

Corporate Social Responsibility (CSR) of Multinational Company Jollibee Foods Corporation in Metro Manila

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ABSTRACT

This study investigates the corporate social responsibility (CSR) practices of the leading multinational company in the Philippines- Jollibee Food Corporation. The findings reveal a strong emphasis on traditional values of service, compassion, care, and competence, with an unwavering commitment to CSR even during the challenges posed by the pandemic. The study highlights the significance of education, personal excellence, living standards, health, and reducing environmental footprints in improving corporate image and reputation. A Proposed CSR Synergistic Model is presented, advocating for a holistic approach that integrates corporate efficiency and sustainability. The Proposed CSR Synergistic Model is proposed as a comprehensive resource for CEOs and philanthropists, aiming to inspire further CSR initiatives and studies in diverse settings.

KEYWORDS

Corporate Social Responsibility (CSR); Multinational Company; CSR Strategies.

1. INTRODUCTION

The world struggling from the impact of the COVID-19 pandemic has to address the challenges posed to the organization and management. Held back by these challenges are the climate change, food security, and disaster resilience and recovery.

With these global risks, companies have to balance between their business strategies focusing not only on financial benefits to the organizations, but also to the public welfare and preservation of the environment (Barauskaite and Shermikiene, 2020).

This worldwide epidemic has brought counties to a slowdown, lockdowns, and even pressed the health and medical system to a dangerous edge, and brought the world's economy into a recession (Americal Journal of Managed Care, 2020). The following year, 2021, close to two (2) million people had died worldwide; and some estimates run even higher as case reporting varies around the world.

According to He and Harris (2020), the pandemic is exceptionally difficult time for business as it does not only hit badly profits and profitability on a scale rarely seen outside of major recessions, but also put their commitment to ethical business conduct and corporate social responsibility (CSR) to test. The situation has also posed challenges to firms with regard to struggle of balancing their interests between stakeholders and their own business (Atwi, et al., 2021).

In the Philippines, like any other countries in the world, has to address the challenges and impacts of COVID-19 pandemic crisis. Multinational companies which also suffer from the crisis have to thrive through their businesses and responsibilities amidst the pandemic, and still conscious of their responsibilities not only for themselves, but also to the communities they serve.

Business is increasingly called upon to address the major problems faced by Philippine society today. Still trying to cope up with the pandemic crisis, especially, the large segment of society is still mired in poverty and where the cost of living has substantially and continuously increasing every day. This observation is supported by the most recent report by Social Weather Stations, which shows that as of the end of 2022, half of all Filipino families consider themselves poor and only one-fifth regard themselves as not poor (Mangahas, 2022). He equally laments that despite substantial increases in the country's gross domestic product (GDP) and a doubling of per capita income in recent years, "so little of it is shared". Another case in point, is in the recently-held World Economic Forum, OXFAM reported that the seven richest families in the Philippines had accumulated more wealth in 2022 than the poorest 55 percent of the population (Poblador, 2023).

It is in this spirit that the researcher, although a foreigner, wishes to investigate the status of the Multinational Companies' Corporate Social Responsibility (CSR) and how they best achieve their profit objectives by creating economic, social, and environmental value through their corporate efficiency as they enhance their CSR to their stakeholders and themselves.

The researcher has chosen selected the multinational leading company Jollibee Group in Pasay City in Metro Manila which is not only listed in the first 500 Corporations by the Security and Exchange Commission (2019), but also by the League of Corporate Foundations (LCF), which is the largest operating and grant-making corporate foundations and corporation practicing Corporate Social Responsibility (CSR) in the large-scales almost covering all the CSR requirements, in the Philippines with 93 current membership.

2. RELATED LITERATURE

2.1. CSR Concepts and Benefits

Corporate Social Responsibility (CSR) practices has been expanding and evolving in recent decades around the world. There are several explanations for its growth and evolution. Partly, it is due to shifting stakeholder expectations, and international companies' exposure of its operations in other countries. However, while it has gained importance, it is also not well-defined, and prone to be interpreted by firms as they see fit, and often times not significantly affecting the company's operations (Welford 2004).

Expectations for the business sector to undertake a more substantial role in social development has been growing. At the turn of the century, global warming and potentially fatal environmental problems raised the issue of sustainable development amidst the profits made by multinational corporations. New media has also assisted in the fast dissemination of information about companies embroiled in social and environmental issues that affect the reputation of these institutions. Emphasis has been on partnership-building rather than the traditionally practiced resource-transferring from corporations to beneficiaries (Asian Institute of Management RVR Center for Corporate Responsibility, 2005). This movement provides an opportunity for governments that 'actively seek broad partnerships with civil society and the private sector' as a response to new concerns of their population and as a strategy for promoting sustainable development. Hence, some consider CSR as a concept that allows companies to voluntarily decide to contribute to a better society and a cleaner environment (CEC 2001, as cited in Welford 2004).

