

Practices of Managing Corporate Social Responsibility: Based from the Best Food Service Establishments

Discipline: Business

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ABSTRACT

Corporate Social Responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (European Commission, 2001). Business leaders of today express their companies' commitment to social development in their core business principles and practices. One such objective is working and creating the image of a concretized organization, one which practices social responsibility. In short, business stands at the center of the mechanism that transforms societies.

Business practioners and even academicians have been striving to establish an agreed upon definition of social responsibility concept for 30 years. Davis (2001) suggested that social responsibility refers to "business decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest." From social responsibility to social responsiveness by several other writers, the basic argument was that the emphasis on responsibility focused exclusively on the notion of business obligation and motivation. The business sector therefore must prove that they can meet this challenge through excellence in their productive endeavor and a responsible social orientation in all their affairs.

The food service industry appears to be the forefront of business and is equally challenged to discharge of its social responsibility practices. The restaurant industry is one of the few remaining fields which an individual can enter into with a relatively small capital investment and by a combination of ability and hard work, to achieve its ultimate success. However, despite its size, they are not excuse to practice social responsibility as they too serve people and the needs and rights of the people are to be addressed. This study focused on Carroll's pyramid of social responsibility (1999) which includes economic responsibility inferring the desire of the company to become profitable; legal responsibility, meaning that every company should be a law-abiding entity; ethical responsibility referring the company's obligation to do what is right, just and favorable; and finally, philanthropic

responsibility, contributing resources to the community. In keeping with these responsibilities, businessmen shall recognize in their decision-making, the interest of the general public and realize that they are utilizing to an important degree the nation's resources.

It was the interest of the researchers to look into the responsiveness of food service establishments (CLASSIFIED AS a-La Carte and has its business permit operations.) on CSR practices whereby results will become input to the conceptualization of the researcher's own model of social responsibility activities.

This study determines the extent of adherence of food service establishments in the imperatives of corporate social responsibility, their problems encountered and comparison on the perceptions of the managers, employees and customers. Towards the end, the researchers will propose a plan to develop commitment to implement corporate social responsibility among food service establishments in Batangas province.

KEYWORDS: practices, corporate social responsibility, food service

INTRODUCTION

Corporate Social Responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (European Commission, 2001). Business leaders of today express their companies' commitment to social development in their core business principles and practices. One such objective is working and creating the image of a concretized organization, one which practices social responsibility. In short, business stands at the center of the mechanism that transforms societies. Business practitioners and even academicians have been striving to establish an agreed upon definition of social responsibility concept for 30 years. Davis (2001) suggested that social responsibility refers to "business decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest." From social responsibility to social responsiveness by several other writers, the basic argument was that the emphasis on responsibility focused exclusively on the notion of business obligation and motivation. The business sector therefore must prove that they can meet this challenge through excellence in their productive endeavor and a responsible social orientation in all their affairs.

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OBJECTIVES OF THE RESEARCH

This study presents the practices of managing corporate social responsibility based from the Best Food Service Establishments in the province of Batangas .

More specifically, it will describe the extent of adherence of 394 customers and 72 employees of selected food service establishments to the imperatives of corporate social responsibility as economic, philanthropic, ethical and legal, to compare the differences in their perceptions , identify the problems encountered in their compliance to imperatives of corporate social responsibility and to propose a program for food service establishments to be committed to CSR practices.

METHOD

The researcher made use of the descriptive correlation type of research to gather data on the best practices of related food service establishments in the Province of Batangas. The researchers used Carroll's Corporate Social Responsibility dimensions on that best practices compliance of food service establishments. The Food Service establishments were selected based on respondent's willingness to participate in the study, business permit and their classification as a la carte, these are Goodish, Ho Tsai, Casa Cecilia, Rose and Grace, Banay Banay Eatery and Hapag Filipino. This will not cover fast food chains like Jollibee, Chowking, Mc Donalds and the likes.

From an approximate number of 24, 500 average monthly customers; the researcher got 394 of them using Slovinc's Formula at 5% margin of error. From an approximate number of 72 selected employees, the respondents get 50% who also submit themselves as participants of this research.

