Original article

EXPLORING THE EFFECTS OF INTEGRATED CORPORATE SOCIAL RESPONSIBILITY ON THE FINANCIAL PERFORMANCE OF PROJECT-ORIENTED ORGANISATIONS

Hind Hammouch[1], Rohitash Kumar Verma[2], Vesna Tornjanski[3]

[1]Faculty of Legal, Economic, and Social Sciences, University Sidi Mohamed Ben Abdellah, Fez, Morocco
[2]Former senior research scholar of University of Rajasthan, Department of Accountancy and Business Statistics, Jaipur, Rajasthan, India
[3]Faculty of Organizational Sciences, University of Belgrade, Serbia

Received: 29 July 2024
Revised: 11 September 2024
Accepted: 10 October 2024

Abstract: This article embarks on an in-depth exploration of how corporate social responsibility (hereafter: CSR) shapes the financial performance (hereafter: FP) of Project-Oriented Organizations (hereafter: POOs) within Morocco's dynamic construction sector. By adopting a diligent quantitative research method, this research meticulously examined a diverse sample of 250 organizations through advanced correlation and multivariate linear regression techniques. The results illuminate a compelling and noteworthy favourable relationship between CSR initiatives and the FP, indicating that ethical business practices profoundly enhance economic outcomes. By focusing on the distinctive Moroccan landscape, the article sheds light on the remarkable challenges and opportunities faced by POOs, showing an understanding of the financial benefits of CSR. Acknowledging its limitations, the study suggests avenues for future research and perspectives founded on HSDG wisdom. It advocates the HESG framework by integrating a human-centric approach to encourage healthy, equitable and sustainable societal evolution. The study provides actionable recommendations for policymakers, business leaders, and scholars aiming at promoting sustainable economic growth and long-term societal well-being.

Keywords: Corporate social responsibility; Financial performance; Project-oriented organizations; HSDGs; Human-centric and sustainable future; HESG.

1. INTRODUCTION

CSR has emerged as a subject of paramount significance within the business world domain, primarily for organizations operating in dynamic and competitive business settings. CSR provides a framework for businesses to align their strategies and operations with the broader objectives of sustainable development, thereby playing a vital role in advancing the Sustainable Development Goals (hereafter: SDGs) drafted by the United Nations and contributing to a more inclusive, equitable, and sustainable world (UN, 2015, p. 14).

Recent studies on the subject emphasize various significant viewpoints that should be taken into account. According to Margolis et al. (2009), the effective integration of CSR into corporate strategies can lead to more efficient resource management and reduced operational costs, thus contributing directly to better financial performance. Similarly, Jones (1980) points out that companies that adopt responsible practices often attract more sustainable investment and appreciate more distinguished customer loyalty, which is particularly suitable in the competitive context of Morocco's construction sector. The study by Daoud et al. (2024) emphasizes the significant

Corresponding author. Email: elmalali.hind@gmail.com
ISSN 2560-4961 (online)

https://doi.org/10.56889/geqf1816

role of digital marketing in fostering environmental awareness and supporting CSR initiatives. With globalization enhancing information accessibility, businesses that embrace sustainable practices can strengthen their CSR and financial performance by cutting costs and minimizing liability risks, all while promoting environmental stewardship and bolstering the reputation of an organization.

Morocco's economy is diverse, with a burgeoning industrial sector that is vital to the nation's economic development and growth. The construction industry, in particular, is experiencing substantial expansion but also grapples with challenges such as resource management, environmental pressures, and increasing consumer and investor demands for sustainability and social responsibility. Despite significant challenges, Moroccan POOs are distinguished by their capability to rally resources devoted to each initiative, advancing agile management and instantaneous adaptation to varying local and global market needs. In Morocco, CSR is unique within POOs, particularly in the construction industry. These Moroccan POOs are characterized by a flexible organizational structure and results-driven management, enabling them to quickly adjust to the complex demands of each project and implement best practices that enhance both strategic effectiveness and operational efficiency, principally aiming for optimal resource use. Despite its significance, existing theoretical funds lack knowledge of the research phenomenon. Besides, this distinctiveness of Moroccan POOs prompts momentous questions regarding the effects of CSR approaches on their financial performances (Batti & El Madi, 2024). Accordingly, research constructs have been acknowledged as a demonstrative framework for examining the outcome of CSR on FP within the organizations under study.

Having that in mind, the research aims to examine the effects of CSR on the FP of Moroccan project-oriented organizations in the construction sector by analysing the correlation and causality between CSR commitments and the financial outcomes of these businesses. The purpose of the study is to advance understanding of how CSR can not only address the challenges but also boost FP as vital for the sustainable development and long-term competitiveness of Moroccan POOs. To this end, the study seeks to find an answer to the key research question as follows: To what extent does the integration of CSR practices influence the financial performance of Moroccan POOs in the Moroccan construction sector? The key research inquiry guides the analysis of the various aspects of CSR and their link with key financial indicators such as profits, cash flow and overall profitability.

The structure of the paper is outlined as follows: The introduction provides an overview of the research problem, objectives, and significance of the study, leading to a literature review. This section establishes a theoretical framework pertinent to the topic, emphasizing key findings and identifying gaps the current research aims to fill. The research method section provides a comprehensive description of the research design, data collection methods, and analytical techniques employed. The results section presents the findings from the data analysis, including tables, figures, and summaries. The discussion interprets the results, exploring their implications in light of existing literature and research goals. The conclusion summarizes the main research findings, contributions, limitations, and suggests avenues for future research and future perspectives founded on HSDG wisdom, advancing towards human-centricity and sustainability for an inclusive society shaped for all. A list of all referenced sources is included in the references section at the end of the paper.

2. LITERATURE REVIEW

2.1. An overview of project-oriented organizations in the construction sector

According to Gemünden et al. (2018), project-oriented organizations are portrayed as forward-thinking and entrepreneurial-based organizations that prioritize stakeholders. POOs utilise projects as temporary, task-focused endeavours to determine, design, and implement strategies, transform their structure, culture, and behaviour, and construct new business models, services, and products. The present body of theory shows a myriad array of worthwhile wisdom into the development and contributions of project management and POOs, along with practical suggestions for reaching efficiency and effectiveness in reallife applications (e.g.: Chukwu & Zubairu, 2023; Cvijović et al., 2021; Edum-Fotwe & McCaffer, 2000; Gemünden et al., 2018; Jalal & Koosha, 2015; Kantianis, 2023; Montenegro et al., 2021; Obradovic et al., 2013; Todorović & Obradović, 2018; Todorović et al., 2013; Toljaga-Nikolić et al., 2020; Vrijhoef & Koskela, 2005). In the construction sector, project-oriented organizations play a vital role in shaping how projects are conceived, planned, executed and monitored. POOs in the construction ambition are naturally structured as projects, letting organizations accommodate quickly to the unique requirements of each endeavour. Since the early 1990s, the construction sector has undergone substantial changes as organizations acclimate to intensified competition in a market (Edum-Fotwe & McCaffer, 2000). Montenegro et al. (2021) highlight that the construction sector, known for its complexity and project-oriented nature, has been a focal subject for project management researchers for many years. The inherent sophistication of construction projects requires an emphasis on transparent communication, careful coordination, and efficient resource management, among other significant competencies and perspectives that need to be effectively considered when managing projects. Vrijhoef and Koskela (2005) champion a building method that transcends unique projects. The authors spotlight that the construction drive, at its heart, is intrinsically project-oriented and is impacted by the complexity, unique features, and multifarious structural and contextual facets. Thus, a more project-independent view has been uncovered and recommended as the most fitting approach to acquire preferred outcomes. The value of project management and the competencies of project managers in project-oriented organizations has been comprehensively studied by considerable estimable scholars. For illustration, Montenegro et al. (2021) found that the emotional intelligence of construction project managers has a substantial effect on project success. Additionally, the authors revealed that particular aspects of emotional intelligence are quite effective in shaping stakeholder relationships and prevailing project outcomes. Obradovic et al. (2013) point out that project managers ought to apprehend emotional intelligence and ways to enrich diverse aspects of the phenomenon. The researchers underscore the priority for human resource management teams in project-oriented organizations to incorporate emotional intelligence into their recruitment strategies for project managers and when designing development programs for teams. Todorović and Obradović (2018) presented the idea of sustainable project management, delivering research findings that indicate an integration of sustainability principles within the field. According to authors, the implementation of sustainable project management practices influences the competencies required of project managers. A study by Toljaga-Nikolić et al. (2020) emphasises that utilising project management methods improves the incorporation of sustainability dimensions, particularly the social aspect, across various sectors. However, the researchers have found a significant gap in comprehending the concept and diverse dimensions of sustainability. Accordingly, it has been recognized as crucial for project managers to acquire knowledge and skills related to sustainable project management. With that in mind, the IPMA has pioneered a ground-breaking global standard for competencies in this area of research and practical interest. The ICB4 framework emphasizes three core dimensions: people, perspective and practice. The competence baseline stands out for a human-centric approach (Vukomanović et al., 2016). In this context, Tornjanski et al. (2021) advocate for the harmonious integration of both IPMA and PMI standards, aiming to cultivate sustainable value creation while enhancing efficiency and effectiveness in project-oriented organizations.