Benefits accrue companies that practice CSR. According to Ernst & Young (EY) (2016) the business benefits of corporate social responsibility (CSR) includes: more transparency to the financial performance of a company for potential and current investors; more access to capital for companies to potential sources of equity that they are competitive and lower-risk investments; innovation leading to efficiency and reduction of waste; better management of risks emanating from sustainability-related dimensions of business.

2.2. CSR: Its Strategic Goals

According to Chen, et al., (2018), corporate social responsibility (CSR) activities can be classified into three broad orientations based on the corporation's strategic goals. These are (1) philanthropic CSR which entails a charitable donor– recipient nature relationship, (2) promotional CSR which enhances mutually beneficial relationship exchanges and (3) value-creating CSR which integrates into the firms' mission and core business agenda.

Philanthropic CSR involves charitable acts that help society as a whole. It represents a firms' one-way donation behavior such as social donation (Chen et al., 2018). For promotional CSR, it focuses on achieving promotion effectiveness which are often associated with short-term sales goals. Promotional CSR activities, on the other hand, are used as a public relations opportunity to enhance the brand, image, and reputation of the company. They include various societal marketing initiatives, such as cause-related marketing and cause sponsorships. It is oriented towards short-term profitability and brand image differentiation (Chen et al., 2018). Lastly, valuecreating CSR focuses on creating shared value among customers and stakeholders by merging consumer welfare, business goals and long-term societal benefits (Pelozo and Shang, 2011, as cited in Chen et al., 2018). They try to align corporate mission and social causes in enhancing corporate competitiveness. Value-creation CSR involves adherence to the company's corporate mission and social causes while providing opportunities for innovation.

2.3. CSR: Its Direct Relationship to Firm Performance

Galbreath and Shum (2012) have identified that these cannot have 100 percent positive, negative, or neutral relationship between CSR and firm performance. These was also evident in Surroca, Tribo, and Waddock (2010) findings on no direct relationship between these two (2) concepts. However, the relationship was fully mediated via the firms intangible resources where the recent interest by employee – focused CSR and ethical aspects of human resource management (HRM) have gone hand in hand with an increased focus on research and practice linking CSR and HRM. HRM significantly influences the way in which CSR is understood, developed, and enacted; and similarly, how corporations approach social responsibility has implications for treatment of workers.

These concepts and findings are indeed frameworks the present study will also focus, both on the roles and functions of companies to their human resource and to their stakeholders, the communities they serve. Thus, the study will see to it that calls will be made to do further research on the connection between spectrum of the CSR and the corporate efficiency.

2.4. CSR and HRM Strategy

The instrumental view of CSR–HRM is based on CSR as an HRM strategy; both having the ultimate purpose of enhanced organizational performance outcomes and concomitant shareholder value. With regard to HR practices, instrumental CSR–HRM research primarily considers CSR as a means to improve these practices insofar as they contribute to organizational goals and economic performance. For instance, CSR may be regarded as a way to improve recruiting practices to attract the best talent, to motivate employees and increase their commitment to organizational goals. Overall, research within the instrumental perspective on CSR–HRM can contribute to scholarly knowledge by identifying how CSR and HRM aspects relate and how they can contribute to performance. CSR also contributes to the accumulation of human resources or human capital. The accumulation of human capital derived from socially responsible practices can become a source of competitive advantage and result in improved financial performance.

Along with the instrumental view of CSR-HRM, this research is based on an integrative view of CSR-HRM. The theoretical underpinnings of this perspective are stakeholder theory (Freeman, 1984) and theories of “soft” or relational HRM (Beer et al., 1984). From this point of view, this study starts from

the consideration of CSR as an antecedent factor in the implementation of a GHRM system. Within this perspective, the researchers found research on how CSR affected worker commitment and motivation. Therefore, they used the Ability-Motivation-Opportunity (AMO) theory to identify the critical areas of GHRM that can be developed with CSR policies and have an impact on environmental outcomes (Guerci et al., 2016). Voegtlin and Greenwood (2016) provide a theoretical review of the research aimed to connect CSR and HRM. In this sense, the interpretation of CSR as responsible HRM has surfaced in several studies, suggesting that responsible HRM can be achieved through CSR. A topic currently seems to exist which arouses the interest of researchers, namely: the relationship between Green human resource management (GHRM) and CSR (Shah Ridwan Chowdhury & Asaduzzaman, 2017); so that, CSR requirements are the major reason for GHRM initiatives in many organizations (Amrutha & Geetha, 2020).

