

CORPORATE SOCIAL RESPONSIBILITY AND STAKEHOLDER ENGAGEMENT FOR SUSTAINABLE COMPETITIVE ADVANTAGE: A QUALITATIVE FRANCHISE CASE STUDY

Reamuel R. Bañados

Author's/s Affiliation:

Graduate School of Business,
University of the Visayas- Main
Campus, Cebu City

Corresponding Author:

25004781@uv.edu.ph

Reamuelbanados@gmail.com

Article History:

Date Submitted: August 16, 2026

Date Accepted: August 31, 2026

Date Published: September 9, 2026

APA 7th Edition Reference:

Bañados, R. R. (2026). Corporate social responsibility and stakeholder engagement for sustainable competitive advantage: A qualitative franchise case study. *Ascend: Journal of Interdisciplinary Scholarship and Innovation*, 1, (1). pp. 27-40, <https://doi.org/10.5281/zenodo.22641580>.

Abstract. Corporate Social Responsibility (CSR) is becoming a strategic business activity that can help build ties with stakeholders and help ensure long-term competitiveness. This was a qualitative case study that examined the perceptions and experiences of key stakeholders of a Philippine food service franchise company regarding CSR practices and their effects on stakeholder engagement and sustainable competitive advantage. The sample consisted of employees, franchisees, customers, community partners and senior management that were purposively selected. Semi-structured interviews, focus group discussions and document analysis were used to collect the data which were analyzed with thematic analysis. Five main themes were identified. First, stakeholders saw CSR as a multi-dimensional, stakeholder-based approach that included employee welfare, customer safety, supporting the franchisee, responsible operations, environmental responsibility and community engagement. Secondly, CSR was meaningful when a stakeholder felt supported, protected, included and valued. Third, with transparency, consistency, responsiveness and inclusivity, CSR enhanced trust, commitment, satisfaction, participation, and collaboration. Fourth, stakeholder engagement was seen as engendering organizational reputation, employee commitment, customer loyalty, franchise development, community goodwill, and sustainable competitive advantage. Fifth, participants highlighted the importance of shifting the focus from activity-based CSR to strategic and institutionalized approach and the need for effective policy, stakeholder involvement, measurable goals, consistent implementation, communication, monitoring and impact assessment. The study indicates that the CSR can create sustainable value for the organization and can be transformed into the meaningful experiences of stakeholders in a food service franchise environment in the Philippines in the long term. A strategic CSR framework including stakeholder engagement, implementation, measuring, communication and sustainable competitive position in the long term is suggested to enhance stakeholder engagement and sustainable competitive position of Philippine food service franchise company.

Keywords: Corporate Social Responsibility; franchising; qualitative case study; stakeholder engagement; sustainable competitive advantage

Introduction

Corporate Social Responsibility (CSR) has evolved from a philanthropic endeavor to a proactive business strategy that can affect stakeholder relationships, corporate image, corporate legitimacy, and long-term performance. Modern businesses are expected more than ever to generate value for their shareholders, employees, customers, franchisees, suppliers, communities, and other stakeholders affected by their activities. Recent studies have shown that relationships built through responsible business practices lead to improved stakeholder perceptions and

organizational reputation. Responsible business practices can positively influence corporate reputation among internal and external stakeholders, while favorable attitudes toward CSR can strengthen organizational trust and attractiveness. Combined, these findings indicate that CSR generates greater strategic value when stakeholders perceive organizational efforts as credible, relevant, and consistent with responsible business conduct (Bernal Barbosa et al., 2025; Chowdhury et al., 2024). Therefore, CSR is not just about charity or simply a mechanism for enhancing trust, legitimacy, and long-term value for stakeholders; it is about a relationship and a strategy that may support them.

The value of CSR, however, is not limited to corporations with socially responsible programs. Stakeholder engagement seems to be a key process for the interpretation, acceptance, and implementation of CSR programs and their impact on organizational results. Good engagement enables the communication of expectations, stakeholder involvement in sustainability efforts, and the building of stronger collaborative relationships with an entity. Studies claim that sustainability communication can strengthen CSR outcomes by increasing transparency, clearly communicating organizational policies, and facilitating stakeholder engagement (Agrawal et al., 2025). Other studies indicate that active stakeholder involvement can positively influence economic, social, and environmental sustainability outcomes (Nursida et al., 2025). Research also suggests that CSR orientation may contribute to sustainable competitive advantage, both directly and indirectly, through trust and corporate reputation (Salam & Jahed, 2023). Overall, these findings suggest that CSR and stakeholder engagement are interconnected organizational functions that can jointly contribute to sustainability and long-term competitiveness. Instead, stakeholder engagement can be a relational process that fosters trust, participation, commitment, and reputation benefits for CSR, which, in turn, contribute to the organization's competitiveness.