2.2. Concept of CSR

2.2.1. CSR, according to the International Commission

CSR is a hotly debated concept among international organisations and scholars. Societal issues, particularly social phenomena and environmental concerns are central to contemporary discussions. Political authorities are increasingly recognizing the vital importance of CSR issues at both national and European levels. The recognition is vividly demonstrated by the initiatives of the European Commission (2001, 2006), the driving force behind the European Union’s efforts, alongside progressive legislation in industrialised countries. These actions reflect a powerful commitment to fostering responsible business practices that can lead to a more sustainable and equitable future for all.

According to Arnal (2008), international standards such as ISO 26000 and normative frameworks such as the Global Reporting Initiative (hereafter: GRI) guidelines deal comprehensively with environmental and social issues from a sustainable development perspective. These standards are proposed by official and private organisations at European and international levels. International institutions such as the European Union (hereafter: EU), the International Labour Organization (hereafter: ILO) and the United Nations (hereafter: UN) encourage companies to integrate social and environmental aspects into their operations, as stipulated in the principles of the Global Compact launched in 1999 (European Commission, 2001; GRI, n.d.; ILO, n.d.; UN, 1999).

CSR is part of the debate on globalisation, competitiveness and sustainable development. The European Commission points out that this development is founded on economic growth, social cohesion and environmental protection. In 2001, the European Commission published a Green Paper "Promoting a European Framework for CSR", aimed at launching a wide-ranging debate on the promotion of CSR at European and international levels (European Commission, 2001).

The ILO, created in 1919 by the Treaty of Versailles, aims to create jobs and ensure employees' quality of life through social dialogue and social protection. Although the issue of CSR has long been debated within the ILO, the International Labour Office, its permanent secretariat, actively follows developments in CSR and conducts various research projects on the concept. In cooperation with the United Nations, the ILO took part in drawing up the Global Compact. At the World Economic Forum in Davos in 1999, Kofi Annan, then Secretary-General of the United Nations, launched the Global Compact to promote respect for and implementation of human and social rights, as well as environmental protection. Companies are invited to report on their compliance with UN values and principles according to the methodology defined by the Global Reporting Initiative (ILO, 1919; ILO, n.d.; International Labour Office, 2003; UN, n.d.; UN, 1999, WEF, 1999).

2.2.2. CSR - an approach by the authors

Taking responsibility entails acknowledging and accepting the repercussions of one's actions. When applied to a business context, this principle broadens into the multifaceted concept of CSR, which remains a subject of debate among scholars. The origins of CSR can be traced back to Bowen (1953), who articulated it as “the obligation of businessmen to implement policies, make decisions, and follow courses of action that meet the objectives and values desirable for society” (Bowen, 1953, p. 6). Bowen emphasized that organizations should contribute to societal goals, distinguishing “societal” as encompassing the entire society, unlike “social”, which pertains to an organization's internal policies towards its employees.

Subsequent researchers such as Davis (1960) and McGuire (1963) expanded on this notion, highlighting the ethical and social dimensions of CSR. They argued that CSR extends beyond economic, technical, and legal obligations, aiming to achieve ethical and social benefits. Frederick (1960) similarly posited that production means should enhance overall socio-economic welfare.

In contrast, Friedman (1970) contended that a corporation's sole responsibility is to maximize shareholder profits. Carroll (1979), aligning with Davis (1960) and McGuire (1963), posited that CSR encompasses the economic, legal, ethical, and philanthropic expectations society has of a company at any given time. Freeman (1984) countered Friedman's (1970) perspective by advocating a strategic approach that considers the interests of all stakeholders, not just shareholders. Wood (1991) further enriched the discussion by asserting that responsibility should be understood through three principles: legitimacy, public accountability, and the differentiation between institutional, organizational, and individual levels of analysis.

Thus, the definition and scope of CSR continue to spark controversy and conceptual divergence within the international and academic communities, preventing consensus.

2.3. Concept of financial performance

2.3.1.1. The financial approach to performance: A one-dimensional concept

Organizational performance is a vital concept in management science. Numerous researchers attempted to define it such as Beaver (1966), Drucker (1954), Jensen and Meckling (1976), Bourguignon (1997) and Jensen (1986), but it is only recently that organizations have used the concept in management literature to evaluate the implementation of sustainable development strategies.

The term "performance" originated in the French language in the mid-19th century. At the time, it was used to describe the numerical results, particularly the return on investment, of competitions such as horse racing or athletic feats. In this sense, according to Bourguignon (1997), performance refers to the result of an action, success or achievement. Over the course of the 20th century, the meaning of the word evolved to designate exceptional performance. In English, the term "performance" encompasses both the action, its result and possibly its exceptional success, which differs slightly from French usage.

The economic rationale of an organization, as mirrored in its quantitative economic metrics, such as sales, cash flow, and assets, has confronted significant criticism from various scholars, including Christensen (1997), Kay (2003), and Rappaport (1986). These analyses highlight a few key attributes:

- An organization's future hinges not exclusively on its financial endeavours but on broader behaviour and ethical practices.
- Defining performance purely in financial terms is inadequate, as it focuses narrowly on short-term profit maximization, often at the expense of longer-term sustainability and broader value creation.
- This financial-centric view neglects the diverse array of stakeholders involved in an organization's success, including leaders, employees, customers, and other parties included in the open ecosystem.

By the late 1980s, a growing recognition of the multifaceted nature of corporate performance led to the development of more comprehensive evaluation efforts. This period saw the expansion of the performance debate, incorporating concepts such as social responsibility and stakeholder engagement, thus enriching the discourse on what constitutes authentic corporate success (European Commission, 2001).

2.3.1.2. The global approach to performance: A multidimensional concept

Evaluating an organization's success can no longer be limited to solely financial measures. Throughout the 20th century, the scope of performance assessment expanded to include CSR in relation to various stakeholders. The concept of global performance, which acquired traction in Europe alongside the rise of sustainable development, has roots in older notions of societal responsibility. This evolution marked a shift from focusing exclusively on shareholders to incorporating the interests of a broader array of stakeholders, including associations, NGOs, trade unions, customers, suppliers, and other parties that operate in an open ecosystem. These stakeholders nowadays require engagement, making their arrangement a vital component of corporate performance and sustainability (Elkington, 1997; Freeman, 1984; ILO, 2019; Porter & Kramer, 2011).

This shift necessitated moving away from a one-dimensional view of performance towards a more comprehensive perspective. Lahmini and Ibenrissoul (2016) highlight this transformation, noting that the concept of social responsibility prioritizes enhancing a company's qualitative economic value (e.g.: partnerships, reputation, ethics, information systems, human capital, and environmental capital) over merely quantitative economic measures (e.g.: sales, cash flow, and assets).

In the contemporary business landscape, CSR is practically encapsulated by the „Triple Bottom Line" framework, which emphasizes economic prosperity, social cohesion, and environmental stewardship (Elkington, 1997). This approach requires companies to consider and integrate the three pillars of sustainable development: economic (wealth creation through sustainable practices), social (equity and participation of all social groups), and environmental (resource conservation and management). Sustainable development aims to balance these dimensions, ensuring that progress in one area does not undermine the others (UN, 1987; Elkington, 1997).

At present, it is crucial for organizations to evaluate and take into account their interactions with both the natural and social environments. In contemporary management literature, global performance is employed to gauge how effectively companies are implementing sustainable development principles. This holistic view of corporate performance encompasses economic, social, and environmental aspects, aiming to synthesize these dimensions into a cohesive approach. Such integration necessitates coherence among the three dimensions, with causal models linking various factors across these domains (Figge & Hahn, 2004; Hart & Milstein, 1999; WEF, 1999).

