Social Entrepreneurship and Corporate Social Responsibility in Franchising

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To my son, Teddy

Doctoral commission

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Was my Ph.D. journey too rough?

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Felicia Naatu
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List of Studies

The dissertation consists of the following four studies.

1. Naatu, F., and Alon, I. (2019). Social franchising: A bibliometric and theoretical review: *Journal of Promotion Management, 25*(5) 738-764.

2. Naatu, F., Ilan A., and Uwamahoro, R. (2020). Micro-Franchising in the Bottom of the Pyramid Market: Rwanda: *Journal of Social Entrepreneurship*, 1-21.

3. Naatu, F., (2020) Corporate Social Responsibility in Franchising: A Meta-Analytic Review.

4. Naatu, F., Alon, I., Nyarko, S., and Munim, Z. H. (2020) Crowd-out effect on consumers attitude towards corporate social responsibility communication.

1. Introduction

Despite extensive global economic growth and the improvement in the quality of life over the past century, a great number of people remain poor, famished, and burdened with maladies (Cumberland & Litalien, 2018). There is also rising concern about the substantial externalities of human activities and businesses on the ecosystem (Dean & McMullen, 2007). Several policies and initiatives by governments, philanthropies, and non-governmental organizations (NGOs) have fallen short in their efforts to mitigate these problems (Dees, 1998). The ineffectiveness and unsustainability of these initiatives have motivated concerned individuals both to engage in social entrepreneurship (Dees, 1998; Zahra, Gedajlovic, Neubaum, & Shulman, 2009) and to call for corporate social responsibility (CSR) among businesses (Dean & McMullen, 2007).

These two concepts of social entrepreneurship and corporate social responsibility are hailed as important global economic movements with great potential to alleviate the social, economic, and environmental problems facing the world (Dean & McMullen, 2007; Santos, 2012). For instance, the promotion of CSR is currently one of the key elements on national and transnational policy agendas (Williamson, Stampe-Knippel, & Weber, 2014). Similarly, millions of dollars are invested in social enterprises to augment and provide support to their social services (Mumtaz, 2018). Accordingly, both concepts are applied in banking, finance, and many other business sectors, including franchising, which is the field of this dissertation. Specifically, this dissertation focuses on social franchising (an aspect of social entrepreneurship) and CSR in franchising.

These topics have evolved as important research domains of great significance to firms, researchers, and policy makers (Gupta, Chauhan, Paul, & Jaiswal, 2020; Santos, 2012). Yet, there are concerns about the paucity of literature to advance the feasibility of these novel concepts (Mumtaz, 2018; Tracey & Jarvis, 2007; Jell-Ojobor, 2019). Social franchising and its variant micro-franchising for instance are increasingly receiving significant funding without enough evidence from research to support their feasibility and success factors (Mumtaz, 2018). Despite the use of the principles of business format franchising, most of these enterprises still do not survive beyond the pilot stage (Sundin, Callan, & Mehta, 2016). Thus, there are calls for more studies in the field to help provide practical and theoretical explanations of the success and failures of social franchises (Mumtaz, 2018; Tracey & Jarvis, 2007). These are the main motivations behind the first two chapters of the dissertation on social and micro-franchising. Chapter 1 seeks to provide a comprehensive overview of the literature with an exposé on the theoretical drivers and success factors of social franchising while Chapter 2 examines how a micro-franchise can survive at the bottom of the pyramid market amidst institutional challenges.

The literature on CSR in franchising dates back to Storholm and Scheuing (1994). However, in the 27 years that have passed since that first study, the literature has remained under-researched and scattered in multiple directions (Jell-Ojobor, 2019), thereby, requiring more studies and a review that can provide an overview of the existing studies.

In addition, although government policies are encouraged to promote quality CSR practices, there are claims that government policies can dampen individual consumers' intrinsic motivation to contribute to insuring quality CSR practices among businesses (Nyborg & Rege, 2003). Thus, it is theorized that conflicting outcomes might result when advanced welfare states that already have welfare systems in place introduce CSR into their public policies (Midttun, Gjølberg, Kourula, Sweet, and Vallentin, 2015). In support of this theory, some studies have observed poor CSR reporting practices in the welfare state and "humanitarian superpower" Norway (Utgård, 2018; Vormedal & Ruud, 2009). Motivated by the above issues, Chapters 3 and 4 of the dissertations are conducted. Similar to Chapters 1 and 2, Chapter 3 provides a comprehensive overview of the literature on CSR in franchising, while Chapter 4 examines the crowd-out effect of government policies on consumers' attitudes and perceptions of CSR communication in Norway.

An overview of the chapters is provided in Section 3 of this introductory chapter. Next after this is a brief discussion on social entrepreneurship, social/micro-franchising, and corporate social responsibility in franchising.