Gaining a sustainable competitive advantage that leads to organizational success in an ever more competitive and volatile business environment is critically important. Research indicates that socially and environmentally responsible practices can enhance companies' competitiveness by strengthening their reputation, stakeholder relationships, innovation, resilience, and organizational capabilities. A meta-analysis of 83 studies and 172,740 observations (Oduro & Haylemariam, 2026) identified positive relationships between social and environmental sustainability practices and non-financial competitiveness measures, as well as the future competitive positioning of SMEs. Other studies also indicate that CSR can help organizations become more sustainable, improve their reputations, innovate, and enhance their financial performance (Oduro et al., 2025). These findings are significant in supporting competitive outcomes through responsible business practices. However, CSR does not always lead to sustainable competitive advantage. The strategic importance of CSR lies in embedding it in organizational processes, communicating it to stakeholders, and engaging them meaningfully. Thus, sustainable competitive advantage can be gained through CSR practices, stakeholder relationships, and organizational capabilities, not just through the implementation of CSR initiatives.

In the Philippine food service franchising industry, an interconnected relationship among management, employees, franchisees, customers, suppliers, and local communities is particularly important for organizational sustainability. Franchise organizations are expected to maintain consistent operations, ensure food safety, keep staff healthy, keep customers happy, support franchisees, act ethically, build community relationships, and be resourceful. These

responsibilities are particularly important because operational responsibilities are decentralized among several factors, and there is a common organization and reputation. In this context, CSR goes beyond community involvement and encompasses how the organization treats employees, maintains product and service quality, manages its relationships with franchise partners, interacts with customers, organizes its processes, and engages with communities.

The sustainability nature of these responsibilities also aligns with several United Nations Sustainable Development Goals (SDGs), including SDG 8: Decent Work and Economic Growth, SDG 12: Responsible Consumption and Production, SDG 16: Peace, Justice and Strong Institutions, and SDG 17: Partnerships for the Goals. The goals align with key areas of organizational CSR such as decent employment and employee relations, responsible production and resource use, ethical and responsible governance, and inter-organizational and inter-stakeholder relationships. For this study, the SDGs offer a broader sustainability framework for examining stakeholder engagement and long-term competitiveness through the lens of organizational CSR practices. The SDGs are not outcomes; they can be used to view responsible organizational practice and stakeholder relationships.

While there is a considerable body of literature on CSR, stakeholder engagement, sustainability, organizational reputation, and competitive performance, an important research gap remains to be bridged. Most current studies have examined quantitative relationships among predetermined variables, such as CSR, trust, reputation, sustainability, innovation, and organizational performance. These studies have proved useful in highlighting the statistical associations between CSR and organizational outcomes, but offer a relatively limited understanding of the lived experiences, interpretations, and meanings attributed to CSR practices by various stakeholder groups within an organization. There is still a limited amount of qualitative research evidence to confirm that employees, franchisees, customers, community partners, and senior management understand the same CSR initiatives in the same or different ways, and that those understandings affect trust, satisfaction, commitment, participation, loyalty, organizational reputation, franchise development, and perceptions of long-term competitiveness.

This is particularly noticeable in the Philippine food service franchising environment. Current research offers little insight into CSR as a lived experience and a stakeholder-specific situation within a franchise company, where various stakeholder groups engage the organization in different roles, with varying expectations and degrees of involvement. Therefore, although the relationship between CSR and positive organizational outcomes has been confirmed in previous studies, little is known about how these outcomes are realized when stakeholders actually experience and interpret CSR practices in a franchise-based organization. To close this gap, a model that addresses stakeholders' perceptions of CSR and its importance, as well as the influence of that relationship on the organization's overall results, is needed. Oduro, S., & Haylemariam, L. G. (2026). Effect of social and environmental sustainability on SME competitiveness: A meta-analytic review. *Management Review Quarterly*, 76(2), 1891–1922. <https://doi.org/10.1007/s11301-025-00519-3>

Thus, the present qualitative case study focuses on CSR activities as seen by the key stakeholder groups of the food service franchise company in the Philippines, namely employees, franchisees, customers, community partners, and the senior management. In particular, the study

addresses the CSR practices adopted by the organization, the perception of these practices by the organization's stakeholders, the impact of CSR on trust, satisfaction, commitment, and involvement of stakeholders, and the impact of stakeholder engagement on the organization's reputation, employee commitment, customer loyalty, franchise development, and sustainable competitive advantage. The research aims to provide a more contextualized view of CSR's value by incorporating the perspectives of various stakeholder groups within a single organizational context.