2.4. The causal relationship between CSR and FP

Over the past two decades, a substantial body of research has explored the relationship between CSR and FP. The findings from these studies are diverse and complex, reflecting a broad spectrum of interpretations regarding the nature and strength of this relationship. A comprehensive literature review identified 122 studies published between 1971 and 2001, with the number of empirical investigations expanding to over 160 by 2007. These studies primarily focus on two critical areas: the impact of a company's strong CSR involvement on its financial results, and the connection between a company's social or societal performance and its financial prosperity. Despite extensive research, the results remain inconclusive and often contradictory, preventing a definitive conclusion regarding whether the relationship between CSR and FP is inherently positive or negative. This ongoing ambiguity underscores the intricate dynamics at play and highlights the need for further nuanced inquiry in this domain (e.g.: Eccles et al., 2014; Friedman, 1970; Margolis & Walsh, 2003; Orlitzky et al., 2003).

2.4.1. A positive correlation between CSR practices and FP

In examining the relationship between CSR and FP, various studies, including those based on Stakeholder Theory (hereafter: ST), have posited a positive correlation. Within this framework, the Triple P (People, Planet, Profit) bottom line elucidates the beneficial impact of CSR on FP, encapsulated in „The Social Impact Hypothesis“. This hypothesis suggests that CSR benefits as a metric for a company's proficiency in satisfying stakeholder expectations across social, economic, and environmental domains, thereby bolstering its reputation and, in turn, its economic and financial performance (Carroll, 1999; Elkington, 1997; Freeman, 1984). Freeman's (1984) ideology marks a paradigm shift in the corporate perspective, emphasizing that the focus extends beyond shareholders to encompass a wide array of stakeholders, including employees, unions, customers, suppliers, financial institutions, public authorities, and the media. In advancing the development of stakeholder theory, Lépineux (2005) elucidates the concept of social cohesion and highlights its importance as a normative foundation. The reimagining of stakeholder theory, which focuses on civil society and social cohesion, enhances the interplay between its empirical and normative dimensions, resulting in a more coherent and resilient framework.

2.4.2. A negative correlation between CSR practices and FP

This hypothesis, rooted in the „Trade-off Hypothesis“, posits a negative correlation between CSR and FP, aligning with classical economic theory. The traditional view is fundamentally utilitarian, asserting that CSR is justifiable only if it enhances shareholder profit. Friedman (1970, p. 12) famously articulates this perspective, stating „The corporation has only one responsibility, that of maximizing shareholder profit“.

Proponents of this viewpoint argue that engaging in social initiatives places a firm at a competitive disadvantage due to the incurred additional costs. For instance, Aupperle et al. (1985, p. 15) assert, „A decision to invest in environmentally friendly equipment, when other competitors do not, can generate a competitive disadvantage, leading to reductions in profitability and shareholder dissatisfaction". This underscores the belief that social actions, while potentially beneficial in a broader sense, may detract from a company's primary objective of profit maximization.

2.4.3. A neutral correlation between CSR practices and FP

Aupperle et al. (1985) unequivocally established that there is no significant positive or negative correlation between CSR practices and organizational profitability. Their research concluded that the intangible benefits of CSR often elude precise scientific quantification. Some scholars contend that the multitude of variables influencing the relationship between CSR and profitability renders it impossible to establish a conclusive empirical link. As such, the relationship is often perceived as neutral. These researchers argue that the apparent lack of correlation might stem from conceptual discrepancies. Conversely, other scholars have identified both positive and negative associations between these two concepts. McWilliams and Siegel (2001) assert that while CSR fosters product and process innovation, it remains neutral regarding corporate profitability. They propose a market equilibrium model where the costs and benefits of CSR balance each other out. Numerous recent empirical studies suggest no significant link between CSR and financial performance, with some asserting that any observed connection is weak or non-existent. Griffin and Mahon (1997) find their results inconclusive due to the variables used, which fail to differentiate between high and low-performing firms. They highlight that intermediate variables unpredictably mediate the relationship between CSR and profitability. Echoing Vogel (2005), any detected relationship between CSR and financial performance may be spurious or misleading, charmed by control variables such as the company's size, industry sector, and capital structure.

2.5. Theoretical frameworks examining the relationship between CSR and FP

2.5.1. Stakeholder theory

Freeman's (1984) stakeholder theory, declares that organisations should ponder the interests of all stakeholders, not exclusively shareholders, to optimize overall performance. Cvijović et al. (2021), for example, underline the significance of involving all stakeholders early in the project planning process. The research results obtained by Cvijović et al. (2021), argue that disregarding stakeholder interests can result in entire project failure.

When this theory is applied to examining the outcome of CSR on financial performance, it becomes evident that CSR initiatives, such as promoting environmental sustainability, fostering social equity, and adhering to ethical practices, can enhance relationships with various stakeholder groups, including employees, customers, suppliers, and the broader society. These strengthened relationships often lead to an improved reputation, heightened customer loyalty, increased operational efficiency, and mitigated risks, all of which can contribute to superior financial outcomes. By embedding stakeholder concerns into corporate strategy, managers can generate sustainable value that benefits both the company and society.

2.5.2. Agency theory

The agency theory, as framed by Jensen and Meckling (1976), feeds a framework for understanding the effect of corporate governance on the dynamics between CSR and FP. This theory posits that managers may prioritize their interests over those of shareholders, potentially resulting in CSR initiatives that do not immediately enhance financial performance. Nevertheless, when CSR strategies are harmonized with shareholders' long-term objectives and bolster an organization's reputation and stakeholder trust, they can positively influence financial outcomes by mitigating perceived risks and augmenting market attraction for the company's products and services.

2.5.3. Legitimacy theory

Meyer and Rowan's (1977) seminal theory posits that organizations endeavour to secure legitimacy with stakeholders through the adoption of CSR practices, which, in turn, can impact their financial outcomes in multifaceted patterns. Foremost, by aligning with escalating societal expectations of ethical conduct, companies can fortify their brand identity and enhance their reputation, thereby fostering increased customer loyalty and attracting top-tier talent. Additionally, the implementation of sustainable practices can mitigate the costs linked to environmental and social risks, while simultaneously boosting operational efficiency over time, potentially leading to significant cost savings and optimized resource management. Moreover, adept handling of CSR-related risks can attenuate financial volatility and bolster the company's long-term stability.

2.5.4. Institutional theory

Institutional theory, pioneered by Meyer and Rowan (1977) suggests profound wisdom in organizational dynamics within the field of sociology. The early thoughts underscore the effect of external institutional pressures on organizational behaviours. The theoretical framework posits that organizations embrace CSR practices not merely to satisfy the expectations of stakeholders, ranging from consumers to investors and regulators, but also to solidify their social legitimacy and enhance their reputation. Such legitimization, in turn, can yield substantial long-term financial benefits by mitigating social and environmental risks, fortifying stakeholder relationships, and opening access to markets or financing opportunities attuned to social and environmental considerations (Aguinis & Glavas, 2012; DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Meyer & Scott, 1983; Porter & Kramer, 2006; Scott, 2013).

2.6. Hypotheses development

The existing body of literature on the effect of CSR on the FP of project-oriented organizations reveals several pressing research gaps (e.g.: Biazzo & Garengo, 2012; Todorović et al., 2013; Todorović & Obradović, 2018; Toljaga-Nikolić et al., 2020). Although extensive research has explored the overarching effects of CSR on organizational performance, there is a noticeable lack of focus on companies where project management plays a central role. The influence of CSR on performance is likely to vary significantly across different organizational contexts, underscoring the need for nuanced, context-specific breakdowns. Additionally, empirical studies employing quantitative methods such as regression and correlation often fall short of capturing the intricate, multifaceted nature of financial performance within this particular sector. This limitation necessitates a deeper, contextually announced exploration to elucidate how CSR can effectively move financial outcomes in these specific conditions (e.g. Aguinis & Glavas, 2012; Orlitzky et al., 2003; Porter & Kramer, 2006).

