

Evaluation of the impact of social dysfunctions on hidden cost-performance. Case of a Moroccan banking institution

Evaluation de l'impact des dysfonctionnements sociaux sur les coûts-performances cachés. Cas d'un établissement bancaire Marocain

BRIACHE Mohamed

Doctoral student

National School of Business and Management

Ibn Tofail University – Kénitra

Research Laboratory in Organizational Management Sciences (LARESGO)

NAFZAOUI Mohamed Achraf

Research Professor

National School of Business and Management

Ibn Tofail University – Kénitra

Research Laboratory in Organizational Management Sciences (LARESGO)

Date de soumission : 15/04/2025

Date d'acceptation : 04/12/2025

Pour citer cet article :

BRIACHE M. et NAFZAOUI Mohamed Achraf (2025) « Evaluation of the impact of social dysfunctions on hidden cost-performance. Case of a Moroccan banking institution », Revue du contrôle, de la comptabilité et de l'audit « Volume 9 : numéro 4 » pp : 79- 101.

Abstract

The purpose of this paper is to highlight the adaptability of the socio-economic diagnostic process, as a revealer of organizational social dysfunctions, to the specific characteristics of the Moroccan banking sector. It shows to which degree the socio-economic analysis model, through its processual axis based on the identification and measurement of hidden costs, can contribute to improve performance. The first part presents the socio-economic theory developed by Savall, as well as the concept of hidden costs, defined as costs that originate in phenomena usually not taken into account by official accounting systems. The second part highlights the results of a case study conducted in a banking institution that manages a staff of 2181 persons. These results revealed about ten types of social dysfunctions that generate two types of hidden costs: overhead and non-production. They are estimated at more than 30 million dirhams, or 15,000 dirhams per person, except that they no longer appear in the summary accounting statements. This should enlighten the banking leaders on the content of the corrective actions to be taken, requiring to put the human capital at the center of these actions to improve their working conditions.

Keywords : Socio-economic theory; Hidden cost; social dysfunctions; Case study; Bank.

Résumé

L'objectif scientifique de cette communication est de mettre en exergue l'adaptabilité du processus du diagnostic socio-économique, comme véritable révélateur des dysfonctionnements sociaux organisationnels, aux spécificités du secteur bancaire Marocain. Elle montre à quel point le modèle d'analyse socio-économique, par son axe processuel basé sur l'identification et évaluation des coûts cachés, peut-il contribuer à l'amélioration de performance. La première partie présente la théorie socio-économique développée par Savall, ainsi que le concept de coûts cachés, défini comme des coûts qui trouvent leurs origines dans des phénomènes habituellement non pris en compte par les systèmes comptables officiels. La seconde partie met en lumière les résultats d'une étude de cas menée auprès d'un établissement bancaire qui gère un effectif de personnel de 2181. Ces résultats ont révélé une dizaine de types de dysfonctionnements sociaux générateurs de deux types de coûts cachés : des surcoûts et non-production. Ils sont évalués à plus de 30 Millions de Dirhams, soit 15.000 Dhs par personnes, sauf qu'ils n'apparaissent plus dans les états de synthèse comptable. Ceci devrait éclairer les dirigeants bancaires sur la teneur des actions correctives à prendre, nécessitant de mettre le capital humain au centre de ces actions pour améliorer leur condition de travail.

Mots clés : Théorie socio-économique ; Coût caché ; Dysfonctionnements sociaux ; Etude de cas ; Banque.

Introduction

Managing performance efficiently has been a challenging task for companies for a long time. All managers are aware of the close link between performance and cost control. So managers are strongly challenged to take into account any increase in costs, thus pulling down the expected performance.

At first sight, the cost control can be a well-defined process that is easy for managers to assimilate, considering that costs are mainly related to the external environment of the organization. They are, for example, affected by the conditions of supply and access to labour, the diversity of technological solutions in production processes, market behaviour and competitors, etc. In this case, the managers can act on these external conditions to ensure a control of the costs, described here as visible, because they are easily measurable, identifiable and traceable using the accounting system. Examples include production costs, purchase costs, distribution costs etc.

However, it should be pointed out that organizational performance is not only affected by this costs which appear clearly in the accounting system, but also by costs which remain hidden from it, called hidden costs. In the fact, by their character, this makes their control very difficult, because the managers cannot control the invisible without identifying it, revealing its causes and evaluating it. The challenge here is to carry out a dysfunctional analysis that allows them to highlight the dysfunctions inherent in the organization's activity, and then identify and assess the costs of regulatory actions undertaken to remedy these dysfunctions. This process is called the socio-economic diagnosis.

It should be noted that the concept of hidden costs, most often associated with the socio-economic analysis model, has caused a lot of ink to flow in several countries such as America, France, Belgium, etc. A lot of scientific publications highlight this notion of hidden costs, or even place it at the center of contemporary management control themes.

Our literature review has shown a shortage of paper dealing with this phenomenon of hidden costs in the Moroccan context, and when they are addressed by some scientific publications, it is mainly on the theoretical level. So, The purpose of this paper is to enhance the empirical work on the subject by contextualizing the process of socio-economic diagnosis in the Moroccan banking sector.

Indeed, the interest of this research work is to ensure that the socio-economic diagnostic model could be adapted to the Moroccan banking context. Then our research problem can be formulated as follows: is the socio-economic diagnostic model capable of detecting social

dysfunctions, identifying their causes and consequences, and assessing the hidden costs generated by regulatory acts.

We aim to expose the theoretical foundation on which this contribution is based in the first part to address this problem. It would be a question of underlining the foundations and principles of the socio-economic analysis model, before highlighting the process of dysfunctional analysis and evaluation of hidden costs. The second part would be dedicated to the presentation of the methodological framework that houses our empirical study, as well as the analysis and discussion of the results obtained.