The study ultimately proposes designing a strategic CSR framework based on stakeholders' experiences and perceptions. This framework is intended to explain how CSR practices and stakeholder engagement can be better aligned to enhance stakeholder relations and the overall competitive position of a Philippine food service franchise organization in the long run. The study contributes to the CSR literature by focusing on the process, meaning, and stakeholder experience through which CSR can help create sustainable competitive advantage (SCA), rather than on variable-based relationships.

Methodology

Design

This study used a qualitative case study to explore the perceptions and experiences of the stakeholders in the Corporate Social Responsibility (CSR) of a Philippine food service franchise company. The case study approach will enable the researcher to analyze CSR within the specific context of the company and its franchise, particularly the linkage between stakeholder engagement and sustainable competitive advantage. Furthermore, the study was based on the experiences, perceptions, and interpretations of the stakeholders, rather than on measuring statistical relationships among the constructs.

Locale

The study was conducted within the Philippine food service and franchising context, focusing specifically on a food service franchise company and the areas where its business operations and stakeholder relationships are established. The organization operates through company-managed and franchised business units, engaging various internal and external stakeholders, including employees, franchisees, customers, community partners, and senior management.

This organizational setting provided an appropriate locale for examining how Corporate Social Responsibility (CSR) practices are implemented, experienced, and interpreted by different stakeholder groups. The company's franchise-based structure, stakeholder diversity, and ongoing operations also provide relevant context for exploring how CSR may strengthen stakeholder engagement, organizational reputation, employee commitment, customer loyalty, franchise development, and sustainable competitive advantage.

Participants

Key stakeholder groups of the Philippine food service franchise company were employees, franchisees, customers, community partners, and senior management. These groups were included

because they represent various stakeholders, internal and external, that may be directly involved in, affected by, or witness the company's CSR activities. They took a different viewpoint to gain a multidimensional view of perceptions of CSR, its effects on stakeholder relationships and engagement, and how it can help the organization sustain its competitive position in the long term.

In addition, the study employed a purposive sampling technique to select respondents capable of providing information and relevant insights on the CSR practices of the Philippine food service franchise company. The participants were identified based on their firsthand experiences or their involvement in the organization's CSR activities. This ensured that the participants could provide valuable opinions on CSR, stakeholder management, and sustainable competitive advantage.

Ten people participated in the study, representing different stakeholder groups of a Philippine food service franchise company. P1 worked as a front line/Store employee, and P2 worked as a team leader/supervisor. The participants were a franchisee (P3) and a new franchisee (P4). P5 and P6 were the participants who represented the customers; P5 was a regular customer, while P6 was an occasional customer. Community partners (P7 and P8) consisted of a barangay/community representative and a school/community organization representative. Finally, participants were P9, an operations/department head, and P10, an executive/senior manager. This composition enabled the study to include the voices of internal and external stakeholders with different views on the CSR practices of the Philippine food service franchise company.

Instrument

The researcher was the primary instrument in this study, particularly in data collection and interpretation. To ensure systematic and consistent data collection, a semi-structured interview guide will be used to gather detailed information on participants' experiences and perceptions of the Philippine food service franchise company's Corporate Social Responsibility practices. The interview guide consisted of open-ended questions linked to the study's research questions, particularly those related to CSR practices, stakeholders' experiences, trust, commitment, satisfaction, participation, organizational reputation, and sustainable competitive advantage.

Data Gathering Procedure

The study employed semi-structured interviews, focus group discussions (FGDs), and document analysis as its primary data gathering procedures. Semi-structured interviews were conducted using an interview guide with open-ended questions focusing on corporate social responsibility (CSR) practices, stakeholder engagement, trust, satisfaction, commitment, and sustainable competitive advantage. Follow-up questions were asked to clarify responses and to elicit specific examples, thereby ensuring depth and accuracy of the data. FGDs were organized to capture collective perspectives, highlight commonalities, and identify differences among stakeholder groups.

In addition, the researcher facilitated the discussions, encouraged balanced participation, and guided the exploration of points of agreement and disagreement. In addition, relevant organizational documents such as CSR policies, reports, communications, and program records were systematically reviewed to provide contextual insights into organizational practices. Data from interviews, FGDs, and document analysis were triangulated to substantiate participants'

accounts, validate findings, and reveal inconsistencies where they existed. This triangulation process enhanced the credibility and validity of the study's results.