Historically, CSR is an ancient concept that has undergone significant evolution. Certain scholars (e.g.: Banerjee, 2001; Carroll, 1999; Carroll & Shabana, 2010; Latapí Agudelo et al., 2019) have identified the origins of state-regulated corporate welfare to the 1800s, although such regulations diminished in importance by the late 1900s before experiencing a resurgence in the 1960s. In contemporary discourse, CSR is increasingly recognized as a strategic and competitive asset, with its role in enhancing financial performance gaining prominence. The European Commission’s Green Paper (European Commission, 2001) underscores CSR’s pivotal role in fostering societal well-being and environmental sustainability. CSR's benefits extend to areas such as employee recruitment and retention, enhanced brand image, increased productivity, and elevated sales (Lin et al., 2009; Shamila, 2022). Nevertheless, empirical findings on the CSR-financial performance relationship are mixed, with some studies indicating a neutral effect (McWilliams & Siegel, 2000), while others reveal affirmative effects on profitability and company valuation (Cochran & Wood, 1984; Okafor et al., 2021). Recent research also highlights the significance of institutional context and local features, particularly in developing countries where organizations face resource constraints and less stringent legal frameworks (Abdullah, 2022; Carroll & Brown, 2018). Taking this context into account, we can hypothesize the following:

H: CSR has a positive impact on the FP of POOs in Morocco's construction sector

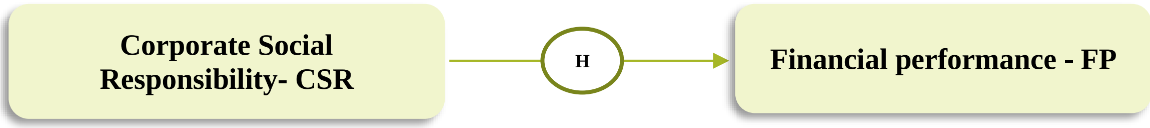

Figure 1: The simplified conceptual framework devised by Hammouch, the author of the study

To comprehensively grasp the leverage of CSR on the FP of POOs within the construction industry, it is imperative to meticulously define and operationalize these two vital constructs. FP, as the dependent variable, has been recognized as a variable that needs to be assessed using precise and pertinent indicators that encapsulate the organization's profitability, liquidity, and overall value. Concurrently, CSR, as the independent variable, demands a thorough definition and specific evaluative criteria to accurately gauge a company's dedication to sustainable and ethical patterns.

3. RESEARCH METHOD

In this study, a quantitative research method is utilized to objectively measure and analyse variables through numerical data, enabling the identification of patterns, relationships, and generalizations applicable to a broader population. The rationale for employing quantitative methods includes several crucial aspects: objectivity and precision, generalizability, statistical analysis, replicability, and efficiency. Through a rigorous quantitative research approach, this study examines a sample of 250 organizations using correlation and multivariate linear regression techniques to elucidate the relationships and causal mechanisms among the variables within the developed construct.

3.1. Operationalizing variables

3.1.1. Operationalizing the independent variable "CSR"

To measure the CSR variable, the study opted for three dimensions:

- Economic responsibility (hereafter: ER), is measured using 6 items;

Table 1: Operationalization of the construct "Economic responsibility"

Variable	Items
Economic responsibility	Allocate resources to research and development to ensure production processes align with environmental sustainability
	Always obtain the greatest possible economic benefits
	Consistently enhance the excellence of the services provided
	Achieve long-term financial success
	Maintains a permanent low-price policy
	Always improve your economic performance

Source: The construct devised by Hammouch, the author of the study

- Social responsibility (hereafter: SR), measured using 6 items;

Table 2: Operationalization of the construct "Social responsibility"

Variable	Items
Social responsibility	Establish higher-paying employment opportunities compared to conventional companies
	Treat your employees fairly
	Build long-term relationships with your customers
	It upholds a code of ethics and is held in high regard
	Makes sure to respect human rights
	Constantly make financial donations to social causes

Source: The construct devised by Hammouch, the author of the study

- Environmental responsibility (hereafter: EVR), is measured using 6 items;

Table 3: Operationalization of the construct "Environmental responsibility"

Variable	Items
Environmental responsibility	Regularly supports initiatives that benefit the environment
	Issue environmental reports on an annual basis
	Carry out activities to reduce pollution
	Safeguards the local environment in the town where it is located
	Make sure to properly recycle your waste
	Makes rational use of natural resources

Source: The construct devised by Hammouch, the author of the study

3.1.2. Operationalizing the dependent variable "Financial performance"

To assess FP, the research utilized the scale which originally consisted of seven items for measuring this parameter.

Table 4: Operationalization of the construct "Financial performance"

Variable	Items
Financial performance	The economic benefits have increased
	The profit margin has increased
	The return on assets has increased
	Return on investment has increased
	Sales volume has increased
	Sales performance has increased
	Cash-flow has increased

Source: The construct devised by Hammouch, the author of the study

3.2. Sample and analytical method

To rigorously test the research hypothesis within the study model, we executed an empirical investigation among Moroccan project-oriented organizations in the construction sector from June 2023 to December 2023. Our research strictly adhered to empiricism and employed a deductive-hypothetical methodology. We decisively utilized a quantitative approach to gather the necessary data and address the research questions. Fieldwork involved distributing questionnaires to 310 Moroccan construction organizations, ultimately collecting 250 completed responses. Pre-testing involves administering the questionnaire to a small, diverse sample to enhance its quality (Malhotra, 2004). This technique aimed to identify errors, ensure clarity and comprehensibility of questions, and estimate the average response time (Converse & Presser, 1986; Evrard et al., 2003; Jolibert & Jourdan, 2011). The data provided in the table below illustrates the quantity of questionnaires distributed and returned:

Table 5: Findings from the survey of Moroccan POOs in the construction sector

Target	Questionnaires administered	Questionnaires returned		Questionnaires not recovered	
	Number of questionnaires administered	Number of questionnaires returned	Percentage %	Number of questionnaires not recovered	Percentage %
Moroccan POOs in the construction sector	310	250	80%	60	20%

Source: The survey outlined by Hammouch, the author of the study

Following the collection of data from 250 Moroccan POOs within the construction sector, an exploratory analysis was conducted utilizing SPSS software. This data underwent a series of thorough evaluations, including exploratory factor analysis, followed by correlation analysis and multivariate linear regression analysis, to unveil underlying patterns and relationships.

These statistical analyses consisted of validating our measurement scales and then testing the hypothesis of our research model, namely the effect of CSR as an independent variable on FP as the dependent variable.

Stevens (1946) delineates four distinct measurement scales: nominal, ordinal, interval, and ratio. For the objectives of this study, the interval scale was selected to gauge the variables within our model. Consequently, all items are structured using the prevalent 5-point Likert scale. This attitudinal scale offers a wealth of information, enabling the application of various statistical techniques, including descriptive statistics, PCA, and regression analysis.

The selection of the Likert scale was motivated by its ease of administration to our target demographic and its prevalent use in management research. The presentation of the results from the descriptive analysis of the research sample is outlined below.

Table 6: Sample characteristics

Sample characteristics	Number	Percentage	Cumulative percentage
Legal form SA SARL Total	24 226 250	9.6 90.4 100	9.6 100
Number of employees Between 10 and 99 employees Between 100 and 200 employees Over 200 Total	15 124 111 250	6 49.6 44.4 100	6 55.6 100
Company year of existence Between 5 and 10 years Between 10 and 25 years Over 25 years Total	47 123 80 250	18.8 49.2 32 100	18.8 68 100

Source: The sample outlined by Hammouch, the author of the study

4. RESULTS

4.1. Exploratory factorial analysis - EFA

Exploratory factor analysis (hereafter: EFA) is a statistical method used to uncover the latent structure within a set of observed variables. Its goal is to determine the number of underlying factors or dimensions that account for the correlations observed among these variables.

4.1.1. Validation test results for measurement scales of "Economic responsibility"

Table 7: Presentation of the KMO index and Bartlett test

Precision measurement of Kaiser-Meyer-Olkin sampling.		,812
Bartlett's sphericity test	Approximate chi-square	604,430
	Ddl	1
	Meaning of Bartlett	,000

Source: The results derived by Hammouch, the author of the study

The analyses conducted reveal a KMO value of 0.812, surpassing the threshold of 0.5, and Bartlett's test significance of 0.000, with an error margin below 0.05. These results validate the application of an exploratory factor analysis for the "Economic responsibility" variable.

Table 8: Aggregate variance illuminated

Component matrix		Representation quality	
	Axis1 component	Initial	Extraction
ER1	0.981	1	0.995
ER2	0.992	1	0.984
ER3	0.994	1	0.987
ER4	0.991	1	0.986
ER5	0.998	1	0.987
ER6	0.992	1	0.963
Eigenvalues	2.982		
Total variance explained	97.77		
Cronbach's Alpha	98.9		

Source: The results derived by Hammouch, the author of the study

This table shows transability variable surpasses the acceptable threshold of 0.06. A Cronbach's Alpha value above this benchmark indicates that the measurement scale demonstrates a generally good level of internal consistency for the "Economic responsibility" factor. Therefore, all items on the scale were retained in this phase of the analysis.

4.1.2. Validation test results for measurement scales of "Social responsibility"

Table 9: Presentation of the KMO index and the Bartlett test

Precision measurement of Kaiser-Meyer-Olkin sampling.		,860
Bartlett's sphericity test	Approximate chi-square	689,336
	Ddl	1
	Meaning of Bartlett	,000

Source: The results derived by Hammouch, the author of the study

The conducted analyses reveal a KMO value of 0.860, exceeding the threshold of 0.5, and a Bartlett's test significance of 0.000, indicating an error margin below 0.05. These results validate the application of exploratory factor analysis for the "Social responsibility" variable.