1.1 Social entrepreneurship

Social entrepreneurship involves the pursuit of a social mission through the establishment of models or social ventures that utilize innovative business principles and strategies (Zahra, et al., 2009). As agents of change, social entrepreneurs exploit market opportunities in order to meet their social goals (Zafeiropoulou & Koufopoulos, 2013). The concept of social entrepreneurship "transcends the domains of entrepreneurial studies, social movements and non-profit management" (Dacin, Dacin, & Matear, 2010, p. 1). Its academic roots date from 1983 when Dennis R. Young wrote about "innovative non-profit entrepreneurs" (Bacq & Janssen, 2011, p. 375). This was subsequently termed "social entrepreneurship" by early scholars in the field (e.g., Boschee, 1995; Dees, 1998; Waddock & Post, 1991).

As an important field, it has garnered significant interest from researchers across different academic disciplines, such as marketing, finance, and management (e.g., Mersland, Nyarko, & Szafarz, 2019; Miller, Grimes, McMullen, & Vogus, 2012). Nevertheless, there is no consensus on a specific definition of social entrepreneurship (Gupta et al., 2020). It is defined by some as the management of a for-profit business by the government, or a non-governmental organization (Austin, Stevenson, & Wei-Skillern, 2006; Wallace, 1999), as the practice of corporate social responsibility by a conventional business (Baron, 2007; Seelos & Mair, 2005), or as the activity of a non-governmental organization (Lasprogata & Cotten, 2003). Volery and Hackl (2010) and Dees (1998) also maintain that social entrepreneurship includes innovative not-for-profit ventures, for-profit ventures, and hybrid ventures mixing not-for-profit with for-profit elements. Ultimately, it is commonly understood that although social entrepreneurship combines the two distinct and apparently competing organizational objectives of creating social value and economic value, the underlying motivation for social entrepreneurship is the social mission (Austin et al., 2006; Dees, 1998; Miller et al., 2012; Randøy, Strøm, & Mersland, 2015). The economic value creation is only a means of achieving the social goals.

The pursuit of dual objectives that entails the combination of social and business logics makes social enterprises hybrid organizations (Dacin et al., 2010). This hybridity is a challenge to traditional assumptions of economics and business development (Dacin et al., 2010; Doherty, Haugh, & Lyon, 2014). In the conventional business arena, value is created when buyers are willing to pay more than the cost of production since higher profits ensure business sustenance and growth (Dees, 1998).

By placing social value above profitability, social entrepreneurs barely generate enough profit with their low costs to ensure the sustainability and growth of their enterprises (Austin et al., 2006; Dees, 1998; Doherty et al., 2014). They depend on the minimal revenue they generate in addition to other sources such as donations, volunteers, and survival grants (Doherty et al., 2014). Since these are not reliable sources of cash flow, the survival of social enterprises is always a challenge (Zahra, et al., 2009). In their bid to survive, most social enterprises run the risk of drifting from their social mission to focus largely on the creation of economic value at the expense of their core mission (Mersland et al., 2019; Mersland & Strøm, 2010). Yet, for this very reason, the survival and growth of social enterprises cannot be categorized as proof of the greater management efficiency or effectiveness of social enterprises compared to private enterprises (Dees, 1998). Further, the complexity of quantifying the social value created makes it difficult to measure organizational performance financially or otherwise (Dees, 1998; Zahra, et al., 2009).

As mentioned earlier, social entrepreneurship can be found in different business sectors, including the financial sector (e.g., Muhammad Yunus's Grameen Bank) and the franchising sector (e.g., Bill Drayton's Ashoka) (Seelos & Mair, 2005). In the franchising sector there are two types of social entrepreneurship: social franchising and micro-franchising which are discussed next.

1.2 Social and Micro franchising

Despite the growth of social enterprises, their impact and activities are limited to their specific areas of establishment. Hence, social entrepreneurs are increasingly adopting the principles of commercial franchising to overcome the problem of scaling (Volery & Hackl, 2010; Zafeiropoulou & Koufopoulos, 2013). This type of franchising is known as social franchising.

Franchising occurs when the owner of a proven business model (franchisor) sells the right to use his trade name, operating systems, and/or product specification to another individual or firm (franchisee) (Castrogiovanni, Combs, & Justis, 2006). There are two main forms of franchising: product name franchising and business format franchising (Alon, 2001). Product name franchising allows franchisees to sell the products of the franchisor (Alon, 2001). An example of product name franchising is the distribution of products under the Pharma Franchise Company name. Business format franchising allows franchisees to use the business model of the franchisor in exchange for a fee and ongoing royalty payments (Curran & Stanworth, 1983). Examples of popular commercial business format franchises are McDonald's, Kentucky Fried Chicken, and Marriott International Hotels. Both product name franchising and business format franchising are used by social entrepreneurs, depending on the type of venture and mission. For instance, Vision Spring is a product name social franchise that distributes eyeglasses, while One Family Health is a business format social franchise that provides healthcare.