Data Analysis

Thematic analysis by Braun and Clarke (2006) will be used for analyzing qualitative data. Interview and FGD data will be analyzed systematically through: familiarization with the data, initial coding, theme identification, theme review, theme definition and naming, and preparation for data analysis. It will be an analysis of recurring patterns of experience related to CSR; stakeholder engagement; trust and organizational relationships; perceived contributions to sustainable competitive advantage; and opportunities and challenges for stakeholders in strengthening CSR practices. Thematic analysis is used because it allows for the identification and interpretation of meaningful patterns in qualitative data and is flexible.

Ethical Considerations

Confidentiality, privacy, voluntary participation, and informed consent were upheld throughout the study. Before starting data collection, participants were provided with information about the purpose of the study, the nature of their participation, their right to refuse or withdraw from the study at any time, and the steps that were taken to ensure confidentiality. To ensure that the data does not reveal personally identifiable information, interview transcripts, FGD notes, data analyses, and the final research report will use pseudonyms or participant codes. Confidentiality of all information collected from employees, franchisees, customers, community partners, and senior management of the Philippine food service franchise company will be maintained, and the information will be used only for academic and research purposes. Audio recordings, transcripts, consent forms, and additional research data will be stored in a secure location and accessed only by the researcher and authorized research staff. Confidentiality and institutional policies will also be observed for any organizational documents included in the study. Results will be shared as aggregated or anonymized data to reduce the risk of identifying the individual participant or sensitive organizational information.

Results and Discussions

Theme 1: CSR as Responsible and Stakeholder-Oriented Business Practice

The results for Research Question 1 showed that stakeholders viewed Corporate Social Responsibility (CSR) as a multidimensional responsibility of the organization, not limited to philanthropy and community involvement. For all stakeholder groups, CSR was linked to employee wellbeing and development, customer safety and responsible service, support for franchisees, responsible operations, environmental measures, and community involvement.

In the areas of training, food safety, sanitation, and workplace support, employees highlighted CSR as activities that *“help employees and communities and are in line with responsible business practices”* (P1). Franchisees discussed the importance of partnership and brand responsibility, with P3 emphasizing that the organization is *“not concerned only with expanding the business but also with maintaining good relationships with employees, customers,*

franchise partners, and communities.” Customers placed greater emphasis on safe food, cleanliness, responsible service, and environmental responsibility. Community partners recognized CSR as a form of social partnership that brings together resources, knowledge, training, employment opportunities, and volunteer participation. Senior management had a more strategic view, with P10 stating that CSR is *“part of the organization's long-term strategy.”* These perspectives suggest that stakeholders share an appreciation of CSR as related to the organization's day-to-day activities, rather than as a stand-alone philanthropic effort to take care of stakeholders.

This is in line with research that defines CSR as a set of social, environmental, and organizational responsibilities that can be integrated into organizational practices to create sustainable competitive advantage (Obeng et al., 2026). The results also corroborate evidence from the restaurant industry that ethical, legal, philanthropic, and environmental aspects of CSR correlate with customer trust and satisfaction (Ghaderi et al., 2025). The current study, however, adds to these views by showing that CSR is understood by a broader network of stakeholders, including employees, franchisees, customers, community partners, and management. This is especially important if the responsibility is to be shared in a franchise, in which roles are felt through operational and relational activities rather than through customer- or community-focused activities. Furthermore, research showing that the economic aspect of CSR has a less significant impact on trust and satisfaction in the eyes of customers than ethical, legal, philanthropic, and environmental aspects suggests that customers may be more willing to trust and be satisfied with the organization's responsible behavior rather than its economic contribution (Le Bot et al., 2022).

The results suggest that CSR should be integrated into general organizational management, including training and development procedures, food safety, complaint handling, franchisee support, environmental responsibility, and community involvement. So, the first theme is that the concept of CSR in a food service franchise company in the Philippines is more stakeholder-oriented rather than a traditional CSR definition.

Theme 2: CSR as a Meaningful Stakeholder Experience and Value-Creation Mechanism

The results for Research Question 2 revealed that the stakeholders evaluated CSR based on direct interactions with the organization and the value from those interactions. Staff linked CSR to caring for others, growing in their own work, and being involved in the company.