Table 10: Aggregate variance illuminated

Component matrix		Representation quality	
	Axis1 component	Initial	Extraction
SR1	0.981	1	0.980
SR2	0.992	1	0.986
SR3	0.994	1	0.987
SR4	0.992	1	0.980
SR5	0.995	1	0.987
SR6	0.994	1	0.980
Eigenvalues	2.940		
Total variance explained	98.10		
Cronbach's Alpha	96.8		

Source: The results derived by Hammouch, the author of the study

The table illustrates that Cronbach's Alpha coefficient for the "Social responsibility" variable exceeds the acceptable threshold of 0.60. This result indicates a strong internal consistency of the measurement scales associated with the "Social responsibility" construct. Consequently, we have decided to retain all items comprising the scale at this juncture.

4.1.3. Validation test results for measurement scales of “Environmental responsibility”

Table 11: Presentation of the KMO index and Bartlett test

Precision measurement of Kaiser-Meyer-Olkin sampling.		,820
Bartlett's sphericity test	Approximate chi-square	750,220
	Ddl	1
	Meaning of Bartlett	,000

Source: The results derived by Hammouch, the author of the study

The analyses conducted reveal a KMO value of 0.820, surpassing the threshold of 0.5, alongside Bartlett's test significance of 0.000, indicating an error margin below 0.05. These results justify the application of exploratory factor analysis for the “Environmental responsibility” variable.

Table 12: Aggregate variance illuminated

Component matrix		Representation quality	
	Axis1 component	Initial	Extraction
EVR1	0.986	1	0.987
EVR2	0.990	1	0.981
EVR3	0.989	1	0.984
EVR4	0.989	1	0.985
EVR5	0.990	1	0.987
EVR6	0.994	1	0.981
Eigenvalues	2.899		
Total variance explained	95.24		
Cronbach's Alpha	95.6		

Source: The results derived by Hammouch, the author of the study

The table demonstrates that the Cronbach's Alpha index for the “Environmental responsibility” variable exceeds the acceptability threshold of 0.60. These results indicate good internal consistency of the measurement scales for the “Environmental responsibility” factor. At this stage, we have decided to retain all items comprising the scale.

4.1.4. Validation test results for measurement scales of “Financial responsibility”

Table 13: Presentation of the KMO index and Bartlett test

Precision measurement of Kaiser-Meyer-Olkin sampling.		,813
Bartlett's sphericity test	Approximate chi-square	802,115
	Ddl	1
	Meaning of Bartlett	,000

Source: The results derived by Hammouch, the author of the study

The conducted analyses indicate a KMO value of 0.813, exceeding the threshold of 0.5, and a Bartlett's test significance of 0.000, with an error margin of less than 0.05. These findings justify the application of exploratory factor analysis for the “Financial performance” variable.

Table 14: Aggregate variance illuminated

Component matrix		Representation quality	
	Axis1 component	Initial	Extraction
FP1	0.986	1	0.986
FP2	0.994	1	0.980
FP3	0.990	1	0.990
FP4	0.980	1	0.999
FP5	0.991	1	0.980
FP6	0.995	1	0.986

FP7	0.994	1	0.980
Eigenvalues	2.960		
Total variance explained	94.50		
Cronbach's Alpha	96.6		

Source: The results derived by Hammouch, the author of the study

The table reveals that the Cronbach's Alpha index for the “Financial performance” variable surpasses the acceptability threshold of 0.60. This outcome signifies strong internal consistency within the measurement scales for the “Financial performance” factor. Consequently, at this stage, we have elected to retain all items constituting the scale. The table reveals that the Cronbach's Alpha index for the “Financial performance” variable surpasses the acceptability threshold of 0.60. This outcome signifies strong internal consistency within the measurement scales for the “Financial performance” factor. Consequently, at this stage, we have elected to retain all items constituting the scale.

4.2. Correlation and regression analysis

4.2.1. Correlation analysis

In the current study, Pearson's correlation analysis was employed to examine the linear associations between the independent and dependent variables (refer to Table 15). The results reveal a statistically significant relationship at the 1% significance level ($p = 0.000 < 0.001$) between these variable sets.

Table 15: Correlation scrutiny

Variables	ER	SR	EVR	FP
ER	**1**			
SR	0.423	**1**		
EVR	0.398	0.415	**1**	
FP	0.814	0.710	0.502	**1**

ER: Economic responsibility, SR: Social responsibility, EVR: Environmental responsibility, FP: EGP Financial performance. Source: The results derived by Hammouch, the author of the study

4.2.2. Regression analysis

To estimate our research hypothesis and ascertain the causal relationship between the independent and dependent variables, we employed multivariate linear regression analysis. The findings indicate an adjusted R-squared value of 58.7%, suggesting that the independent variables account for 58.7% of the variance observed in the dependent variable. Additionally, the Durbin-Watson statistic of 1.812 falls within the acceptable range of 1.5 to 2.5, indicating no violation of the assumption of first-order autocorrelation. The results are depicted in Table 16.

Table 16: Model overview

Model	R	R Square	Adjusted R square	Std. error of the estimate	Durbin-Watson
1	0.744	0.554	0.587	0.39275	1.812

Source: The results derived by Hammouch, the author of the study

Furthermore, the F-test yielded a significance value of 0.000, well below the 0.001 threshold (refer to Table 17), thus affirming the suitability of the regression model at the 1% level of statistical significance. This result implies that at least one of the independent variables exerts a significant impact on the dependent variable.

Table 17: ANOVA test

Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	81.215	10	13.212	69.512	0.000
	Residual	64.821	475	0.104		
	Total	146.036	250			

Source: The results derived by Hammouch, the author of the study

The regression analysis results presented in Table 18 demonstrate that the variables RE, RS, and REV each exhibit a significance value of 0.000, which is below the 0.001 threshold. This indicates that the regression model is statistically significant at the 1% level and appropriately fits the data set. Consequently, these independent variables (RE, RS, and REV) have a significant impact on the dependent variable (PF).

Table 18: Coefficients

	Unstandardized coefficients		Standardized coefficients	t	Sig	Collinearity statistics	
	B	**Std. error**	**Beta**			**Tolerance**	VIF
(Constant)	-1.315	0.315		-6.549	0.000		
ER	0.295	0.030	0.498	6.840	0.000	0.982	1.008
SR	0.325	0.021	0.430	8.500	0.000	0.975	1.014
EVR	0.320	0.050	0.396	9.115	0.000	0.990	1.016

ER: Economic responsibility, SR: Social responsibility, EVR: Environmental responsibility, FP: EGP Financial performance. Source: The results derived by Hammouch, the author of the study

In the ensuing section, the study delves into an interpretative analysis of research results. The discussion seeks to illuminate the significance of these outcomes, situating them within the broader academic discourse and examining their academic and practical ramifications. Through a rigorous exposition of the outputs and an acknowledgement of potential boundaries, the article aims to derive insightful conclusions and suggest avenues for future research.

5. DISCUSSION

The results of this research underscore the positive and significant impact of the proposed hypothesis, indicating that Moroccan construction companies implementing CSR strategies not only mitigate adverse environmental effects but also achieve notable economic gains. By embedding social and environmental considerations into organizational business strategies and aligning with key stakeholder expectations, these POOs enhance their financial performance. This enhancement is driven by factors such as reduced operational costs through better resource management, access to new markets and funding sources, and improved customer reputation and loyalty. In essence, the study reveals that companies embracing CSR not only bolster their brand image but also attract more reputable investors. Moreover, these companies often experience lower long-term costs related to regulatory compliance and risk management, which ultimately boosts financial performance.

Thus, the theoretical contribution of this research highlights the financial advantages associated with CSR implementation in POOs within a developing country context, specifically Morocco, thereby emphasizing the strategic significance of CSR for businesses operating in similar environments. The findings demonstrate a robust positive correlation between CSR and financial performance, corroborating the results of Cochran and Wood (1984) and Okafor et al. (2021). POOs that integrate social, economic, and environmental concerns into their strategic objectives tend to realize substantial economic benefits, including increased sales volume, profit margins, and cash flow, among other favourable financial indicators. These findings are particularly pertinent to business managers and government bodies advocating for and supporting the adoption of CSR practices.

Despite the growing interest among POOs in implementing CSR activities, Morocco still has significant progress to make to achieve widespread and effective practice. This study emphasizes the importance of pursuing CSR efforts not only to enhance the financial performance of POOs but also to promote sustainable and responsible development on a national scale, in line with the Sustainable Development Goals (SDGs) blueprint (UN, 2015).