Many advantages are associated with franchising. These include the overcoming of resource scarcity and principal-agent problems (Combs & Ketchen, 1999). In the first case, franchising enables firms to procure scarce resources required for growth (Oxenfeld, 1969). In the second case, franchising reduces franchisors’ need for costly observation of outlet managers because franchisees are residual claimants on their outlet’s profits (Rubin, 1978). Given these advantages, it is not surprising that franchising is very popular even in the social sector.

Yet, despite the advantages, franchising is no panacea for entrepreneurs. Franchising is also known to have agency problems such as conflicts of incentives, contractual restraints (Brickley, 1999), compliance and misrepresentation issues, low profitability, franchise fees, and communication problems (Frazer, Weaven, Giddings, & Grace, 2012). These problems become even worse when we move from commercial franchising to social franchising (Kistruck, Webb, Sutter, & Ireland, 2011). As ventures with less emphasis on profitability, social franchises charge low prices for their products and services. Moreover, social franchises are largely funded by donations, government support, and personal savings which are not regular sources of funding (Kistruck et al., 2011; Tracey & Jarvis, 2007). Finally, social franchising faces the challenges of divergent missions, communication problems, and contractual constraints noted above (Giudici, Combs, Cannatelli, & Smith, 2018; Kistruck et al., 2011; Tracey & Jarvis, 2007).

One type of social franchising is micro-franchising. Whereas social franchising includes all franchises with a core social mission, in micro-franchising, small-scale businesses are developed and sold by micro-franchisors to allow the poor to also buy and operate the franchise system (Christensen, Parsons, & Fairbourne, 2010). Also, whereas social franchising is commonly found in both developed and developing economies, micro-franchising largely operates in marginalized communities in bottom-of-the-pyramid (BOP) markets (Christensen et al., 2010; Giudici et al., 2018). Hence, even though all social franchises face challenges due to their social mission (see Table 1), micro-franchises face even more severe challenges due to the poverty and institutional gaps in BOP markets (Giudici et al., 2018; Kistruck et al., 2011).

In spite of the practical importance of social and micro-franchising, research in the field has progressed little (Beckmann & Zeyen, 2014; Giudici et al., 2018).

Thus, little is known about the underlying reasons for the success or failure of micro-franchises (Tracey & Jarvis, 2007). This lack of knowledge has caused many concerns about the increasing interest and investment in social franchises (Mumtaz, 2018; Tougher et al., 2018). These concerns motivated the first two chapters of my dissertation.

Table 1. Difference between commercial, social, and micro franchising

	Commercial franchising	**Social franchising**	**Micro-franchising**
Core focus	Shareholders' wealth maximization	Social value creation	Social value creation with emphasis on job creation
Fees and Royalties	High franchise fees and royalties	Relatively low franchise fees and royalties	Very low franchise fees and royalties
Size	Large, medium, small	Large, medium, small	Micro (small)
Location	Developed/Developing economies	Developed/Developing economies	Developing economies
Advantages	Attractive to investors High profitability Attractive to employees and franchisees	Greater access to government and philanthropic support, relative to commercial franchising Access to volunteers, impact on marginalized societies and individuals	Access to government and philanthropic support Impact on marginalized societies and individuals at the subsistence level
Disadvantages	May have externalities on societies and individuals	Difficulty in obtaining regular source of funding Low profitability Difficulty in retaining franchisees Survival challenges	Difficulty in obtaining regular source of funding Low profitability Survival challenges

1.3 Corporate social responsibility

Corporate social responsibility is “the responsibility of enterprises for their impacts on society” (Williamson et al., 2014, p. 7). It is practiced when a business integrates social and environmental concerns in its business operations and interactions with stakeholders (European Commission, 2019; Williamson et al., 2014). The idea behind corporate social responsibility is that a company has not only economic and legal obligations but also ethical obligations to society (Carroll, 1979; McGuire, 1963). Due to the opposing mandatory and discretionary dimensions of CSR, there is disagreement over how to define the concept (Dahlsrud, 2008; Gatti, Vishwanath, Seele, & Cottier, 2019).

Corporate social responsibility has a long history that can be traced back to the 1800s when industrialists such as John H. Patterson of the National Cash Register Company started setting the course for the Industrial Welfare Movement (Carroll, 2008; Wren, 2005). Perceiving the factory systems in America as the source of numerous social problems, activists were especially concerned about labour unrest, poverty, and child and female labour (Wren, 2005). The mission of these early welfare movements could be interpreted as both financial and social as they sought to improve firm performance by preventing labour problems (Carroll, 2008).