In fact, P1 discussed how training and management responsiveness made employees feel *“more valued and motivated to perform”* their duties. Franchisees saw CSR in terms of franchisor support, standards, and partnership, with P3 stating that responsible initiatives *“built trust as they showed a commitment to making sure the entire brand, and not just franchise-related fees, were protected.”* Customers included food safety, cleanliness, complaint resolution, and responsible service of alcohol as components of CSR, and community partners focused on the positive impacts on the community and meaningful partnerships. CSR from a management perspective was considered in terms of mutual value creation, where value creation for stakeholders is also value creation for the organization.

The findings are consistent with recent research showing that franchise companies' CSR activities can strengthen franchisees' perceptions of organizational legitimacy, which in turn enhances trust and supports a stronger long-term orientation toward the franchisor (Kim et al., 2021). They also align with the literature, which highlights the importance of stakeholder

engagement and involvement in CSR to ensure its effectiveness (Massimino et al., 2025). However, in the present study, an important qualitative aspect is added: CSR does not have the same meaning for all stakeholder groups. Development and welfare benefit employees; safety and responsiveness benefit customers; support and partnership benefit franchisees; social benefits and cooperation benefit community partners. CSR value is stakeholder-specific and not uniform.

The discovery indicates that a universal CSR approach is not appropriate. Rather, CSR programs should be tailored to meet the unique needs and expectations of various stakeholder groups. Consultation and feedback processes can be established to ensure that employee training, franchise work, customer security, and community programs remain relevant to those affected. The second theme, on the other hand, shows that CSR becomes meaningful when organizations' responsibility is realized in terms of tangible, relational, and social value for stakeholders.

Theme 3: CSR as a Foundation of Trust, Commitment, Satisfaction, and Participation

The findings indicated that trust, commitment, satisfaction, participation, collaboration, and a sense of ownership were key factors in strengthening stakeholder engagement. These outcomes were not simply due to the presence of CSR activities but were also associated with how these activities were carried out.

Employees also connected organizational care with their cooperation and commitment, with P2 stating, *"Participation makes employees feel that they own it and that they are more committed."* Red flags for lack of partnership included not feeling free to raise concerns and not experiencing open communication. Consistency, transparency, and responsiveness were all associated with customer trust and satisfaction. Consultation and collaboration were important to community partners, especially when an organization demonstrated an interest in understanding the community's actual needs. Management also reinforced the importance of fairness, transparency, responsiveness, and consistency, with P10 stating that *"trust is built when stakeholders see consistency in what the company says and what it does."*

These findings align with those reported by other studies, which showed that CSR perceptions can drive customer engagement through relational processes such as trust, identification between companies and consumers, and satisfaction (Pradhan et al., 2026). There are also parallels among employees, in which perceived CSR helps them develop positive affective organizational commitment, in part by fostering organizational trust and meaningfulness at work (Maqbool, 2025). This work builds on this research; it demonstrates parallel processes in franchisees and community partners, as well as in employees and customers. The general trend was observed across stakeholder groups: responsible practices were more likely to be associated with increased engagement when stakeholders perceived them as credible, responsive, inclusive, and consistent.

The convergence indicates that one key relationship process through which stakeholders' engagement becomes CSR is trust. Participation should be understood not just in terms of attending CSR activities but in terms of stakeholders' desire to communicate, collaborate, contribute and continue a relationship with the organization. This finding has practical significance for the need for employee consultation, responsive handling of grievances, open dialogue with the franchisee, and ongoing community partnerships. The third theme, then, is that when there is organizational

responsibility, there is justice and transparency in the relationship with stakeholders, consistency, responsiveness, and opportunities for participation.

Theme 4: Stakeholder Engagement as a Source of Reputation and Sustainable Competitive Advantage

The results of Research Question 4 showed that responsible stakeholder engagement practices were perceived to positively impact corporate image, employee involvement, customer loyalty, franchise expansion, community goodwill, and sustainable competitive advantage. Staff linked responsible practices to stronger commitment and longer-term stakeholder loyalty.

Franchisees viewed CSR as a means of strengthening brand credibility and investment attractiveness, with P3 noting that *“CSR can distinguish the organization from other options”* and that *“a good reputation can help prospective franchisees choose which brand to invest in.”* Organizational trust was associated with customer loyalty, recommendation, and continued support, while community partners emphasized goodwill and social acceptance. Trust, reputation, and stakeholder relationships were perceived by senior management as valuable intangible resources. P9 stated that these resources are difficult for competitors to imitate because they are developed through *“consistent relationships over time.”*

The results suggest that the link between CSR and sustainable competitive advantage is not direct. The responsible practices seem to have had positive experiences for the stakeholders, which in turn build trust and engagement; ongoing engagement can lead to loyalty, commitment, goodwill, reputation, and organizational differentiation. This interpretation is consistent with findings indicating a positive relationship between CSR and corporate reputation, customer satisfaction, and customer trust, which can lead to customer loyalty (Islam et al., 2021). It is also aligned with strategic CSR literature, which looks for reputation enhancement, stakeholder reciprocity, risk reduction, and innovation capacity as ways in which CSR can add value to organizational performance (Vishwanathan et al., 2020).