Currently, Moroccan construction companies face pressing challenges that demand effective and sustainable solutions. CSR and FP provide tangible means to comply with evolving regulations, meet the increasing expectations of stakeholders, and generate essential financial benefits to ensure long-term sustainability. This research delves into the dynamic interactions between CSR and FP, underscoring the priority of coherent national strategies to promote and adopt best practices. These strategies should harmonize each POO with local sustainability goals, while embracing global viewpoints. This approach aims to thoughtfully contribute to the worldwide environmental balance, in line with the principles set by the UN in 2015.

However, to ensure the effectiveness of these initiatives, a robust and transparent legal framework is essential. This framework should provide clear guidance and meaningful incentives, fostering an atmosphere of confidence and stability that encourages the adoption of sustainable practices. Morocco stands at a pivotal juncture, with the opportunity to adopt a proactive stance towards environmental protection and adherence to international standards and objectives. It is crucial to foster a strong strategic vision that actively supports sustainable development, grounded in enlightened and proactive corporate management.

By advocating for the incorporation of sustainable practices and embedding sustainability within strategic decision-making, Morocco has the potential to not only bolster its economic competitiveness but also significantly contribute to global sustainable development and the attainment of the United Nations' Sustainable Development Goals - SDGs (UN, 2015).

6. CONCLUSION

CSR is a strategic framework that aligns business operations with social, environmental, and economic objectives, contributing to the United Nations' Sustainable Development Goals (UN, 2015) and providing mutual benefits for all stakeholders involved.

This study was designed to explore the effects of CSR on the FP of Moroccan construction companies operating under project-oriented patterns. To achieve this, a quantitative research method was employed, utilizing statistical correlation and multivariate regression analysis. The research results confirmed the study's hypothesis. Specifically, the analysis indicated that CSR positively affects the financial performance of Moroccan construction companies, recommending the adoption of CSR practices from both narrow and broad perspectives.

From a narrow perspective, integrating responsible and sustainable practices allows these companies to enhance their brand image and reputation while strengthening their market position. CSR initiatives help optimize costs, build customer loyalty, and attract talent, all contributing to significantly improved financial performance. These findings align with previous studies by Cochran and Wood (1984) and Okafor et al. (2021), which demonstrate that CSR can be a powerful lever for improving financial performance. Additionally, Moroccan POOs that adopt CSR practices find it easier to access financing, considering investors' sensitivity to environmental, social, and governance issues and the need for a more resilient landscape. Thus, CSR is perceived not as a limitation but as a strategic opportunity for Moroccan construction organizations.

From a broader perspective, integrating CSR into a company's strategies and business models allows organizations to contribute to the country's sustainable development while promoting healthy growth, long-term profitability, and competitiveness. Therefore, organizations need to continue investing in responsible initiatives to ensure sustainable evolution and inclusive society.

Despite the valuable insights provided by this study on the positive impact of CSR on the FP of Moroccan POOs in the construction sector, several limitations warrant future research.

Firstly, the study focused mainly on Moroccan POOs in the construction sector. While targeting a specific sector offers detailed insights, the diversity of sectors remains unexplored. Different sectors may exhibit distinct CSR and financial performance dynamics and challenges. Moreover, a larger, more diversified sample could provide a more representative and generalizable overview. Additionally, external factors such as government policies, environmental regulations, and stakeholder expectations significantly leverage the relationship between CSR and financial performance. The current study did not fully account for these contextual variables, potentially limiting the understanding of the underlying dynamics. Recognizing these limitations, future research should include longitudinal studies to better comprehend the long-term impact of CSR on FP. Monitoring POOs over an extended period would reveal how CSR practices evolve and influence financial performance in varying economic contexts. Extending research to other economic sectors beyond industry would enable comparisons of CSR effects on FP across different fields, identifying sector-specific peculiarities and best practices.

Secondly, the absence of thorough research analysis poses a significant limitation. For more comprehensive insights, future studies should embrace qualitative methods like case studies, in-depth interviews, and content analysis. Săvoiu et al. (2023) suggest that these approaches offer a comprehensive perspective on the subject, revealing underlying mechanisms and indirect effects that quantitative measures exclusively may not capture.

Next, the current study assessed the financial performance of POOs. Future research should explore other dimensions that demonstrate companies' commitment to sustainable development. Further research is needed to delve deeper into these meaningful aspects. Exploring these research perspectives could offer a more comprehensive and nuanced understanding of CSR's impact on the financial performance of Moroccan companies.

Lastly, future perspectives based on HSDG wisdom, defined by Tornjanski et al. (2024), human-centricity, and sustainability vision and concepts were not considered in the quantitative analysis due to the early stage of the phenomena. This study, therefore, provides significant prospects towards the vision of Society 5.0 (Keidanren - Japan Business Federation, 2016) and a Collective Intelligence (Hybrid) Ecosystem (Tornjanski et al., 2020), emphasizing human-centricity and sustainability (Tornjanski & Čudanov, 2021; Tornjanski et al., 2023) on one hand, and the significance of CSR within this framework, in the other. CSR plays a crucial role by fostering the principles of Humanity's Sustainable Development Goals - HSDGs (Tornjanski et al., 2024) in several key ways:

- Alignment with Society 5.0 and Collective Intelligence (Hybrid) Ecosystem vision, concept and goals:
  - Human-Centric Society: Emphasizing human welfare and inclusivity, CSR initiatives align with the core values of Society 5.0 (Keidanren - Japan Business Federation, 2016) and Collective Intelligence (Hybrid) Ecosystem (Tornjanski et al., 2020). By addressing societal needs and enhancing the quality of life through sustainable practices, CSR actively contributes to achieving the vision of a human-centric society (Tornjanski & Čudanov, 2021; Tornjanski et al., 2023).
  - Technological Integration: The trustworthy use of technology and innovation is at the heart of CSR, aiming to tackle societal challenges and shape a human-cantered, technologically advanced future. This involves integrating cutting-edge technologies like Blockchain, Artificial Intelligence-Emotional Intelligence, the Internet of Things, and robotics to benefit individuals and societies.
  - Sustainability: CSR advocates for environmentally sustainable practices and responsible resource management, directly contributing to the achievement of the Humanity Sustainable Development Goals - HSDGs developed by the UN (2015) and extended by Tornjanski et al. (2024). This encompasses resolute goals related to clean energy, decisive climate action, responsible consumption and production, and the unwavering potential for human prosperity and well-being in the future.
  - Social Equity: CSR initiatives play a vital role in addressing inequalities, advancing education and healthcare, and empowering local communities. By focusing on human needs, these

efforts contribute to key HSDGs including poverty alleviation, improved education, better health, and reduced inequalities, creating a more equitable society (Tornjanski et al., 2024; UN, 2015).

- Ethical Business Practices: CSR emphasizes transparency, ethical business conduct, and accountability which are essential for achieving the HSDGs. By fostering trust and accountability CSR helps promote peace, justice, strong institutions and fostering partnerships that drive development towards achievement of HSDGs framework (Tornjanski et al., 2024; UN, 2015).

CSR plays a vital and pivotal role in advancing Society 5.0 (Keidanren - Japan Business Federation, 2016) and the Collective Intelligence (Hybrid) Ecosystem (Tornjanski et al., 2020) by incorporating and integrating HSDGs wisdom (Tornjanski et al., 2024). It fosters sustainable development, promotes human well-being, integrates technological advancements responsibly, and effectively encourages global efforts towards a more human-centric, equitable, inclusive, and sustainable future. Thus, future research should incorporate the foundations of HSDGs wisdom (Tornjanski et al., 2024) and integrated principles of Society 5.0 (Keidanren - Japan Business Federation, 2016) and the Collective Intelligence (Hybrid) Ecosystem (Tornjanski et al., 2020) into CSR patterns based on a systematic literature review method to enrich the existing theoretical fund and enhance human well-being and sustainability in the long run, aligning with the societal vision assembled for all.

Moreover, the traditional ESG framework within the HSDGs wisdom should grow into HESG, which stands for Humanity, Environmental, Social, and Governance. This enriched model places a spotlight on the human element, prioritizing the ethical and compassionate treatment of individuals, communities, and society at large. It embraces human rights, social justice, inclusivity, diversity, and community development, ensuring that human needs are central to every decision (Tornjanski et al., 2023). Organizations adopting HESG principles pledge to care for the well-being of all stakeholders, including employees, customers, and communities. Future research ought to be anchored in the HESG principles, as conceptualized within the innovative HSDGs framework by Tornjanski et al. (2024). This alignment aspires to infuse the essential human element into the vision of Society 5.0 (Keidanren - Japan Business Federation, 2016) and the Collective Intelligence (Hybrid) Ecosystem (Tornjanski et al., 2020), thereby fostering the healthy evolution of a society predicated on a human-centric and sustainable future for all.