1. The socio-economic diagnosis: Theoretical model

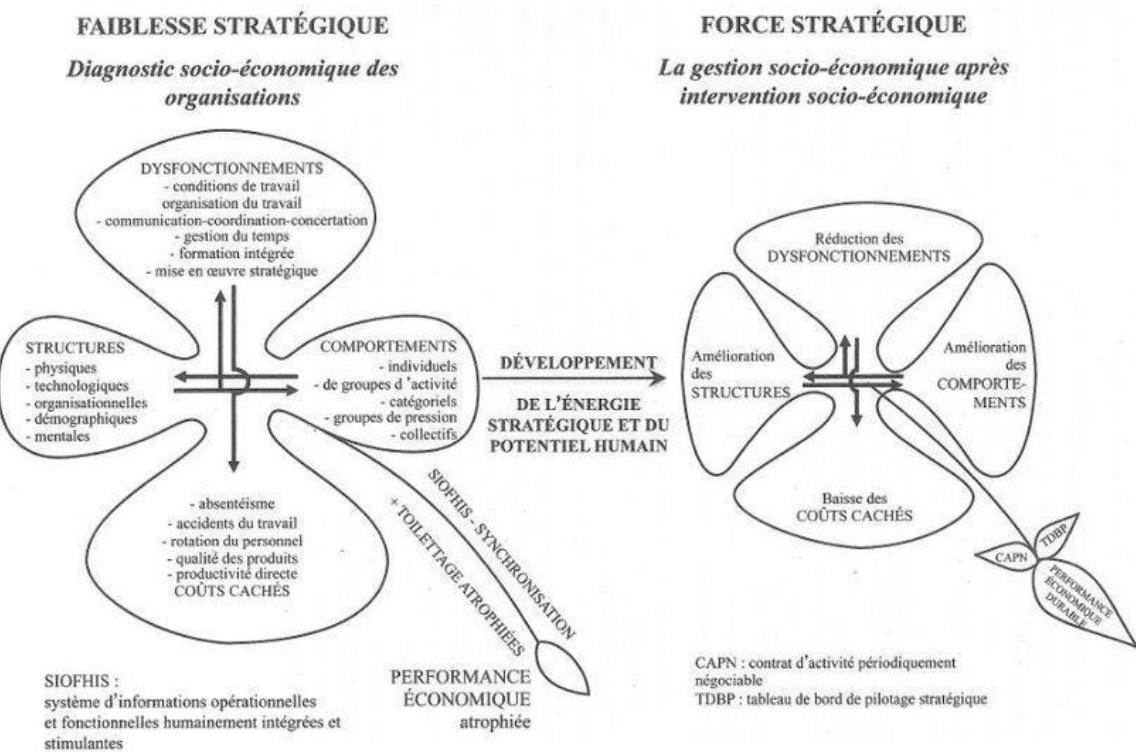
1.1. The socio-economic analysis model: foundations and principles

A new reconstruction of the company emerged with the founding contributions of Henri Savall, aiming at the analysis of the economic and social performance of the company in an integrated approach, called socio-economic analysis.

Based on the principle that “the economic and social performance of an organization depends on the quality of interaction between the structures of the organization and the behaviors of the men who act within this organization” (Savall 1978), the socio-economic theory predicts the existence of economic and social losses due to the inherent dysfunctions in the interaction between the structures of the company and the behaviour of its employees. These malfunctions result in observed deviations between the actual operation and the normal or expected operation, called orthofonctioning. This leads to an atrophy of organizational performance, due to the heavy burden, in terms of costs and investment, regulatory actions aimed at reducing these dysfunctions.

The theoretical model of socio-economic analysis can be presented as a trefoil highlighting the five types of structures of an organization interacting with the five types of human behaviour, as well as the six families of malfunctions that can be identified using the indicators, as follows:

Figure 1: Socio-economic theory model (ISEOR, 1999)



Source : (ISEOR, 1999)

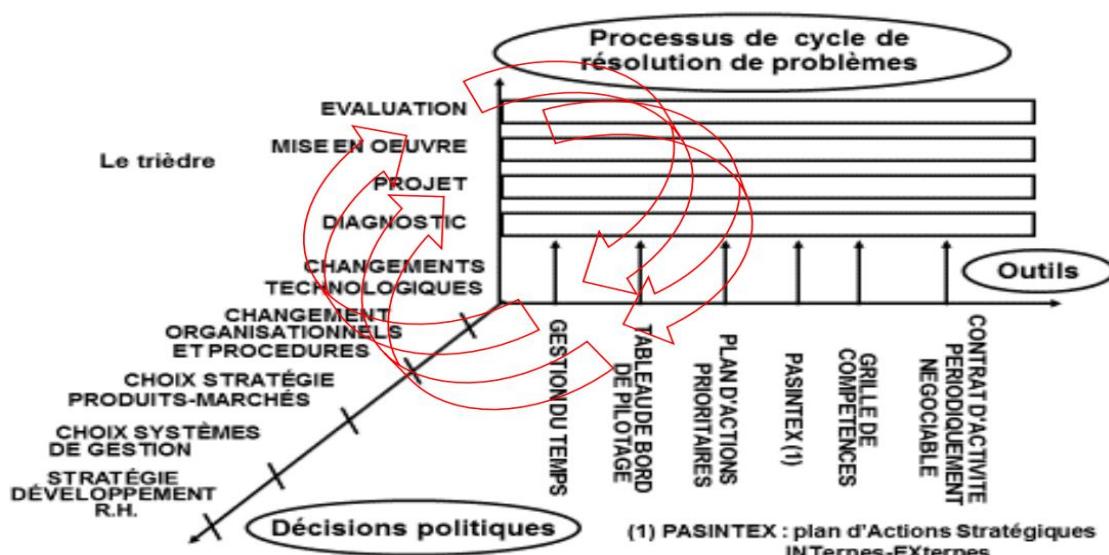
The socio-economic model states that there are five types of structure within a firm, marked by their stability and permanence: physical, technological, organizational, demographic and mental. These structures are supposed to be in permanent interaction with five types of human behaviour marked, on the other hand, by a character of instability and conjunctural nature, they are: individual behaviour, group activity, groups of affinity and collective (Savall & Zardet 1989).