RESULTS

Table 1
Summary Distribution of Respondents

Code	Name of Food Service Establishments	No. Of Average Customers/mo*	No. Of Employees
F1	Goodish	3,000	10
F2	Hotsai	3,500	11
F3	Casa Cecilia	3,000	12
F4	Rose & Grace	7,500	16
F5	Banay Banay	5,900	15
F6	Hapag Filipino	1,600	8
Total		24,500	72

Table 2
Summary on the Adherence of Corporate Social Responsibility Imperatives

CSR Imperatives	Economic Aspect	Philanthropic Aspect	Ethical Aspect	Legal Aspect
F1	3.15	2.95	3.37	3.05
F2	2.15	3.40	3.60	3.30
F3	3.10	2.90	3.40	3.10
F4	3.12	2.95	3.65	3.40
F5	2.80	2.80	3.60	3.20
F6	3.25	3.05	3.40	3.20
Grand Mean	2.93 (4)	3.01 (3)	3.50 (1)	3.21 (2)

Table 3
Problems Encountered by the Employees and Customers

CSR Imperatives	Economic Aspect	Philanthropic Aspect	Ethical Aspect	Legal Aspect
F1	3.15	2.95	3.37	3.05
F2	2.15	3.40	3.60	3.30
F3	3.10	2.90	3.40	3.10
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Table 3
Problems Encountered by the Employees and Customers

Code	Problems Encountered	Weighted Mean	Ranking
1	Budget Allocation of the company	3.40	1
2	Lack of cooperation in the implementation of CSR program	2.30	3
3	Customer’s involvement, cooperation and responsiveness	3.0	2
4	Lessened/ decreased profit of the establishment	2.15	5
5	Unequal chances for qualified applicants	1.80	7.5
6	More solicitations from community programs	2.40	4
7	More customer complaints	1.70	9
8	Irrelevant suggestions and remarks of customers	1.80	7.5
9	Unfair and unreasonable customers	2.10	6
Grand Mean		2.01	Sometimes

Table 4
Summary Table of Scheffe’s Values for Significant Difference in Perceptions of Respondents on Corporate Social Responsibility

Significant Pair	Probability Value (Sheffe’s)	Significance (Sheffe’s)
Emp (2.13) vs Cus (2.45)	<0.0005	Highly Significant
Emp (3.71) vs Cus (3.33)	<0.009	Significant
Emp (3.06) vs Cus (2.72)	0.012	Significant
Emp (3.61) vs Cus (2.99)	<0.007	Significant

PROPOSED PROGRAM OF THE ACTIVITIES

Specific Objectives	Program/Projects/Activities
Economic Aspect	To continue the advocacy of service for the welfare of the customers and the business as the same time. Accept senior citizen cards, and credit cards as non-cash payment.

Philanthropic Aspect	To voluntary contribute to the social programmes Participate in the social programs like sponsorship of medical mission and donation to charities and other socio-civic activities
Ethical Aspect	To improve the satisfaction level of customers in food service establishments To provide opportunity for customers complaints Hiring of additional manpower to maintain cleanliness of the facilities Provide customers feedback forms
Legal Aspect	To ensure the firms operate within the law Payment of taxes and other fees on time Issue receipts to customers

DISCUSSIONS

Generally, customers and the employees perceive that the leading food service establishments in Batangas Province serving an average customers of more than 1000 monthly adhere to a great extent to ethical imperatives (ethical responsibility which is their obligation to do what is right, just and favorable) and to a moderate extent on legal, philanthropic and economic imperatives of corporate social responsibility.

Results revealed that managers and employees perceive that food establishments in the province of Batangas adhere to a great extent to the imperatives as economic, ethical, and legal corporate social responsibility practices but to a moderate extent on the philanthropic aspect, while customers perceptions show to a moderate extent to the ethical, philanthropic and legal aspects but to the least extent in the economic aspect. On the other hand, the food establishments favored and responded more to the ethical concerns as against the economic, legal and philanthropic. From the Scheffe's value of significant differences, it shows that the perceptions are significant on the adherence of food establishments on the imperatives of corporate social responsibility. The differences noted are sincere manifestations that food service establishments in Batangas province need to enhance their economic, legal, and philanthropic imperatives in order to meet their customers' expectations. Since the ethical imperative is highly significant, it means that food service establishments have strong commitment to peoples' welfare.

Problems often encountered by food establishments are budget allocation of the company and customers' involvement, cooperation and responsiveness while least problem was customer complaints. The proposed model may enhance commitment among food establishments to implement feasible activities.

RECOMMENDATIONS

The three groups of respondents vary greatly in their perceptions as manifestations that food service establishments in Batangas province need to enhance their economic, legal, ethical

and philanthropic imperatives in order to meet their customers' expectations; The problems encountered by food establishments need to be addressed through strengthening linkages with the local government, higher education institutions and community leaders. The proposed model may enhance commitment among food establishments to implement feasible activities like voluntary participation in community outreach program, and participation in civic and environmental programs of the province.

This research maybe recommended to other researchers using variables as adherence to environmental preservation and protection of food service establishments. On the other hand, the proposed program of activities maybe tabled for discussions in order to be properly implemented in the enhancement of practicing corporate social responsibility.

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