The concept started gaining public awareness and popularity after Howard Bowen published ‘Social Responsibilities of the Businessman’ in 1953 (Carroll, 1979). From that time to 1967, social responsibility (SR), as it was then known, was focused on philanthropy (Murphy, 1978). Notable early scholars include Davis (1960), Friedman (1962, 1970), McGuire (1963), and Walton (1967). Davis (1960) argued that the financial power of a firm is equal to its social responsibility, and hence evasion of social responsibility may lead to loss of financial power. This argument was criticized by Nobel laureate and renowned economist Milton Friedman (1962, 1970) who argued that the responsibility of a firm is to increase the firm’s profits, not to waste the firm’s resources on inappropriate and unjustifiable activities like social investment. His argument sparked a lot of debate.

McGuire (1963) counterargued that a firm’s responsibilities extend beyond its legal and economic obligations. Specifically, the firm should be involved in politics, the social welfare of the community, and the education and well-being of its employees. Walton (1967), who coined the term “corporate social responsibility,” supported McGuire’s argument. In addition, he upheld that the most essential component of CSR is voluntarism. By this time, events had triggered the evolution of CSR into a concept that included social obligations related specifically to racial discrimination, urban decay, and environmental pollution (Murphy, 1978). For instance, there was a major oil spill off the coast of Santa Barbara, California, leading to protests for a clean and safe environment and the inauguration of Earth Day in 1970 (Agudelo, Jóhannsdóttir, & Davídsdóttir, 2019). In addition, there were protracted energy crises, an economic recession, and high inflation in the U.S. which pushed the government to make significant changes to social and environmental regulations. The government established regulatory institutions such as the Environmental Protection Agency (EPA), the Consumer Product Safety Commission (CPSC), the Equal Employment Opportunity Commission (CPSC), and the Occupational Safety and Health Administration (OSHA) (Carroll, 2015).

Following this, Carroll (1979) developed a three-dimensional conceptual model of corporate social performance. He categorized the social responsibilities of a firm into four groups that included ethical, legal, economic, and discretionary responsibilities. The voluntarism component of CSR rose to prominence in 1980 when president-elect Ronald Reagan campaigned for a reduction in federal and state funding of social service programs and called on companies to step in and help with community initiatives (Carroll, 2015).

The 1980s to early 2000s was a period noted for the prevalence of business ethical scandals (Carroll, 2015). It prompted an increase in public awareness and a search for the causes and remedies of illicit corporate behaviour over corporate philanthropy and community relations (Agudelo et al., 2019; Carroll, 2015). A notable example is the Enron scandal and the company’s eventual bankruptcy. Other examples include the WorldCom, Tyco, Adelphia, and Global Crossing scandals. The Sarbanes–Oxley Act (SOX) of 2002 was enacted to deter such scandals caused by chief executive officers and their chief financial officers in corporations. When the SOX failed of its purpose and the stock market collapsed in 2008, leading to a recession of great impact on all economies in the world, many governments became greatly interested in CSR (Carroll, 2015).

CSR was significantly embraced by Europe in the late 1990s (Midttun, Gjølberg, Kourula, Sweet, & Vallentin, 2015) and by the developing market economies in the 2000s (Amaladoss & Manohar, 2013; Carroll, 2015). This global acceptance can also be attributed to the influence of major international events like the establishment of the European Environment Agency in 1990, followed by the

United Nations Summit on the Environment and Development, the adoption of Agenda 21, and the United Nations Framework Convention on Climate Change in 1992 (Carroll, 2015). Their objective was to set high standards related to the behaviour of firms and their effect on the climate (Agudelo et al., 2019). The Millennium Development Goals (MDGs) and United Nations Global Compact (UNGC), established in 2000, broadened the scope of social responsibility to include sustainable development (Agudelo et al., 2019).

The public's interest increased with the enactment of government policies in many countries to promote CSR (Gjølberg, 2010). Moreover, the advent of globalization, information technology, and increasing global competitiveness between corporations (Freeman, Harrison, Wicks, Parmar, & Colle, 2010) posed significant challenges to business managers who tried to balance and reconcile the conflicting pressures, demands, and expectations of different stakeholders at home and abroad (Carroll, 2015). This state of affairs motivated Freeman's revisit of Ansoff's (1965) stakeholder theory (Roberts, 1992). Freeman (1984) defined stakeholders as groups or individuals who can affect or are affected by the achievement of the firm's objectives. Thus, stakeholders came to include stockholders, employees, customers, suppliers, public interest groups, and government bodies (Roberts, 1992).