REFERENCES

Abdullah, A. (2022). Sustainability orientation and sustainable environmental performance: What is the role of corporate environmental responsibility?. *Journal of Sustainability Science and Management*, 17(1), 51-65.

Aguinis, H., & Glavas, A. (2012). What we know and don’t know about corporate social responsibility: A review and research agenda. *Journal of management*, 38(4), 932-968. https://doi.org/10.1177/0149206311436079.

Arnal, J. (2008). La normalisation sociale et environnementale et les relations inter-entreprises *(Doctoral dissertation, Université Rennes 2)*.

Aupperle, K. E., Carroll, A. B., & Hatfield, J. D. (1985). An empirical examination of the relationship profitability. *Academy of Management Journal*, 28(2), 446-463.

Banerjee, S. B. (2001). Corporate Citizenship and Indigenous Stakeholders: Exploring a New Dynamic of Organisational–Stakeholder Relationships. *The Journal of Corporate Citizenship*, 1, 39–55. http://www.jstor.org/stable/jcorpciti.1.39.

Batti, T., & El Madi, L. (2024). Corporate Social Responsibility in Morocco: Global Perspectives and Local Application. DOI: 10.5772/intechopen.1005407.

Beaver, W. H. (1966). Financial ratios as predictors of failure, *Journal of Accounting Research*, 4(1), 71-111.

Biazzo, S., & Garengo, P. (2012). Models for

Measuring Performances. In: Performance Measurement with the Balanced Scorecard. *SpringerBriefs in Business*. Springer, Berlin, Heidelberg. https://doi.org/10.1007/978-3-642-24761-3_4.

Bourguignon, A. (1997). Sous les pavés, la plage …ou les multiples fonctions du vocabulaire comptable : exemple la performance. *Revue Comptabilité Contrôle, Audit*, 1, 89-101.

Bowen, H. R. (1953). Social responsibilities of the businessman. Harper & Row.

Carroll, A., & Brown, J. (2018). Corporate social responsibility: A Review of Current Concepts, Research, and Issues. *Corporate Social Responsibility*, 2, 39-69.

Carroll, A., & Shabana, K. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews*, 12(1), 85-105.

Carroll, A. B. (1979). A three-dimensional conceptual model of corporate social performance. Academy of Management Review, 4(4), 497-505.

Carroll, A. B. (1999). Corporate Social Responsibility: Evolution of a Definitional Construct, *Business & Society*, 38(3), 268-295. DOI: 10.1177/000765039903800303.

Christensen, C. M. (1997). The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail. *Harvard Business Review Press*.

Chukwu, E. L., & Zubairu, U. M. (2023). Project Performance in the Global Construction Industry during the Covid-19 Era. European Project Management Journal, 13(1): 74-85. DOI: 10.56889/iltz2026.

Cochran, P. L., & Wood, R.A. (1984). Corporate Social Responsibility and Financial Performance. *Academy of Management Journal*, 27(1), 42-56.

Converse, J. M., & Presser, S. (1986). Survey questions: Handcrafting the standardized questionnaire. *Sage Publications.*

Cvijović, J., Obradović, V., & Todorović, M. (2021). Stakeholder management and project sustainability - A throw of the dice. *Sustainability*, 13(17), 9513. https://doi.org/10.3390/su13179513.

Daoud, M., Taha, S., Al-Qeed, M., Alsafadi, Y., Ahmad, A., & Allahham, M. (2024). EcoConnect: Guiding environmental awareness via digital marketing approaches. *International Journal of Data and Network Science*, 8(1), 235-242.

Davis, K. (1960). Can business afford to ignore social responsibilities?. *California Management Review*, 2(3), 70–76.

DiMaggio, P. J., & Powell, W. W. (1983) The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48, 147-160. https://doi.org/10.2307/2095101.

Drucker, P. F. (1954). The Practice of Management. Harper & Row, New York.

Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The impact of corporate sustainability on organizational processes and performance. *Management Science*, 60(11), 2835-2857. https://doi.org/10.1287/mnsc.2014.1984.

Edum-Fotwe, F. T., & McCaffer, R. (2000). Developing project management competency: perspectives from the construction industry. *International Journal of Project Management*, 18(2), 111-124. https://doi.org/10.1016/S0263-7863(98)90075-8.

Elkington, J. (1997). Cannibals with forks: The triple bottom line of 21st century business. *Capstone Publishing*.

European Commission. (2001). Green Paper: Promoting a European Framework for Corporate Social Responsibility. Brussels. *European Commission*. Available at: https://ec.europa.eu/commission/presscorner/api/files/document/print/en/doc_01_9/DOC_01_9_EN.pdf.

European Commission. (2006). Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility. Brussels. *European Commission*. Available at: Implementing the Partnership for Growth and Jobs:

Making Europe a Pole of Excellence on Corporate Social Responsibility. Brussels: European Commission.

Evrard, Y., Pras, B., & Roux, E. (2003). Market research: A guide to the use of focus groups. *Dunod*, Paris.

Figge, F., & Hahn, T. (2004). Sustainable value added—measuring corporate contributions to sustainability beyond the business case. *Ecological Economics, 48*(2), 173-187.

Frederick, W. C. (1960). The growing concern over business responsibility. *California Management Review*, 2(4), 54-61. https://doi.org/10.2307/41165405.

Freeman, R. E. (1984). Strategic management: A stakeholder approach. *Pitman Publishing Inc*.

Friedman, M. (1970). The Social Responsibility of Business Is to Increase Its Profits. *New York Times Magazine*, 122-126.

Gemünden, H. G., Lehner, P., & Kock, A. (2018). The project-oriented organization and its contribution to innovation. *International journal of project management*, 36(1), 147-160. https://doi.org/10.1016/j.ijproman.2017.07.009.

GRI. (n.d.). The global standards for sustainability impacts. Available at: https://www.globalreporting.org/standards/.

Griffin, J. J., & Mahon, J. F. (1997). The corporate social performance and corporate financial performance debate: Twenty-five years of incomparable research. *Business & society*, 36(1), 5-31. https://doi.org/10.1177/000765039703600102.

Hart, S. L., & Milstein, M. B. (1999). Global sustainability and the creative destruction of industries. *Sloan Management Review, 41*(1), 23-33. https://sloanreview.mit.edu/article/global-sustainability-and-the-creative-destruction-of-industries/.

ILO. (1919). Constitution of the International Labour Organization. Available at : https://www.ilo.org/publications/ilo-constitution-0.

ILO. (2019). World Employment and Social Outlook – Trends 2019. Available at: https://www.ilo.org/global/research/global-reports/weso/2019/lang--en/index.htm.

ILO. (n.d.). About the ILO. Available at: https://www.ilo.org/global/about-the-ilo/lang--en/index.htm.

International Labour Office. (2003). Information note on corporate social responsibility and international labour standards. Available at: https://webapps.ilo.org/public/english/standards/relm/gb/docs/gb288/pdf/sdg-3.pdf.

Jensen, M. C. (1986). Agency costs of free cash flow, corporate finance, and the market for corporate control. *American Economic Review*, 76(2), 323-329.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics* 3(4), 305-360. https://doi.org/10.1016/0304-405X(76)90026-X.

Jolibert, A., & Jourdan, P. (2011). Marketing research: Methodological foundations. *Dunod*.

Jalal, M. P., & Koosha, S. M. (2015). Identifying organizational variables affecting project management office characteristics and analyzing their correlations in the Iranian project-oriented organizations of the construction industry. *International Journal of Project Management*, 33(2), 458-466. https://doi.org/10.1016/j.ijproman.2014.06.010.

Jones, T. M. (1980). Corporate Social Responsibility Revisited, Redefined. *California Management Review*, 22(3), 59-67. https://doi.org/10.2307/41164877.

Kantianis, D. D. (2023). Construction Project Crashing with Uncertain Correlated Normal and Crash Task Durations and Costs: An Integrated Stochastic Practical Approach. European Project Management Journal, 13(1): 3-22. DOI: 10.56889/pdsd6032.

Kay, J. (2003). The Truth about Markets: Why Some Nations Are Rich But Most Remain Poor. P*enguin Books*.

Keidanren - Japan Business Federation. (2016). Toward realization of the New Economy and Society. Reform of the Economy and Society by the Deepening of "Society 5.0", Keidanren, Tokyo. Retrieved from: http://www.keidanren.or.jp/en/policy/2016/029_outline.pdf.