These interactions are the origin of six families of dysfunctions, namely: working conditions, work organization, 3C (Communication-Coordination-Concertation), time management, integrated training and strategic implementation. The model also recommends the use of five types of indicators to identify and quantify the above-mentioned failures. These are: absenteeism, work accidents, staff turnover, product quality and direct productivity.

Regulatory actions are to be undertaken to make up for the gaps in terms of ortho-functioning, generating hidden, diffuse and undetectable costs in the information system and traditional management tools such as accounting, Budgets, etc. Hidden costs can be grouped into five components: overwages, overtime, overconsumption, non-production and non-creation of potentials.

Indeed, the main objective of socio-economic theory is to establish the necessary tools for the evaluation of hidden costs, in order to highlight the financial consequences of regulatory actions on organizational performance. As a result, this legitimizes the invention and implementation of corrective actions aimed at reducing the identified dysfunctions, or even anticipating their occurrence, to possibly regain in performance the financial and economic losses they generate. From this point of view, socio-economic theory proposes a three-dimensional approach that reconciles the economic and social aspects of an organization, based on the observation that human behaviors have a strong impact on the economic performance of the company. This approach is based on three axes mobilized permanently and simultaneously, namely: a procedural, instrumental and political axis.

Figure 2: The socio-economic trihedron (ISEOR ©)



Source : ISEOR ©

The political dimension aims to make motivated and justified strategic decisions taken by the organization in terms of setting up a socio-economic management. This provides a legitimate sense for the use of the tools offered by the model and a framework for actions implemented to reduce the dysfunctions and the costs they generate. (Cappelletti and Levieux, 2010)

The instrumental dimension recommends that the organization adopt a number of tools deemed essential to detect and identify malfunctions, and establish indicators for monitoring their evolution over time.

Finally, the procedural dimension gives the socio-economic model a process of reducing social dysfunctions. The process is divided into four stages: socio-economic diagnosis, project group, implementation of solutions, and solutions.

The objective of this paper is to illustrate the role of socio-economic diagnosis in identifying social dysfunctions and assessing their impact on the economic and financial performance of the organization. Thus, because of the limited scope of this research, we highlight only the socio-economic diagnosis, being a crucial step in the socio-economic analysis model. The other dimensions of the model will be illustrated, both theoretically and practically, in future research work as part of a broader framework for the implementation of a socio-economic management control system.

1.2. Dysfunctional analysis: Identify dysfunctions, their causes and their regulation.

The socio-economic diagnosis is based on the concept of expected functioning or orthofonctionnement which serves as an indispensable reference to assess, economically, the state of the social efficiency of the organization. Thus, the analysis of dysfunctional activity remains the fundamental synthesis variable in socio-economic diagnosis.

Indeed, the socio-economic diagnosis includes a qualitative module that aims to reveal malfunctions, through an interview with at least 30% of the personnel of the micro-space diagnosed. A micro-space is defined as a group of people forming a group of activities in a geographical area (department, division, etc.) and headed by the same supervisor. (Cappelletti 2006)

Social dysfunctions can be identified in six areas that are explanatory variables of the functioning of the organization:

- Working conditions: they comprise physical, moral, material, etc. criteria which provide the staff with decent and motivating working conditions. This may cover the arduousness of tasks, the risk of work accidents or pathological risks of work, sexual or moral harassment, freedom of initiative and expression, types of employment contracts, health conditions, safety, noise, etc.
- The organization of work: definition, distribution and allocation of tasks, organizational chart with sustained or horizontal hierarchy, rules and procedures, etc.
- the 3C (Communication-Coordination-Concertation): They group together the devices and mechanisms for communicating information and the ways in which it is transmitted between structures, as well as the methods of consultation and coordination of the tasks carried out.
- Time management: Managing deadlines, planning and scheduling tasks, flexibility of schedules, teleworking, emergency work, etc.
- Integrated training; skills management and development, training programme, etc.

- Strategic implementation: Strategic alignment, relevance and quality of strategic implementation, etc.

The socio-economic theory states that these social dysfunctions can be highlighted through five root causes, which can be described as indicators of hidden costs, namely: absenteeism, accidents at work, staff turnover, quality defects and direct productivity gaps.

- Absenteeism: This is only the absences that disrupt the normal functioning of the organization, those that do not lead to dysfunctions are not taken into account. These are, for example, absences which lead to pressure on other employees, loss of earnings, production losses, additional production delays, calls for temporary workers, etc.
- Accidents at work: They are the cause of material and human damage leading to interruptions in the activity of the injured employee or damaged equipment, difficulty and hardship of work, loss of time spent in investigating the causes of the accident, conflict and deterioration of the social climate, additional costs for preventive and curative medicine services, repair and maintenance of production equipment, etc.
- Turnover or staff rotation: Expresses the renewal of the workforce within an organizational unit taking into account the arrivals and departures of employees in a defined year. Turnover can be the cause of business disruptions that generate additional costs that must be well controlled.
- Lack of product quality: The non-quality of products or services reflects the inability to produce goods or services with characteristics that do not conform to the expectations and aspirations of customers. Non-quality affects the fluidity of operations, which in turn affects a company's productivity and competitiveness. It does so by producing effects which may be material or immaterial. The material aspects of non-quality costs are the modifications to be made when a defect is detected, the replacements to be planned and even the scrapping. These operations consume time, resources, energy and personnel who must all be busy producing new parts. The intangible impact of failure to meet quality objectives is related to customers' perception of the company and its products and services. In other words, when users have substandard parts, the image of the organization suffers. When customer satisfaction is not guaranteed, it will inevitably affect sales.
- Direct productivity gaps: Direct productivity refers to the quantity of products or services rendered by an employee per unit of time spent at his or her work station. Thus, the direct productivity gap is an indicator that reveals a shortfall translated by the

differences recorded between the employee's actual productivity in relation to hours of presence and a technical reference standard defined in advance.