To manage the stakeholders' interest, corporate reputation became extremely important to business managers (Carroll, 2015), especially in franchise businesses (Jell-Ojobor, 2019; Montagu, 2002). Unlike an independent business, a franchise creates extensive groups of stakeholders, including employees of the franchisor, franchisees, employees of franchisees, customers, local communities, and the governments of all the geographical locations in which the business operates (Kim & Lee, 2020). Hence, the higher the degree of franchising and the more diversified the locations, the greater the demands from the larger number of varied stakeholders (Kim & Lee, 2020). This makes corporate reputation critical in franchising.

The literature on corporate social responsibility in franchising was pioneered by Storholm and Scheuing (1994). In the 27 years since the publication of their study, the research in the field remains scattered and poorly developed. Indeed, recent publications in the field characterize the status of the literature as exploratory (Meiseberg & Ehrmann, 2012), peripheral (Perrigot et al., 2015), and fragmented (Jell-Ojobor, 2019). Against this background we conducted a meta-analytic review of the field in Chapter 3.

Following the meta-analytic review is Chapter 4. It is about the crowd-out effect of government's policies on consumers' attitude toward corporate social responsibility communication. Previous studies have established that if consumers are environmentally and socially concerned, they will pressurize firms to behave in a socially and environmentally responsible manner (Du et al., 2010), and that, that would consequently affect their CSR communication quality (Utgård, 2018). Also, governments' are encouraged to promote CSR practices among organizations in their countries (European Commission, 2019). Thus, demands from consumers and governments are both considered essential ingredients to ensure quality CSR practices among businesses (European Commission, 2019; Frey, 1999) even though empirical evidence suggests that government CSR policies could drive down consumers' intrinsic motivation to fight for the quality of CSR practices (Ezzine-de-Blas, Corbera, & Lapeyre, 2019; Frey, 1999). Accordingly, there are recent findings in Norway indicating that relatively small percentage of firms disclose their CSR principles, processes, and results (Utgård, 2018), and that the quality of their voluntary CSR disclosures are poor (Vormedal & Ruud, 2009)

Therefore, Utgård, (2018) raised the question whether consumers in Norway are concerned about the CSR performance of firms. This intriguing question motivated the fourth study. The unique position of Norway in relation to global CSR matters and the debate in the literature about the poor CSR reporting performance of companies in the country (e.g., Utgård, 2018; Vormedal & Ruud, 2009) make the context interesting and relevant.

2. Research Design

In a doctoral dissertation, it is important to make one's preferences and philosophical stance clear at the outset. Since I believe that social phenomena do not exist in the mind but in the world and that some semblance of stability exists among social relationships, I consider myself a critical realist.

A person's choice of research methods and design is often influenced by their assumptions about what is real in life (ontology) and how they view the means of understanding that reality (epistemology) (Wilson, 2001). Positivism, constructivism, and critical realism are the three main schools of thought in philosophy of science about how scientific knowledge should be created and interpreted. They can be described as existing in a continuum, where critical realism lies between positivism and constructivism.

Positivism is based on the premise that there is one truth out there, and accordingly the epistemology of researchers is to interpret that truth objectively (Wilson, 2001). They use manipulative and experimental means to deductively examine the causal relationship between variables without regard to context (Orlikowski & Baroudi, 1991). This is often done by developing testable hypotheses and a theory for the purpose of generalizability (Eisenhardt, 1989).

Constructivism is the exact opposite of positivism. Contexts play a key role in the way constructivists read and assign meaning to truth (Miles, Huberman, & Saldaña, 2014). Constructivists, who are also known as interpretivists, assume that people create and attribute their own subjective and intersubjective meanings as they interact with the world around them (Orlikowski & Baroudi, 1991). Thus, for constructivists, multiple truths exist in different social settings (Wilson, 2001). Constructivists do not seek generalizability from their studies. Rather, their aim is to understand the deeper structure of a phenomenon. In their research methodologies they try to find mutual meaning by interacting with the unit of analysis.

Critical realism contains elements from both positivism and constructivism. Like positivists, critical realists assume there is only one reality in the world, and that that reality cannot be completely comprehended by human. However, like constructivists, critical realists assume that reality can be interpreted depending on a person's unique characteristics such as culture, sex, and social class (Wilson, 2001). In addition, critical realists believe that there are both intransitive and transitive objects of knowledge. The intransitive objects of knowledge are described as natural causal laws and things not created by men (e.g., gravity, geography). By contrast, the transitive objects of knowledge are human laws or man-made objects (e.g., cars, medicine) (Bhaskar, 2008). Thus, "intransitive objects of knowledge are in general invariant to our knowledge of them: they are the real things, structures, mechanisms, processes, events and possibilities of the world; and for the most part they are quite independent of us" (Bhaskar, 2008, p. 45). Critical realists divide the world into three parts: real, actual, and empirical (Danermark, Ekström, & Karlsson, 2002). The realm of the real refers to objects and structures with inherent causal capabilities that can result in mechanisms that may not be visible. The actual refers to what happens when and if those capabilities are activated. The empirical refers to those objects or structures that can be experienced or observed (Sayer, 1999).