The current study builds on this literature by outlining the mechanisms in action among multiple stakeholder groups in a franchise environment. Employee commitment can help maintain organizational stability; customer loyalty and advocacy can help sustain demand; franchisee confidence can help develop the franchise; and community goodwill can help foster social acceptance of current and future business operations. Hence, the competitive value of CSR seems to lie more in the process of building stakeholder relationships than in the execution of CSR activities.

Therefore, the organization can look at CSR not only in terms of activities but also in terms of relationships, including employee commitment, customer trust and loyalty, franchisee confidence, community support, and corporate reputation. The fourth theme thus suggests that stakeholder engagement can be a pathway that enables organizations' responsible practices to become relational and reputational assets that sustain competitive differentiation in the long term.

Theme 5: From Activity-Based CSR to Strategic and Institutionalized CSR

A consensus that CSR activities should shift from being merely activity-based toward a more strategic, measurable, participatory, and institutionalized system. The main issues highlighted by the participants were inconsistent implementation, limited awareness of CSR,

inadequate communication and continuity, differences across branches, insufficient impact measurement, and the absence of a fully developed CSR framework. Staff emphasized the importance of documented standards and regular CSR activities. Franchisees expressed the need for greater involvement in CSR planning and orientation. Customers highlighted the importance of clear communication and tangible outcomes, while community partners emphasized sustainability over one-time projects and the need for a long-term approach.

Senior management suggested adopting formal CSR policies, annual goals, stakeholder consultation, measurable indicators, assigned responsibilities, reporting, monitoring, and impact evaluation. P10 described this transition as moving from “*activity-based CSR to strategic CSR*,” in which responsibility is integrated into the business model, organizational culture, and competitive strategy.

The results align with the study findings indicating that CSR maturity varies across organizations and that embedding CSR into organizational strategy can facilitate the shift from disorganized social programs to more coordinated and responsible management practices (Nguyen & Kanbach, 2023). They also align with franchise and restaurant studies indicating that franchisee participation and community involvement can bolster CSR efforts, highlighting the significance of engaging the local community in CSR activities (Gorovaia & Hussain, 2025). Moreover, strategic CSR literature suggests that strategic actions can increase the value of the organization, as they can be included and connected with the reputation, the reciprocity of the stakeholders, the risk management, and the capabilities of the organization, instead of being done on their own (Qu et al., 2025).

Thus, the present findings indicate an implementation gap between the conduct of CSR activities and the strategic institutionalization of CSR. Stakeholders acknowledge that, while responsible practices are in place, implementation varies, measurement systems are lacking, and stakeholder involvement is inadequate, all of which may limit their long-term value. Implementing strategic CSR is not merely a matter of doing more, but of integrating it into planning, implementation, monitoring and evaluation, and decision-making processes.

The strategic CSR framework proposed comprises five interrelated elements: strategic direction for CSR; stakeholder consultation and engagement; integrated implementation of CSR; transparent measurement and communication; and achieving sustainable competitive results. These elements are part of a continuous process in which the needs of stakeholders shape the priorities of CSR, responsible practices generate value for stakeholders, stakeholder value enhances trust and engagement, trust and engagement feed into the priorities of CSR, and sustained engagement builds reputation, loyalty, organizational commitment, franchising, and sustainable competitive advantage.

Overall, there is a progressive relationship between CSR and sustainable competitive advantage as uncovered by the five themes. CSR starts at the organizational level of responsible practices and takes on strategic dimensions when interpreted and experienced by the stakeholders. These experiences, when they are relevant, transparent, consistent, supported, and meaningful, can lead to increased trust and engagement. These relationships can create intangible resources that support organizational differentiation and long-term competitiveness, including reputation, loyalty, commitment, goodwill, and franchise confidence. The findings thus indicate that the

strategic value of CSR lies not only in engaging in socially responsible activities but also in institutionalizing CSR as a stakeholder-focused organizational competence.