From this point of view, and as soon as the social dysfunctions mentioned above have appeared, the company would be required to take the necessary measures to make up for the differences in performance found. These are the acts of regulation that generate additional costs not visible by the traditional accounting and financial system.

It should be noted that the hidden costs, by their nature, are dispersed throughout the company and cannot be concentrated in an isolated department or service, because they have their origin in the interactions between all organizational structures and human behaviour. This makes their evaluation and measurement very complicated.

1.3. Evaluation and measurement of hidden costs.

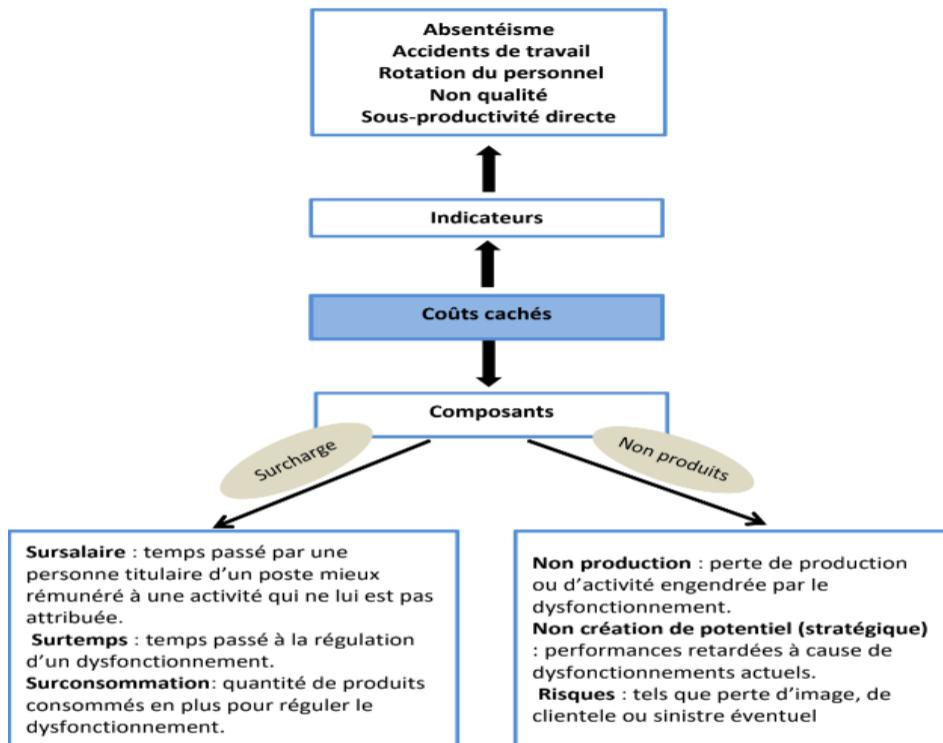
According to Savall & Zardet (2010), « *hidden costs are defined as those that are not identified in the information systems a company has, such as: budget, income statement, general accounting, cost accounting, dashboards. By symmetry, visible costs refer to all cost items that appear in the same information systems.* »

Similarly, a hidden cost is a cost that has its origins in phenomena usually not taken into account by official accounting systems. Hidden costs refer to both costs that are taken into account but diluted in different items and costs that are not taken into account and correspond to lost performance - Opportunity costs -. (Martinet et al 2016).

According to Alazard & Sépari (2010), a hidden cost is not induced by a diffuse factor but on the contrary by a very specific phenomenon such as absenteeism and delays in production deadlines. Similarly, the additional costs caused by this phenomenon do not go unnoticed in the cost calculation system, but they are inevitably and unconsciously allocated to other costs such as the cost of production, and then having a negative impact on the company's performance.

Hidden costs can be divided into two components: overcharges which are historical costs, and non-products which correspond to opportunity costs.

Figure 3: Hidden cost indicators and components.



Source : Savall & Zardet 2010

- Overcharges :
 - Oversalaries: This is the remuneration that employees receive for the tasks they execute, whereas these same salaries should have covered and rewarded the performance of other higher value-added tasks. In other words, it is called overpayment when the employee performs a function better paid than that which he should have assumed. An example of overpayment is compensation paid to staff in certain cases of absence.
 - The overtime: They translate, in unit of time, the human activities necessary for the regulation of detected malfunctions. The time spent by staff in regulating malfunctions is considered a waste of human resources expressed in monetary units. This is for example the time spent in a workshop processing a product that does not conform to the expected quality.
 - Overconsumption: This corresponds to the additional quantities consumed by the company in terms of raw materials and consumable energy, to remedy malfunctions resulting in waste, scrap, non-compliant products, etc. (Cristallini 2011).
- Non-products :

- Non-production: It corresponds to a loss in terms of production following the interruption of activity caused by malfunctions such as machine failures, work accidents, absences, stock-outs, etc. This shortfall in terms of production is also measured in human time.
- The non-creation of strategic potential: This is a strategic opportunity cost. It translates, in human time units, the cost of intangible investments that should have been implemented, during a given period, for the achievement of long-term strategic objectives, while the actors and collaborators of the company, the main focus of these intangible investments, did not devote enough time to achieving the long-term objectives of these investments because of the time spent on the regulation of malfunctions.
- Risks: They aggregate the cost of all the risks that the company may bear following the occurrence of malfunctions.

