance of values of benevolence, solidarity and ethics in the sense that the company realizes its contribution to the protection of employees, and beyond citizens, or to maintain employment and therefore purchasing power, but also help its sub-key contractors and suppliers to deal with the crisis with a view to business continuity and the resumption of post-covid activities. Losing a qualified subcontractor is not much different from losing a competent employee. Large companies, which have understood this “raison d’être” and new way of looking at their societal role, have implemented several actions to help their employees or subcontractors to cope with the crisis,” the expert said in a statement to the MAP (November, 2020).

In an economic and social context that has been severely disrupted by the Covid-19 pandemic, the real engagement of companies with a CSR culture is being challenged. While most large companies have, for more than a decade, developed an ad hoc strategy, only those that had truly taken into account their relationships with their employees, suppliers and local communities, were able to successfully transform their organizations and deal with the pandemic with agility.

According to Saadia Slaoui Bennani, Chair of the Responsible Business and Citizen Commission within the CGEM, the economic and social situation generated by the Covid-19 pandemic demonstrates the interdependence between the three pillars of social and environmental responsibility: the economy, the environment and societal considerations. At the level of the responsible and citizen enterprise Commission of the CGEM, we have seen a strong mobilization of companies labeled CSR and especially a willingness of managers to

put in place all the necessary actions to protect their stakeholders while maintaining the continuity of the activity of their companies. It should be noted that the Commission has awarded or renewed the CSR label of the CGEM to 14 companies since May 2020, indicating the willingness to engage in a social responsibility approach despite the various repercussions of the health crisis.

Our study was conducted among two large Moroccan companies labeled with the CSR label of the CGEM: the OCP and the ATTIJARI WAFI BANK group. The choice justifies a desire to address companies that have demonstrated their socially, environmentally and socially responsible (human) commitment in a formal and voluntary manner. This provides credibility and reliability to the information collected. The results below are collected/ Data collection was based on a literature and cellphone interviews with the heads of the institutions in order to enhance our work.

### **3.1.1. Case 1 : OCP group**

In Morocco, the OCP group – founded in 1920 – is both an economic institution and a major player in the country’s development. Suffice it to say that the company, specialized in phosphate extraction and fertilizer production, implemented actions that concern the following elements :

Security of employees and procurement: like many companies with an international dimension, the Moroccan group – which has nearly 21,000 employees – has made massive use of teleworking for all administrative staff, following pre-established Business Continuity Plans (BCPs), in line with the recommendations of major international organizations such as the WHO. According to one of the managers, the group’s employees at the various production sites and in the ports were very quickly notified of new preventive and disinfection measures. Our priority has been to ensure the health and well-being of our employees, our communities, our subcontractors and our partners, explains the Moroccan group. From the first signs of the pandemic, we took the necessary health measures and work practices to reduce the risk of infection.” Here, employees were equipped with face protection visors, new door opening systems were put into place. In telework or in factories, the activity was therefore able to continue throughout the crisis.

### **Promotion of short circuits**

This is one of the major concerns of the CPO, with some 28 cooperatives operating in various sectors such as agriculture, dairy products, fisheries, food and digital technology. To their attention, the OCP teams have set up support programmes in the setting up of delivery systems, e-marketing training, marketing techniques, and support in communication, for example, the creation of a catalogue of local products of more than 100 products, widely distributed on social networks. But also support for the sourcing of local products and the definition of the commercial approach to products. In this respect, the

aim is not to break up the activity of these cooperative structures, which are the real cement of Morocco's socio-economic fabric.

In the provinces where the OCP is established, hospitals have been particularly supported. During the crisis, special financing was available for redevelopment and the purchase of new equipment. According to the OCP group, solutions have been developed and made available to public health: Y-fitting to double the capacity of artificial respirators, contribution to national efforts for the realization of 100% Moroccan respirators (with the help of UM6P). In addition to providing medical and paramedical personnel with FFP2/FFP3 masks, surgical bibs, disinfectant gels, safety glasses, disposable gloves, shoes, disposable coveralls, etc.”, so many other contributions were able to benefit the entire population.

### **3.1.2. Case 2 : Attijatiwafa Bank**

As a pan-African banking group, Attijariwafa bank is aware of the social and environmental challenges at the regional level and aims to address them on a daily basis by placing responsible finance at the heart of its strategy.

In the face of the unprecedented health situation caused by the Covid-19 pandemic, the Attijariwafa bank group is mobilizing to support all its clients, support the national economy and contribute to help those in need. The bank began preparing its Covid-19 crisis response system in the first days of the global pandemic, and launched its Business Continuity Plan (BCP) in the early of March 2020.