2.5. CSR and HRM in Hospitality Industry

Likewise, scholars have recently started to examine CSR within the hospitality literature. A significant number of these investigations revolve around the direct effect of CSR on hotel performance (Lee, 2017; Lee, Kim, & Kim, 2018; Theodoulidis, Diaz, Crotto, & Rancati, 2017). However, their results are inconclusive too; the hospitality studies are largely atheoretical and there is need for both theory testing and theory elaboration (Rhou & Singal, 2020).

This positive, negative or neutral results obtained from analyzing the direct relationship between CSR and firm performance cannot be 100% reliable, since such a link may be affected by some other intervening factors neglected in many studies -as highlighted by several researchers.

Therefore, the recent interest raised by employee-focused corporate social responsibility (CSR) and ethical aspects of human resource management (HRM) has gone hand in hand with an increased focus on research and practice linking CSR and HRM. HRM significantly influences the way in which CSR is understood, developed and enacted; similarly, how corporations approach social responsibility has implications for the treatment of workers.

3. RESEARCH METHOD

The study used a combination of descriptive and historical approach using documentary analysis on the corporate profile of the selected multinational company. The researcher personally distributed the sets of survey questionnaire in the Main Offices of the Companies and interviewed some of the employees and managers..

In the course of the gathering the data, It took her almost three (3) months and finally, 78 sets of survey instruments were retrieved from Jollibee Foods Corporation.

4. FINDINGS AND DISCUSSION

4.1. Corporate Profile of Selected Multinational Companies in Metro Manila

With regard to the corporate profile of these selected multinational companies which have moved the country over and beyond pandemic crisis, their responsibilities to give back to the communities are firmly established.

4.2. Jollibee Foods Corporation

Incorporated on January 1978, is the largest fast food chain in the Philippines operating, both nationwide and worldwide, networking more or less 750 stores in the country, U.S.A., Canada, Vietnam, Hong kong, Saudi Arabia, Qatar, and Brines. A family-oriented company, like the Ayala's,

it also garnered awards, like the Employer of the Year Award in the Philippines from Hewitt Associated (2023), and the latest is the Top Employer in Asia from the Asia Wall Street Journal (2023).

Withstanding competitions from the entry of McDonalds in the Philippines, its focusing on Filipino market and taste buds, has made it one of the leading companies in the country. Its acquisition of Mang Inasal, Greenwich Pizza, Café France, Chowking, Red Ribbon enjoys the lion's share of the local market than any food chain brands not only in the country, but also in U.S.A., Canada, and Asian Countries.

Its company's CSR policies and strategies are envisioned that every Filipino is able to access basic community services and live a life defined by dignity, purpose, and active participation in nation building.

The programs and projects of the Company that help the community are geared toward improved access to education for the youth, livelihood programs for smallholder farmers, leadership development for local organizations, environment-friendly initiatives, and disaster relief for stricken regions.

The Company in its commitment to CSR is guided by the three (3) principles that guide it to work and undertake its commitment "to serve", in: Think in System; Harness Core Strengths; and Work Collaboratively.

5. SUMMARY AND CONCLUSION

Modern society today considers social concern or social responsibility of business a legitimate and achievable aim. Though the mission of business organization is the production and distribution of goods and services, other organizations are also entrusted with other mission. Like the police – for people's safety and welfare; university – for teaching and research, etc.

A society, therefore, expects and deserves the accomplishment of the corporate mission of the organization in enhancing the quality of life of the people in the community through education, social policy enhancement, economic and livelihood activities, and other social responsibility programs and/or projects.

However, in any of the CSR, the development of people is the noblest of all these social responsibilities. People who have the right values are the most important resource of society. Nations become great because their people are great. A society is corrupt because the members are corrupt.

It is useless to put up a social project in the community if those who planned and implemented it are more concerned with their personal interests. In the same manner, if the values of the beneficiaries of said project are not favorable to development, then, such project cannot possibly be successful.

It is therefore logical, to focus first on people, and have all the CSR programs/ projects be the living testimony to the corporates' commitment to excellence and social service.

The multinational company continue to expand and bring its unique products and services to millions of people nationally and globally which are testament of their enduring service to the people made possible through their CSR programs and projects – giving back to the communities – even faced by the challenges such as pandemic crisis, climate change, food security and disaster resilience and recovery.

Consistently, the respondents rated their commitment to the high level and place corporate culture and reputation, personal excellence, and quality education as the major CSR strategies pursued by the leading multinational companies in the communities where they operate and serve.

The best of the CSR strategies that would help enhance corporate image and human resource development and productivity were more clustered towards quality education, personal excellence, and poverty alleviation which CSR spectrum would give greater status among the corporations if they would commit themselves to the idea that the distribution of assets within a society is social justice, especially, for the deprived members of the community.

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