The evaluation and calculation of hidden costs is done using the table below, which constitutes the general model of calculation developed by ISEOR. This model consists of associating to each of the five indicators of malfunctions the six components of hidden costs that correspond to the regulations put in place by the company.

Table 1: General model for calculating hidden costs

	Over-salaries	Overtime	Over-consumption	Non-production	non-creation of strategic potential	Risks
Absenteeism						
Accidents at work						
Staff rotation						
Quality defect						

Direct productivity gaps						
--------------------------	--	--	--	--	--	--

Source : ISEOR ©

The components of hidden costs are grouped into two categories of acts regulating malfunctions: human activities (overtime and non-production) and consumption of goods or services (overwages, overtime, non-creation of strategic potential and risks).

Human time is valued at the hourly contribution to value added on variable cost, which is equal to the ratio of the margin on variable costs to the number of hours of work expected. The variable cost margin is equal to the difference between the realised turnover and the variable charges. The consumption of goods or services is estimated from the actual costs of goods and services (purchase price, hourly wage rate...). (Cappelletti and Levieux, 2010)

Finally, the results of the socio-economic diagnosis are presented in a working session called “mirror effect”. Here, the diagnostic actor, which is the management controller, calls on the employees of the micro-space diagnosed to validate the malfunctions detected and the related hidden costs. This step is important in that it conditions the reliability of the actions and solutions to be implemented by the project group, to reduce malfunctions, and generally it conditions the implementation of a socio-management control system in the company. Because the reticence to actions and solutions to be implemented have their origin in disagreements about the results of the diagnosis, or even the process of its development.

After a presentation of the general framework for using the socio-economic model, and more particularly the socio-economic diagnosis, a good way to understand the dynamics of the evaluation of dysfunctions and the associated hidden costs, is to present concrete illustrations of this process.

2. Application of socio-economic diagnosis within a banking institution.

2.1. The methodology of research.

The case of application of the socio-economic diagnostic model presented in this second part, is carried out as part of a case study of a Moroccan banking institution.

We adopt an interpretive epistemological posture, despite the use of qualitative data in addition to other quantitative data. Similarly, we highlight the inductive mode of reasoning in which this contribution is embedded. Finally, it seems to us appropriate to adopt the qualitative method at the level of this research. Our epistemological and methodological choice is justified by the

main objective of this contribution aimed at exploring, by induction, a phenomenon, which corresponds in our research case to hidden costs and performance, and to develop a new interpretation or confirm an existing one.

The banking institution hosting this research-intervention is one of the eight biggest Moroccan banks, which were previously the subject of a multiple case study in connection with a research work carried out previously by us, dealing with the management of skills and its impact on organizational banking performance.

It is a banking institution whose structure is broken down into head office and 9 regional directorates with a presence in the national territory of 311 agencies. Its Net Banking Income reached 2,506 million dirhams in 2021 and has more than one million active clients in its portfolio. It also manages a staff of 2,181 permanent employees.

Comprehensive and rigorous data collection is the key to a successful socio-economic diagnosis. To do this, we used mainly three techniques of field approach: document review, observation and interviews. The objective is to collect as much data as possible from which it would be possible to raise findings of social dysfunctions and, subsequently, evaluate the financial impact on organizational performance.

Internal document review was the starting point for our data collection. It focused mainly on the weekly performance dashboards, the daily records monitoring employee activity (number of bank operations carried out, number of telephone interviews conducted, etc.), the register of personnel assignment decisions, absence and leave tracking sheets, maintenance tracking sheets for machines and computer equipment (counting machines, cheque certification printers, computers, etc.). In addition, the consolidated financial statements and reports for the previous three fiscal years 2021-2020-2019 were carefully reviewed, as was the institutional site of the institution.

The observation technique was carried out at the head office of the bank, 2 regional directorates and 5 banking agencies. This choice is justified by the prior analysis of the manual of procedures adopted in all entities under the banking institution, showing a similarity of transactions carried out within agencies and directorates. The objective is to understand the mode of operation of the entities to be diagnosed, the means implemented for the accomplishment of the activity, the modes of organization, the social climate and the working conditions.

We then used interview technique as « *a scientific investigation process using verbal communication to gather information in relation to the intended purpose* » (Grawitz, 1986). The objective is also to confirm the observations made during the direct observation of the

mode of functioning of the entities to be diagnosed, namely: head office, regional directorates and agencies.

Finally, we submitted the findings of malfunctions raised to the questioning method to ensure that data collection is comprehensive and rigorous. This tool allows, by adopting a critical analysis approach based on systematic questioning, to structure a problem and identify its causes, and reach a clear and precise formulation of the problem. (Saverino, 2010)

Table 2 : the questioning method

Les constats de dysfonctionnements	
What's the problem ?	The interaction between employees behaviour and organizational structures leads to <u>social dysfunctions</u>. The acts of regulation of these dysfunctions generate <u>hidden costs</u> affecting economic and social performance.
Who is concerned by the problem ?	The bank, its shareholders and its stakeholders: employees, customers.
Where does the problem appear ?	Head office, regional directorates and agencies
When does the problem occur and how often ?	Malfunctions are inherent to the banking institution's activities, and are recurrent.
How does the problem appear ?	The dysfunctions are manifested through five families: absenteeism, work accidents, staff turnover, quality defects, direct productivity gaps.
How many people are involved ?	1927 Employees.
Why solve this problem?	Convert the hidden costs of regulating social dysfunctions into real performance.