Conclusion

The study findings indicate that Corporate Social Responsibility (CSR) of a Food service Franchise Company involves not only giving back money but also developing employees, ensuring customer and food safety, providing support to franchisees, operating responsibly, ensuring environmental practices, and engaging in the community. The results indicate that stakeholders' understanding of CSR is based on their first-hand experience with the organization, as well as on the value, participation, support, and protection it offers. These experiences affect factors such as trust, satisfaction, commitment, participation, and collaboration, and show that CSR gains significance when it is woven into the fabric of the organization's daily operations and interactions with stakeholders.

The findings also suggest that stakeholder engagement is an important mechanism by which CSR might influence an organization's reputation, employee commitment, customer loyalty, franchise development, community goodwill, and sustainable competitive advantage. Stakeholders judge CSR based not only on the activities carried out by the organization but also on how transparent, responsive, consistent, inclusive, and willing the organization is to involve them. This underscores the importance of stakeholder relationships in creating sustainable value for the organization and in rebuilding responsible business practices.

In addition, the study highlights the need to move away from activity-based CSR and towards a more strategic and institutionalized approach. The proposed strategic CSR framework combines strategic CSR direction, stakeholder consultation and participation, integrated CSR implementation, measurement, and communication of results, and sustainable competitive outcomes. The results of this study will enhance understanding of the interrelationship between CSR and stakeholder engagement in a food service franchise scenario in the Philippines, and how these relationships can contribute to the organization's long-term competitiveness.

There are some limitations in the study, such as small purposive samples and a single-case qualitative study. The results, therefore, do not lend themselves to statistical generalization. However, the involvement of multiple stakeholder groups ensured that a variety of viewpoints were offered, which added depth and relevance to the findings in the organizational context explored.

Recommendations

To implement a formal CSR program for employees, customers, franchisees, responsible operations, the environment, and the community, the Philippine food service franchise company could establish one. A program for the Philippine food service franchise company can be set up in the areas of employee development, customer protection, franchisee assistance, responsible operations, and the environment and community. This will provide greater uniformity and a more stakeholder-centric direction to the implementation of CSR.

Consultation, feedback loops, and joint CSR planning among employees/franchisees/customers/community partners/senior management can all be used to

enhance stakeholder engagement. These practices can help meet stakeholder needs through CSR efforts and foster trust, commitment, satisfaction, participation, and collaboration.

The company could also set up measurable CSR indicators, responsibilities, frequent reporting, and the evaluation of impact in company-owned and franchised branches. These mechanisms can help streamline consistency, accountability, transparency, and effectiveness of CSR initiatives over time.

For future research, it would be interesting to explore CSR in other food service and franchise companies and to involve other parties, such as suppliers and government agencies. Further analysis of the long-term linkages among CSR, stakeholder engagement, organizational reputation, loyalty, franchise development, and sustainable competitive advantage is possible through longitudinal or mixed-methods studies.

Author's Contribution

The author was responsible for the conceptualization, methodology, investigation, data collection, data curation, formal analysis, and interpretation of the study. The author also conducted the semi-structured interviews, focus group discussions, and document analysis, and performed the thematic analysis of the qualitative data. In addition, the author prepared the original manuscript, reviewed and edited the paper, managed the research process, and developed the proposed strategic CSR framework based on the study findings. The author approved the final version of the manuscript and accepts responsibility for the integrity and accuracy of the research.

References

- Agrawal, S., Ray, A., & Rana, N. P. (2025). Effectiveness of sustainability communication on stakeholder engagement: A multi-method qualitative assessment of sustainable development. *Corporate Social Responsibility and Environmental Management*, 32(1), 820–834. <https://doi.org/10.1002/csr.2992>
- Bernal Barbosa, L. B., Córdova Cárdenas, G. M., Erro Salcido, L. F., Palacio, R. R., & Ganga-Contreras, F. (2025). Corporate social responsibility and its influence on corporate reputation: Evidence from the industrial sector. *Social Responsibility Journal*, 21(8), 1566–1584. <https://doi.org/10.1108/SRJ-06-2024-0402>
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101. <https://doi.org/10.1191/1478088706qp0630a>
- Chowdhury, M. S., Moniruzzaman, H. M., Lipy, N. S., & Kang, D. (2024). Modeling corporate social responsibility and organizational attractiveness: The underlying mechanism of organizational trust. *South Asian Journal of Business Studies*, 13(4), 545–562. <https://doi.org/10.1108/SAJBS-05-2021-0187>
- Ghaderi, Z., Omidvar, M. S., Hosseini, S., & Hall, C. M. (2025). Corporate social responsibility, customer satisfaction, and trust in the restaurant industry. *Journal of Foodservice Business Research*, 28(6), 1215–1246. <https://doi.org/10.1080/15378020.2024.2318523>
- Gorovaia, N., & Hussain, D. (2025). From strategy to storefront: CSR and brand competitiveness in franchise networks. *Corporate Social Responsibility and Environmental Management*, 32(4), 5420–5429. <https://doi.org/10.1002/csr.3252>