Thus, like constructivism, critical realism assumes that epistemology is context-based. Like positivism, critical realism aims to give a detailed causal explanation for a given phenomenon (Sayer, 1999). Critical realism is the philosophical stance that informs the empirical analysis in this dissertation. Chapter 2, entitled “Micro-Franchising in the Bottom-of-the-Pyramid Market: Rwanda,” is an empirical case study based on Gioia’s grounded methodology. Chapter 4, entitled “Crowd-out Effect on Consumers’ Attitude toward Corporate Social Responsibility communication,” is an empirical study using structural equation modelling (SEM).

In the domain of critical realism, qualitative and quantitative methods are both deemed fit for searching the underlying mechanisms that give rise to actions and events (Bisman, 2010; Healy & Perry, 2000). Case studies and unstructured or semi-structured in-depth interviews are acceptable and relevant under this paradigm, including statistical methods like structural equation modelling (Bisman, 2010). However, grounded theory has been rejected by some critical realists for its rigidity, empiricism, and focus on induction (Danermark et al., 2002). Similarly, criticism has been directed at structural equation modelling. Nonetheless, I tend to agree with Oliver (2012) who argues that grounded theory has been rendered by postmodern critical theorists as flexible enough to serve the needs of critical realist inquiry. Also, in cases where multiple observable indicators provide indirect support for the presence of an unobserved mechanism, structural equation modelling is arguably a good research methodology for critical realist inquiry (Miller and Tsang, 2011).

3. Overview of the chapters

The dissertation is comprised of four chapters. The first two chapters are on social entrepreneurship, with particular emphasis on social franchising (Chapter 1) and micro-franchising (Chapter 2). They were presented in academic conferences and benefited from the feedback. They have already been published in international peer-review journals.

In Chapter 1, “Social Franchising: A Bibliometric and Theoretical Review” (2019), we respond to the call for a theoretical exploration of social franchising. We conduct a comprehensive review to identify the theoretical underpinnings of social franchising and how the literature on the field is clustered. We find that the literature divides into three research streams: motivations for social franchising, how social franchising works, and impact of social franchising. Synthesizing the themes into a conceptual framework, we argue that, due to institutional voids in low-income communities where social franchises largely exist, the main motive of social franchisors is to solve social problems rather than to amass wealth from franchisees. We also argue that social embeddedness is advantageous in promoting stewards' selection and minimizing agency costs, which in turn enhances the performance and sustainability of the franchise system. We conclude the chapter by asking to what extent do institutional limitations in the bottom-of-the-pyramid markets affect the sustainability of social franchises and how the effect of the institutional limitations may be decreased. Though the question is posed as a future research direction, it informs the next chapter.

In Chapter 2, "Micro-Franchising in the Bottom-of-the-Pyramid Market: Rwanda," we examine how a mission-driven shared identification can be achieved and be used to help mitigate the failure of a micro-franchise in a bottom-of-the-pyramid market, Rwanda. Using Gioia's grounded theory, we find that a mission-driven shared identification can be achieved if a micro-franchisor promotes a culture of sharing and perceived organizational support among micro-franchisees. An alliance with the government or the government's endorsement is also found necessary in encouraging franchisees to identify with the micro-franchisor. Finally, the study reveals that, in a collectivist culture, if a micro-franchisor succeeds in establishing shared identification with the franchisees, the franchisees are highly likely to remain loyal in times of crisis.

Chapters 3 and 4 focus on corporate social responsibility. Chapter 3 has been accepted for publication in the journal of Social Business while chapter 4 is under a review in a peer-review journal.

In Chapter 3, "Corporate Social Responsibility in Franchising: A Meta-Analytic Review," I present a comprehensive meta-analysis of academic research on corporate social responsibility and franchising for the period of 1994 to 2020. I compile a sample of 204 articles, including 49 most relevant articles, 107 authors, and 21 journals. Three research streams emerged from the meta-analysis. They are ethics and franchising, drivers of CSR performance and disclosure, and impact of CSR on organizational performance. I find that although the literature is scant and fragmented, current studies show there is room to contribute to a rich theoretical and practical understanding in the field. An emerging question from this study which is "Why do firms adopt a certain CSR stance and communication strategy?" influenced the next chapter.