Source: Prepared by the author.

Given the difficulty of interviewing with all employees, we opted for the method recommended by Henri SAVALL, which consists in carrying out the interviews with at least 30% to guarantee significant results of the socio-economic diagnosis made.

Even if the banking services are mainly provided by these employees, through prospecting, canvassing, placement of banking products, tracking and retention, etc. the use of fixed assets, including tangible assets, is indispensable. Thus, in view of the diversity of fixed assets on the bank's assets under investigation, we consider it appropriate to select a significant sample for our socio-economic diagnosis.

We chose to carry out this socio-economic diagnosis on three fixed assets, namely: computers, counting machines and ATMs. The exclusive choice of these machines is justified by the strong link with banking activity. Indeed, any breakdown or interruption in the operation of these machines directly affects banking activity.

The objective is then to compare the operating capacity of these machines with the real time of operation by employees. The results of this comparison form the basis for our socio-economic diagnosis, which will be presented in the following section.

2.2. Results of socio-economic diagnosis.

The results of this research-intervention, based mainly on the direct observation of the mode of operation of the banking institution subject to this research, as well as the interviews conducted with its staff, have identified three categories of social dysfunctions, namely: working conditions, work organization and time management. It should be noted that these malfunctions are of an organizational nature, and can be described as follows:

Table 3 : The social dysfunctions identified

The social dysfunctions	
working conditions	Poorly designed workspaces.
	Dilapidated and lack of office equipment.
	Computer hardware failures and problems and ATM Machine.
	Information system failure.
	Unfair incentive and reward schemes.

	Work under pressure and stress to perform many tasks.
	Absence of analysis and interpretation devices for the information transmitted (procedural note not discussed)
Work organization.	Lack of liaison between head office and agencies.
	Failure of the archiving mode (no dematerialization and archive managed at agency level)
	Failure to comply with the deadlines announced to clients for processing their requests
Time and schedule management	Lack of task planning and scheduling (task performed on the fly based on clients who come, no appointments)
	Lack of flexibility in the working hours (then no canvassing and prospecting).

Source: Prepared by the author.

The social dysfunctions noted above have clearly highlighted what can be described as hidden cost indicators. Indeed, the dysfunctions related to the conditions and mode of work organization are at the origin of disruptive absences from banking activity, staff turnover and interruption of the activity of damaged equipment. Similarly, the quality defects of services rendered and direct productivity gaps are inherent in malfunctions related to bad management of time and deadlines.

So, the comparison of these hidden cost indicators with their components made it possible to synthesize all the hidden costs and evaluate them economically. The results of this synthesis are well detailed in the table below.

Table 4 : Evaluation of hidden costs in thousands of Dirhams (Kdhs).

	Over-salaries	Overtime	Over-consumption	Non-production	non-creation of strategic potential	Risks	Over-salaries

Absenteeism	462,76	2670,91	NE	6677,29	253,8	-	10064,76
Accidents at work	105,1	601,17	NE	1502,92	68,87	-	2278,68
Staff rotation	199,5	190,37	NE	761,48	6	-	1151,27
Quality defect	806,11	7417,55	NE	3296,69	-	-	11520,35
Direct productivity gaps	-	-	NE	8617,43	-	-	8617,43
Total	1573,47	10880	-	20855,81	328,67	-	33637,95

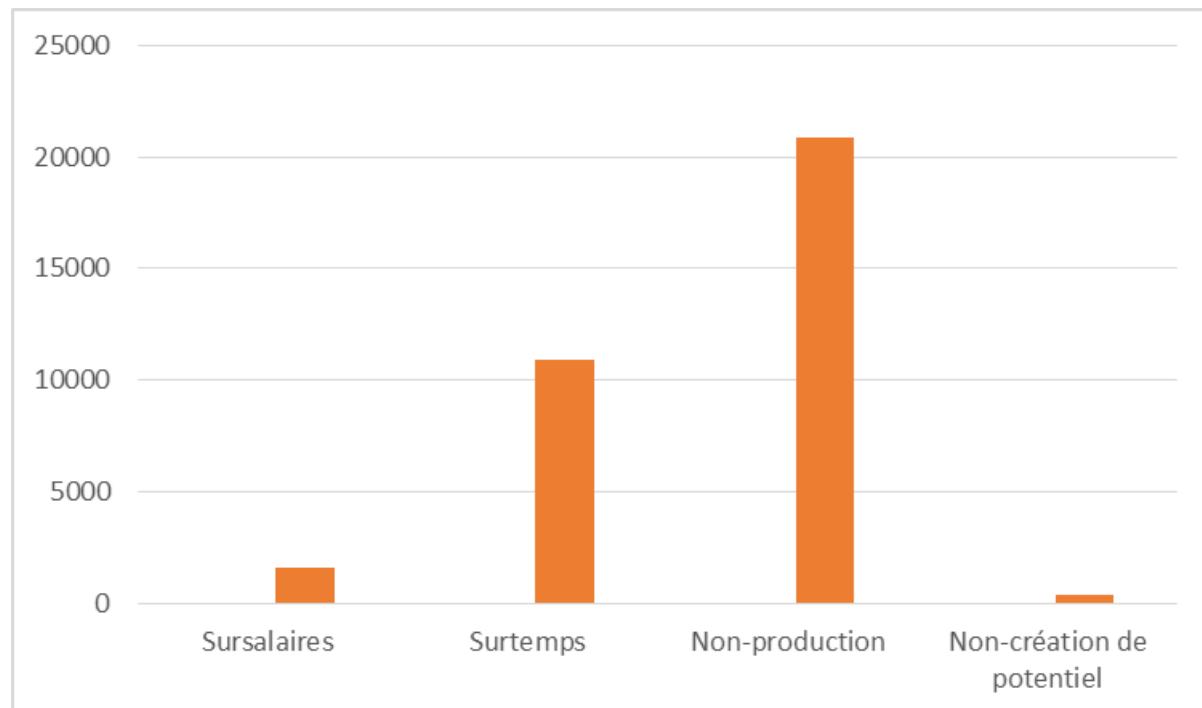
Source: Prepared by the author.