- Islam, T., Islam, R., Pitafi, A. H., Xiaobei, L., Rehmani, M., Irfan, M., & Mubarak, M. S. (2021). The impact of corporate social responsibility on customer loyalty: The mediating role of corporate reputation, customer satisfaction, and trust. *Sustainable Production and Consumption*, 25, 123–135. <https://doi.org/10.1016/j.spc.2020.07.019>
- Kim, J., An, D., Kim, J. Y., & Park, J. (2021). A study on the internal marketing effects of franchise company's CSR campaign focusing on the franchisees' perceived legitimacy and trust. *Journal of Product Research*, 39(5), 87–98. <https://doi.org/10.36345/kacst.2021.39.5.011>
- Le Bot, C., Perrigot, R., Déjean, F., & Oxibar, B. (2022). Corporate social responsibility in franchise chains: Specificities, insights from French franchise chains' CSD, and avenues for future research. *Journal of Retailing and Consumer Services*, 66, 102945. <https://doi.org/10.1016/j.jretconser.2022.102945>
- Maqbool, S. (2025). Effect of employees' CSR perceptions on affective commitment: Exploring multiple mediation mechanisms. *Journal of Economic and Administrative Sciences*, 41(2), 735–750. <https://doi.org/10.1108/JEAS-08-2022-0191>
- Massimino, B., Zhang, J. J., & Lawrence, B. (2025). Actor engagement in franchising: A social exchange perspective on CSR performance. *Industrial Marketing Management*, 124, 40–56. <https://doi.org/10.1016/j.indmarman.2024.11.007>
- Nguyen, H., & Kanbach, D. K. (2023). Toward a view of integrating corporate sustainability into strategy: A systematic literature review. *Corporate Social Responsibility and Environmental Management*. <https://doi.org/10.1002/csr.2611>
- Nursida, N., Oktaviani, R. N., & Hudayati, A. (2025). The nexus of stakeholder engagement and sustainability performance: A systematic literature review and research agenda. *Jurnal Akuntansi dan Auditing Indonesia*, 29(2), 246–260. <https://doi.org/10.20885/jaai.vol29.iss2.art5>
- Obeng, H. A., Sarwar, A., Arhinful, R., & Mensah, L. (2026). Corporate social responsibility as a driver of sustainable competitive advantage through green human resource management and technological adaptability. *Discover Sustainability*. <https://doi.org/10.1007/s43621-026-03493-2>
- Oduro, S., & Haylemariam, L. G. (2026). Effect of social and environmental sustainability on SME competitiveness: A meta-analytic review. *Management Review Quarterly*, 76(2), 1891–1922. <https://doi.org/10.1007/s11301-025-00519-3>
- Oduro, S., Umar, R. M., De Massis, A., & Haylemariam, L. G. (2025). Corporate social responsibility and family firm performance: A meta-analytic review. *Corporate Social Responsibility and Environmental Management*, 32(2), 1412–1443. <https://doi.org/10.1002/csr.3004>
- Pradhan, S., Mishra, A., Bashir, M., & Bose, S. (2026). Role of CSR perceptions in building customer engagement. *Marketing Intelligence & Planning*, 44(2), 419–437. <https://doi.org/10.1108/MIP-03-2024-0167>
- Qu, X., Al Mamun, A., Sun, H., Masukujjaman, M., Wu, M., & Yang, Q. (2025). The ripple effect of CSR: How ethical and philanthropic efforts drive reputation and long-term success. *Acta Psychologica*, 261, 105947. <https://doi.org/10.1016/j.actpsy.2025.105947>
- Salam, M. A., & Jahed, M. A. (2023). CSR orientation for competitive advantage in business-to-business markets of emerging economies: The mediating role of trust and corporate

- reputation. *Journal of Business & Industrial Marketing*, 38(11), 2277–2293. <https://doi.org/10.1108/JBIM-12-2021-0591>
- Vishwanathan, P., van Oosterhout, H., Heugens, P. P. M. A. R., Duran, P., & van Essen, M. (2020). Strategic CSR: A concept-building meta-analysis. *Journal of Management Studies*, 57(2), 314–350. <https://doi.org/10.1111/joms.12514>