- The CSR practices implemented the following strategies:

Introduction of hygiene and health precautions Enhanced hygiene and traffic organization measures have been put in place throughout the network and central sites for the safety of customers and employees. In order to prevent the spread of the virus, the number of clients, who can access the agency at the same time, has been limited. In this exceptional context, the Group has given priority to the core business lines in order to ensure continuity of banking services. Also, the collaborators were spread over several geographically remote sites. all the tasks that could be carried out remotely were identified and employees were put to work remotely, equipped with the appropriate tools and computer devices allowing remote access. In another vein, the Group updated its purchasing processes, taking into account the Covid-19 context.

- Engage all channels to continue serving customers

The Attijariwafa Bank Group has thus ensured its commitment to help its customers through this ordeal and guaranteed them the continuity of its banking services under optimal conditions. It has put in place a

solid system to continue to meet the needs of its customers through its various channels:

- 1200 branches remained open and continued to serve customers;
- Remote banking channels have enabled customers to manage their accounts and perform many transactions without having to travel to a branch.

- Support for firms in difficulty

Mindful of the economic and social impact caused by the Covid-19 health crisis, Attijariwafa bank, as a citizen bank and long-standing partner of PETs and SMEs, The Attijariwafa Bank Group has expressed its unwavering support for all sectors of the business and in the face of the unprecedented health situation caused by the Covid-19 pandemic, support the national economy and contribute to helping those in need. The bank began preparing its Covid-19 crisis response system in the first days of the global pandemic, and launched its Business Continuity Plan (BCP) in early March 2020. The Group has thus capitalized on the bank's existing BCP system for several years, to manage the Covid-19 crisis taking into account its specificity as a pandemic. The PCA includes several managerial, organisational, logistical, functional and technical provisions.

- Engage all channels to continue serving customers

The Attijariwafa Bank Group confirms that it is committed to ensuring its commitment to help its customers through this ordeal and guarantee them the continuity of its banking services under optimal conditions. It has put in place a solid system to continue to meet the needs of its customers through its various channels:

- Its 1,200 branches remained open and continued to serve customers, its remote banking channels enabled customers to manage their accounts and perform numerous transactions without having to travel to a branch (consultation of balance, payment of bills, transfers, reloading of cards, etc.) via the online bank (Attijarinet / Attijarinet Entreprise or the Attijari Mobile / Attijari Entreprises app);
- Its Banking Self-Service spaces, open from 9:00 am to 5:00 pm, 7 days a week, offered customers the opportunity to bank without access to the agency, including cash withdrawals, cash deposits, cheque deposits, through ATMs available to them; Its Customer Relationship Centre (CRC) has increased its accessibility to respond to multiple customer requests;

Thus, the Group is fully in line with the state measures taken within the framework of the Economic Monitoring Committee and has deployed all operational means to make the companies concerned benefit from these programs. On the one hand, the Group mobilized its network of branches, subsidiaries and central entities to be alongside companies experiencing difficulties or a slowdown due to this crisis. And



on the other hand, it has made operational, in record time, all the accompanying measures enacted by the State.

- Distribution of State aid to individuals

The Group's banking network and the Wafacash network have been made available to citizens for the distribution of State aid, under the State aid programme for ramedists and non ramedists, which has experienced a drop in income. Wrap-up Based on this data, it can be confirmed that the two labeled companies have been fully mobilized during the pandemic and mobilize a CSR policy for the benefit of all its stakeholders. Since the beginning of the crisis, companies with the best environmental, social and societal ratings have shown greater resistance to the current economic and financial shock. Empirical evidence of the relevance of CSR (corporate social responsibility), of course, all companies have suffered a general economic and financial shock. But those with strong CSR policies are more resilient. On the other hand, companies, which have considered or still consider CSR to be a simple matter of certification or communication, have encountered more difficulties, without having created spaces for dialogue with other stakeholders in their business, than their customers and shareholders.

#### 4. Conclusion

The coronavirus crisis and especially the period that will follow, should be a real test for the business world and for CSR. A test that will highlight those who, among economic actors, have really taken the measure of the changes to be implemented.

For a company, engaging to better contribute to the general interest can take many forms. From well-being policies to work, environmental policies, smoothing internal inequalities and even philanthropy: there are many areas where the company can act to transform its way of producing and doing business, to have a more positive impact on society. But one thing is clear: getting involved is always easier when everything is going well. Pay employees better, invest in their well-being, pay suppliers better, choose more environmentally friendly production methods are very effective measures.

Thus, according to Mr. Benaicha, this crisis is an opportunity for the company to reinvent and regenerate itself and strengthen its resilience responsibly. No one can deny that Covid-19 will certainly be a painful memory but companies that are already preparing for the post-pandemic with their business models and human relationships flat out are the ones that would benefit the most from the inclusive effect and the combined accelerator effect of the pandemic and CSR"

This work is a first attempt to understand the behaviour of certified companies in the face of Covid 19 and the initiatives implemented to mitigate its economic and social impact. Our ambition is to complete this work with a comparative study of the practices of labeled and unlabelled companies to have a general look on the situation and understand the difficulties of companies to be socially responsible.

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