From “fairly good” to “optimal” energy efficiency practices within the Moroccan industrial firms: Are financial resources sufficient?

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Abstract

Climate change urgency requires a fast transition to a low carbon society which implies broad-scale changes at all levels, hence the need of an energy transition based on enhancing energy efficiency and renewable energy. Energy efficiency is pivotal to combat climate change, it is the most affordable and readily accessible resource, and the most profitable path to sustainability. Industrial firms are increasingly adopting energy efficiency practices (EEP) as they become more knowledgeable about the central role energy efficiency plays in their firms’ competitiveness and the planet’s sustainability. However, the severity of climate change requires the adoption of “optimal” EEP rather than “fairly good” ones. Firms’ satisficing behavior occurs when they do not operate as profit-maximisers, but as satisfactory solutions-seekers. This study explores avenues to address firms’ satisficing behavior regarding EEP. Our research model was empirically tested through survey data collected from 193 Industrial firms in Morocco. Results show that satisficing negatively affects EEP. Financial resources availability and governments’ incentives have a positive direct effect on EEP without attenuating the negative effect of satisfying on EEP. Mimetic isomorphism attenuates the negative effect of firms’ satisficing on EEP. Based on our findings, policy implications are discussed.

Keywords: behavioral barriers to energy efficiency, financial resources availability, incentive instruments, mimetic pressure, satisficing behavior.