It should be noted that the results of calculations were obtained by the prior determination of a measure of socio-economic productivity called hourly contribution to value added on variable cost. Indeed, the economic productivity of an organization is generally assessed by deducting from the turnover achieved the amount of expenses that vary according to the level of activity of the organization, called Variable Costs. The result obtained is the economic performance of those who contributed to the activity, which is then divided by the number of hours worked and paid by the organization to determine the hourly contribution to value added, which represents the average efficiency of an hour of human activity. Being related to human activities, this ratio allows the evaluation of the hidden costs inherent in overtime and non-production.

On the other hand, the components of hidden costs related to consumption of goods and services were evaluated by their historical cost. Note that some of these components have not been evaluated (NE) due to lack of access to information because of their confidential nature, in particular information on the costs of editing cheque and savings books, as well as the costs of purchasing credit/debit cards from authorized service providers (Mastercard Corporate and Visa).

2.3. Analysis and discussion

The six social dysfunctions identified during the socio-economic diagnosis highlight hidden costs related to regulatory acts, and whose evaluation reveals an important amount of weight on overall performance, namely: 33637.95 MDHs. Similarly, a first analysis of the graph below clearly shows the hidden costs related to overtime and non-production occupying the most important part in the total estimated hidden costs, at 32% and 62%, respectively.

Figure 4 : Summary of hidden costs in Kdhs

Source: Prepared by the author.

In order to ensure a better interpretation of the results obtained from the socio-economic diagnosis, it is recommended that these results be combined with calculations of ratios related to hidden costs. The table below shows these ratios.

Table 5 : Ratios related to hidden costs.

Formule du Ratios	Valeur du Ratio
(Hidden costs / Turnover)*100	0,82 %
(Coûts cachés / Payroll)*100	5,47 %
Hidden Cost per person	15.423,17 DHS

Source: Prepared by the author.

A first interpretation of the hidden costs assessment table suggests a strong contribution from the Quality Default indicator in the estimated hidden costs. This indicator alone accounts for 34% of the hidden costs, mainly divided between hidden costs related to overtime and non-production. This is demonstrably explained by the lack of planning and scheduling of tasks, which are, however, carried out on the spot according to clients or prospects who present

themselves to agencies and without making an appointment. This quality defect indicator is also significant at the headquarters and regional directorates level, except that this time it is justified by non-compliance and delay in the deadlines announced to clients for processing their requests and applications. In particular those requiring prior agreements with central or regional services, such as requests for credit, guarantee lines, overruns, etc.

The absenteeism indicator also shows hidden costs of around 10,064.76 KDHs, or 29% of the total estimated hidden costs. They are mainly related to regulatory acts generating overtime, non-production and extra wages, with a relatively low presence of hidden costs linked to the non-creation of potential. These hidden costs are justified by working conditions deemed indecent by 65% of employees. Indeed, at the agency level, employees claim that both the human resources and the number of agencies are insufficient in the face of an opening of the banking institution in question, to new broad segments of customers, namely young people under 30, women, public employees, etc. with a very attractive pricing strategy. So, employees are always under stress and pressure to perform a large number of tasks, including those relating to cash operations: payment, transfer, cheque delivery, etc. This strongly explains the high rate of absenteeism at agency compared to headquarters and regional directorates.

The diagnosis showed that the bank in question suffered 28 accidents at work and very frequent machine failures, for the year 2021. To this end, regulatory measures were taken to compensate for business interruptions, thus generating hidden costs of 2,278.06 KDHs, or 6.77% of the total hidden costs identified. They are linked to hidden costs related to overtime and not production, with a small part related to extra wages. It should be noted that the interruption of activity caused by machine failures, especially ATMs and computer machines is explained by the obsolescence of the equipment.

The bank loses 5,320 hours of activity due to staff turnover. The accounting system does not show the additional costs, which are mostly divided between overwages, overtime, and non-production. This indicator of hidden costs linked to staff turnover strongly reflects the consequences of social dysfunctions identified in terms of working conditions. For example, the organization is accused of adopting an unfair system of incentives and rewards between commercial managers and cash handlers. Commercial managers are rewarded according to the objectives achieved, however, cash managers are rewarded only on a lump sum basis because they are not assigned targets for the placement of banking products, despite their focal role as the first point of contact for prospects who present themselves to agencies for cash transactions and who can be converted into customers. Therefore, the commercial managers renounce the

lack of flexibility in their schedules, thus depriving them of the ability to conduct canvassing and prospecting actions on the ground to improve their rate of achievement of objectives.

The hidden costs related to direct productivity gaps are estimated at 8,617.43 KDHs, representing real losses of banking services output from prospects/clients. They are obtained by deducting from the achievements the expected objectives related to hours of presence at work. However, it should be noted that these productivity gaps mainly concern the cash managers responsible for supervising cashiers, but they are also assigned investment objectives for some banking products such as savings accounts, Term deposits and money transfers (Moneygram, Moneytrans, WesternUnion). However, what explains these differences in productivity is that the cash managers are much more oriented towards the cash operations, whose flow is very important, to support the cashiers, and thus save less effort for the objectives of product placement that are incumbent on them. In addition, these productivity gaps are also caused by recurring equipment failures and the continuous failure of the newly established information system that is frequently updated.