In Chapter 4, we examine "Crowd-out Effect on Consumers' Attitude toward Corporate Social Responsibility communication" in Norway. Previous studies have established that if consumers are environmentally and socially concerned, they will pressurize firms to behave in a socially and environmentally responsible manner (Du et al., 2010), and that, that would consequently affect their CSR communication quality (Utgård, 2018). However, we find contrary evidence that consumers who are informed of a company's positive CSR activities will have positive perceptions of the company. We find that CSR communication has a negative effect on how consumers perceive CSR performance. Our finding suggest that consumers are sceptical about CSR communication, and the more they think government plays a role in ensuring that firms are socially responsible, the lesser the consumers become willing to demand CSR information from firms. These findings are in line with the predictions of the crowding-out theory, according to which government policies can diminish consumers' intrinsic motivation to contribute to the public good. The findings also support the argument that unintended outcomes can arise when an advanced welfare state introduces CSR into its public policies.

To conclude, the findings from Chapters 1 and 2 show that social franchises are bound to face challenges because of scarce resources and the complexities of combining social and financial objectives. However, a social franchisor's network's embeddedness may be of significant help in founding a franchise, establishing its legitimacy, and gaining access to resources, as well as achieving a shared mission with social or micro-franchisees. A shared mission between a social franchisor and franchisees may impact the performance and sustainability of the franchise chain. In future research, we hope to explore how to achieve a mission-driven shared identification among social franchises in different cultures, using cross-sectional data.

In terms of CSR, we conclude that positive CSR performance overtime impacts on organisational performance. However, the CSR performance and its communication performance depends on micro and macro factors. While the micro factors are controllable and internal, the macro factors include external and contextual factors such as the political, economic, and government policies of a country. Furthermore, governments' CSR and environmental policies are likely to crowd out consumers' intrinsic motivation to demand quality CSR practices from businesses. We do not deny the importance of environmental regulations and policies, yet our results strongly support the contention that the potential benefits of government welfare policies may indeed be less than the standard theory's predictions. We find that, although consumer scepticism about CSR communications constitutes an important phenomenon that deserves academic enquiry, studies on the topic are lacking. This forms part of our future research agenda.

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Chapter 1

Social Franchising: A Bibliometric and Theoretical Review

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Abstract

We present a comprehensive review of social franchising literature and an integrated framework highlighting factors and theories driving the concept. Bibliometric and content analysis are used to analyse 111 articles between 2002-2018 from ISI Web of Science and Scopus. Three research streams are identified: motivations for social franchising, how social franchising work, and impact of social franchising. These are integrated into a conceptual framework of five factors providing insights for value creation, performance improvement, and minimization of failures among social franchises. The review responds to calls for theoretical explorations in the field and provides bases for further studies.

Keywords: Bibliometric, Social, Micro, Franchise, Theory

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1. Introduction

Social problems, especially poverty, constitute a global challenge and the root of most problems (Magleby, 2007). About four billion of the world's population are poor and surviving on an average income of less than $2USD per day in developing economies (Kuo, Hanafi, Sun, & Robielos, 2016). Combating this, vast resources have been expended, but with minimal results (Magleby, 2007). Governments, policy makers and social entrepreneurs are increasingly seeking new and innovative ways to fight this challenge effectively and efficiently.

Social entrepreneurs use marketing strategies to promote behaviours and activities that enhance the health and wealth of individuals and society (Zajko & Hojnik, 2018). A major challenge to these entrepreneurs is how to scale up their ventures (Zajko & Hojnik, 2018). Social franchising is a marketing strategy that is increasingly being applied by international bodies across nations as a key option for scaling ventures (Maciejewski et al., 2018). It adopts the strategy of commercial franchising in making branded quality-assured services and products of social importance available (Penn-Kekana et al., 2018). As franchising, social franchising operates by allowing independent businesses and individuals to leverage a franchisor's brand and business format in return for initial fees and ongoing royalties (Rosado-Serrano, Paul, & Dikova, 2018).

The model has grown worldwide at an exponential rate with unsatisfactory evidence of its impact and success factors (Tougher et al., 2018). For instance, between 1994 and 2015, over 90 social franchises were established in 40 developing countries (Mumtaz, 2018). Major donors of these programmes include US Agency for International Development, UK Agency for International Development, Bill and Melinda Gates Foundation, and Norwegian Agency for Development Cooperation, NORAD (Mumtaz, 2018).

Most studies on franchising explore the relationships between franchisors and franchisees in commercial franchising (Rosado-Serrano et al., 2018) while neglecting social franchising. Hence, limited information exists about the concept, its diffusion, how it operates and its impact (Maciejewski, et al., 2018). Accordingly, stakeholders are concerned about the millions of dollars invested in social franchising when the underlying success factors remain unclear with vague evidence of impact (Mumtaz, 2018).