Lahmini, H. M., & Ibenrissoul, A. (2016). Y a-t-il un impact de la RSE sur la performance financière de l'entreprise: Etude empirique sur les sociétés marocaines cotées à la bourse de Casablanca. *in 13ème congrès de l'ADERSE sous le thème : « La responsabilité sociale des organisations et des établissements d'enseignement supérieur », ISEOR & ADERSE, Jun 2016, Lyon, France*. https://hal.science/hal-01351951/document.

Latapí Agudelo, M. A., Jóhannsdóttir, L., & Davídsdóttir, B. (2019). A literature review of the history and evolution of corporate social responsibility. *International journal of corporate social responsibility*, 4(1), 1-23. https://doi.org/10.1186/s40991-018-0039-y.

Lépineux, F. (2005). Stakeholder theory, society and social cohesion. Corporate Governance, The international journal of business in society, 5(2), 99-110. https://doi.org/10.1108/14720700510562640.

Lin, C. H., Yang, H. L., & Liou, D. Y. (2009). The impact of corporate social responsibility on financial performance: Evidence from business in Taiwan. Technology in society, 31(1), 56-63. https://doi.org/10.1016/j.techsoc.2008.10.004.

Malhotra, N. K. (2004). Marketing research: An applied orientation (4th ed.). *Pearson Prentice Hall*.

Margolis, J. D., Elfenbein, H. A., & Walsh, J. P. (2009). Does it pay to be good... and does it matter? A meta-analysis of the relationship between corporate social and financial performance. And does it matter. Available at: SSRN: https://ssrn.com/abstract=1866371 or http://dx.doi.org/10.2139/ssrn.1866371.

Margolis, J. D., & Walsh, J. P. (2003). Misery Loves Companies: Rethinking Social Initiatives by Business. *Administrative Science Quarterly*, *48*(2), 268-305. https://doi.org/10.2307/3556659.

McGuire, J. W. (1963). Business and society. *McGraw-Hill*.

McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of management review*, 26(1), 117-127.

McWilliams, A., & Siegel, D. (2000). Corporate social responsibility and financial performance: Correlation or misspecification? *Strategic Management Journal*, 21(5), 603-609.

Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83(2), 340-363.

Meyer, J. W., & Scott, W. R. (1983). Organizational environments: Ritual and rationality. *Sage Publications*.

Montenegro, A., Dobrota, M., Todorovic, M., Slavinski, T., & Obradovic, V. (2021). Impact of construction project managers' emotional intelligence on project success. *Sustainability*, 13(19), 10804. https://doi.org/10.3390/su131910804.

Obradovic, V., Jovanovic, P., Petrovic, D., Mihic, M., & Mitrovic, Z. (2013). Project managers' emotional intelligence–a ticket to success. Procedia-Social and Behavioral Sciences, 74, 274-284.

Okafor, A., Adeleye, B. N., & Adusei, M. (2021). Corporate social responsibility and financial performance: Evidence from US tech firms. *Journal of cleaner production*, 292, 126078.

Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate Social and Financial Performance: A Meta-Analysis. *Organization Studies*, *24*(3), 403-441. https://doi.org/10.1177/0170840603024003910.

Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review*, 89(1-2), 62-77. https://hbr.org/2011/01/the-big-idea-creating-shared-value.

Porter, M. E., & Kramer, M. R. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard business review*, 84(12), 78-92.

Rappaport, A. (1986). Creating Shareholder Value: A Guide for Managers and Investors. *Free Press*.

Săvoiu, G., Čudanov, M., & Tornjanski, V. (2023). Does the holistic approach constitute a realistic and possible option for a future of profound human knowledge and for a modern scientific research? Eco*nophysics, Sociophysics & Other Multidisciplinary Sciences Journal (ESMSJ*), 12(1), 3-10.

Scott, W. R. (2013). Institutions and organizations: Ideas, interests, and identities. *Sage publications*.

Shamila, L. M. A. (2022). The Impact of Corporate Social Responsibility on Employee Retention in an Apparel Industry in Puttalam District. *Asian Journal of Economics, Business and Accounting*, 1-10. DOI: 10.9734/AJEBA/2022/v22i630566.

Stevens, S. S. (1946). On the theory of scales and measurement. *Science*, 103, 677-680.

Todorović, M., & Obradović, V. (2018). Sustainability in project management: a project manager's perspective. *Sustainable growth and development in small open economies*, 88.

Todorović, M., Mitrović, Z., & Bjelica, D. (2013). Measuring project success in project-oriented organizations. *Management*, 68(2013), 41-48. DOI: 10.7595/management.fon.2013.0019.

Toljaga-Nikolić, D., Todorović, M., Dobrota, M., Obradović, T., & Obradović, V. (2020). Project management and sustainability: Playing trick or treat with the planet. *Sustainability*, 12(20), 8619. https://doi.org/10.3390/su12208619.

Tornjanski, V., & Čudanov, M. (2021). Towards Society 5.0 Era: Organisational Empowerment of the Sustainable Future. In Proceedings of the 3rd Virtual International Conference Path to a Knowledge Society-Managing Risks and Innovation - PaKSoM 2021, Complex System Research Center, Niš, Serbia. Mathematical Institute of the Serbian Academy of Science and Arts, Belgrade, Serbia (pp. 413-422).

Tornjanski, V., Čudanov, M., & Marinković, S. (2020). Shaping a new business landscape by empowering collective intelligence: Synergetic effects of open innovation, human and artificial cognitive and emotional intelligence. In Proceedings of the 2nd Virtual International Conference: Path to a Knowledge Society-Managing Risks and Innovation - PaKSoM 2020, Niš, Serbia (pp. 127-136).

Tornjanski, V., Knežević, S., & Vulević, B. (2023). Perspectives of Project Management Sustainability in the Society 5.0 Context: Moving Forward Towards Human-Centricity. *European Project Management Journal*, 13(1): 61-73. DOI: 10.56889/qxqq4024.

Tornjanski, V., Knežević, S., & Vulević, B. (2021). Towards sustainability: Shaping the project management landscape in the context of the society 5.0. In proceedings of the XXV Međunarodni kongres iz upravljanja projektima "Odgovorno i fleksibilno upravljanje projektima", Belgrade, Serbia (pp. 173-184). ISBN 978-86-86385-21-5. Available at: https://ipma.rs/wp-content/uploads/2022/10/Zbornik-2021.pdf.

Tornjanski, V., Knežević, S., Mirčetić, V., Drinkwater, K., Alzoubi, H.M., Juraev, D.A., Verma, R.K., Alkhozahe, H.O., Siozos, E., & Yalouli, T. (2024). The Role of Green Society in Society 5.0: Tango Diamond in a Collective Intelligence (Hybrid) Ecosystem Founded on Human-Centricity and Sustainability. Presented at the 3rd International Conference on Green Sustainable Technology and Management 2024 (ICGSTM2024), (19-jun-2024), INTI International University, Malaysia. DOI: 10.13140/RG.2.2.15873.26725/1.

UN. (1987). Our common future: Report of the World Commission on Environment and Development. Available at: https://digitallibrary.un.org/record/139811?v=pdf.

UN. (1999). United Nations Global Compact:

A call to companies to align their operations and strategies with universal principles on human rights, labor, environment, and anti-corruption. Available at: https://www.unglobalcompact.org/about.

UN. (2015). Resolution adopted by the General Assembly on 25 September 2015. Available at: https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf.

UN. (n.d.). The Global Compact. Available at: https://www.unglobalcompact.org/.

Vogel D. (2005). The market for virtue- The potential and limits of corporate social responsibility, Brooking Institution Press, Washington DC.

Vrijhoef, R., & Koskela, L. (2005). A critical review of construction as a project-based industry; identifying paths towards a project-independent approach to construction. In CIB Symposium, Combining Forces, advancing facilities mangement & construction through innovation series. (pp. 13-24). VTT. Available at: https://www.irbnet.de/daten/iconda/CIB6804.pdf.

Vukomanović, M., Young, M., & Huynink, S. (2016). IPMA ICB 4.0 - A global standard for project, programmeme and portfolio management competences. International Journal of Project Management, 34(8), 1703-1705. https://doi.org/10.1016/j.ijproman.2016.09.011.

WEF. (1999). Annual meeting of the World Economic Forum. Davos, Switzerland. Available at: https://widgets.weforum.org/history/1999.html.

Wood, D. J. (1991). Corporate social performance revisited. *Academy of Management Review*, 16 (4), 691- 718.