Generally, in the estimated hidden costs, those relating to overtime and non-production occupy the most important part, followed by overwages which also have a rather significant weight. This is strongly justified by the nature of the acts of regulation undertaken in respect of malfunctions, especially those leading to absences or accidents at work, or even a high turnover of staff.

Indeed, it is noted that the banking organization, to cope with interruptions of activities caused by absences or accidents at work, calls only on the available staff, but does not reinforce them with new human resources even if they are occasional. This observation is very clear at the agencies where absences are remedied only by the additional but insufficient efforts of available employees, who can be well-paid such as cash managers or agency directors. This is a perfect explanation of the hidden costs in terms of overwages paid to managers, for tasks that should have been performed by lower-paid people. In addition, the tasks performed by these managers alone remain insufficient, given the large flow of operations to be carried out, to compensate for absences due to illness or accidents at work. Thus, this obviously explains the loss of production potential of the services rendered.

The total estimated hidden costs represents 0.82% of the bank's turnover for the previous year. Although this ratio is relatively low, it still represents a real source of performance improvement that needs to be worked on in order to reduce the hidden costs associated with it. Therefore, we also talk about hidden performance that requires, to become tangible, a rigorous action plan

aimed at reducing hidden costs. Similarly, it is noted that the hidden costs generated represent 5.47% of the payroll, and each employee generates 15,423.17 DHs of hidden costs per year. This should enlighten managers on the content of corrective actions to be taken, the need to put human capital at the centre of these actions in order to improve their working conditions.

Finally, it should be pointed out that these hidden performances cannot be recovered in full, since the hidden costs can only be reduced partially in view of the existence of unavoidable or even unpredictable dysfunctions such as accidents at work, making it impossible to eradicate the hidden costs of an organization. It is then illusory to consider a perfect social performance without hidden costs.

Conclusion

The central scientific objective of this paper was to contribute to the implementation of the Socio-Economic Analysis (SEA) model, particularly through its procedural axis centered on socio-economic diagnosis, within a unique organizational context: the Moroccan banking sector. Although a bank can be viewed as an enterprise, its specific characteristics—being a multi-service provider, operating within complex organizational structures, and managing extensive national and foreign agency networks—necessitate a differentiated management approach. Given the scarcity of empirical literature addressing hidden costs in this specific domain, especially within the Moroccan context, the core contribution of this research lies in the successful adaptation and rigorous application of the socio-economic diagnostic model to Moroccan banking organizations.

The empirical findings unequivocally validate the relevance of the SEA approach in this context. The detailed socio-economic diagnosis conducted within the target institution revealed a considerable number of social dysfunctions, signaling critical organizational imbalances that management must address. Crucially, the study demonstrated the financial magnitude of these issues: the implicit acts of regulation implemented to cope with these dysfunctions generate significant hidden costs exceeding 30 million dirhams. This result holds strong theoretical implications, providing tangible evidence of the economic cost of social mismanagement in a highly structured financial environment. From a managerial standpoint, these costs, once made visible and quantified, transition from being mere social issues to becoming a powerful lever for performance improvement. The primary recommendation is the swift execution of an ambitious and rigorous action plan aimed at reducing these identified costs, effectively converting social liabilities into economic performance gains.

However, the generalizability of these findings across the entire Moroccan banking sector must be approached with caution due to several limitations inherent to the research-intervention design. Firstly, the sensitivity of the information, particularly competitive data, presented significant obstacles to access, sometimes rendering key data collection impossible due to confidentiality concerns, thus restricting the scope of the intervention. Secondly, the Moroccan financial landscape is highly diverse, encompassing traditional banks, participatory banks, financing companies, offshore entities, and micro-credit associations. Our research-intervention was confined to a single institution belonging to the classical banking segment. Consequently, extending these specific results to the entire sector, without further comparative research, would be imprudent. These limitations delineate compelling avenues for future research, notably the execution of comparative socio-economic diagnostics across different types of financial institutions (e.g., participatory banks) to establish a comprehensive typology of hidden costs and dysfunctions in the Moroccan context.

BIBLIOGRAPHIE

1. Articles de revue.

CAPPELLETTI, L. (2006). Le contrôle de gestion socio-économique de la performance : enjeux, conception et implantation. *Finance Contrôle Stratégie*, Volume 9, N° 1. 135-155.

CRISTALLINI, V. (2011). Les coûts-performances cachés mesure scientifique de la santé et de la validité d'une organisation et contribution à la santé des concepts de gestion. *Contrôle de gestion*, 471-488.

SAVALL, H. (1977). Propos d'étape sur la régulation socio-économique dans l'entreprise par la recherche de la compatibilité de l'efficience économique et du développement humain. *Revue d'Economie Appliquée*, n°4, 1978, 36 p.

2. Ouvrages.

ALAZARD, C. & SEPARI, S. (2010). *Contrôle de gestion : Manuel et applications*, Paris, Dunod.

CAPPELLETTI, L. & LEVIEUX, P. (2010). Le contrôle de gestion socio-économique : convertir les coûts cachés en performance durable. *Le contrôle de gestion en mouvement*, Eyrolles.

GRAWITZ, M. (1986). *Méthodes des sciences sociales*. 3ème Édition, Dalloz.

MARTINET, A., DENIS J. et SILEM, A. (2016). *Lexique de gestion et de management* », 9e édition, Dunod.

SAVALL, H. & ZARDET, V. (1987). Maîtriser les coûts et les performances cachés. *Le contrat d'activité périodiquement négociable*. Economica.

SAVALL, H. & ZARDET, V. (2010). *Maîtriser les coûts et les performances cachés*, Paris, Economica.