In view of this informational gap (Tracey & Jarvis, 2007), we review and synthesize the literature to develop a conceptual framework that explains the motives driving social franchising and its impact. Our research questions are:

1. What are the drivers and theoretical underpinnings of social franchising?
2. How is the literature clustered?
3. What are the future research directions?

Montagu's (2002) study in health service established the focus of the field. Despite the field's multidisciplinary nature, most of the literature focuses on health science. The literature falls into three clusters: theoretical motivation of social franchising, how social franchising works, and the impact of social franchising. These clusters are integrated into a conceptual framework for social franchising as Figure 2 shows. Theoretically, we argue that because of the institutional voids in low-income communities where social franchising largely exists, franchisors' main motive is to solve social problems rather than to amass wealth from franchisees. Social embeddedness promotes stewards' selection while minimising agency costs. We include an extensive profile of literature on social franchising together with proposed questions for further studies.

The rest of the paper is organised as follows: next is literature review and conceptual framework, followed by the methodology, findings, theoretical underpinnings, discussion and directions for future research, limitations, and conclusion.

2. Literature Review

2.1 Commercial and Social Franchising

Commercially, franchising is a contractual agreement between two independent entities (franchisor and franchisee) where the franchisor allows the franchisee the right to sell his products or services in return for fees and ongoing royalties (Lafontaine, 1992). The contract may involve products and tradename franchising or business format franchising (Alon, Boulanger, Misati, & Madanoglu, 2015). With tradename franchising, franchisees generally distribute products or services of the franchisor. In business format franchising, they receive the full business model in addition to the brand and training (Alon et al., 2015).

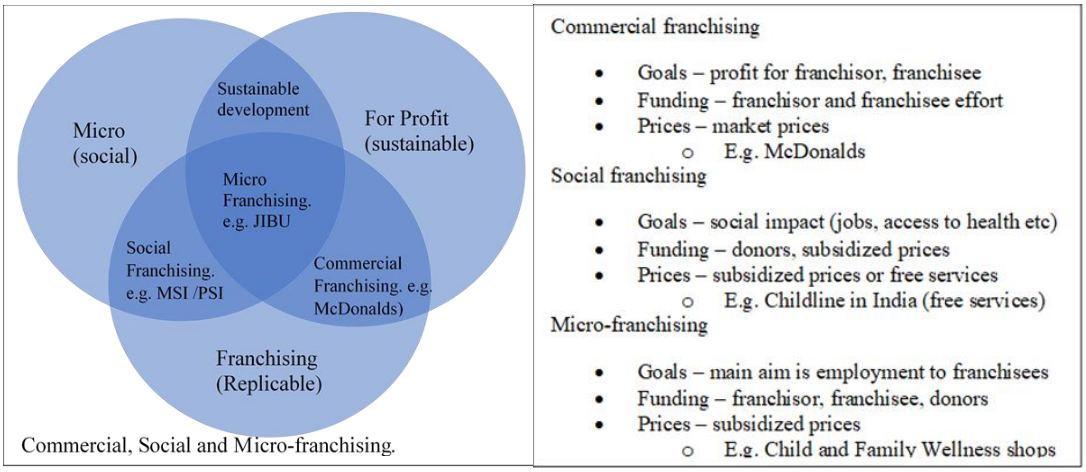
The main theoretical arguments given for franchising are agency and resource scarcity reasons (Tracey & Jarvis, 2007). Other factors include market saturation, search for profit, and intense competition (Alon, 2004; Rosado-Serrano, Paul, & Dikova, 2018). Though franchisors and franchisees may engage in corporate social responsibility activities (Calderon-Monge & Huerta-Zavala, 2015), the bottom line is profit maximization (Montagu, 2002). Social franchising is variously defined, but the consensus is on the intention to achieve social benefits (Du Toit, 2017). It is a contractual arrangement that uses the format of commercial franchising to achieve social goals in different locations and countries (Montagu, 2002).

2.2 Social motive and boundaries of social franchising

The literature on social franchising as social ventures reflects the lack of consensus in determining the boundaries of social entrepreneurship (Crawford-Spencer and Cantatore, 2016). Some scholars argue social franchising occurs mainly among non-profit (Du Toit, 2017) while others maintain it can occur among commercial entities (Koehlmoos, Gazi, Hossain, & Zaman, 2009). Given that it occurs among for-profit and non-profit systems implies an overlap between the elements of commercial and social franchising. The difference depends on the motivation behind the ventures (Giudici, Combs, Cannatelli, & Smith, 2018). For instance, the motivation for Dialogue in the Dark (DiD) is to provide jobs for the vulnerable (Du Toit, 2017), while the motive for Population Service International (PSI) is to provide accessible and affordable health services to the marginalised in poor communities (Sundari & Fonn, 2011).

Micro-franchising is a variant of social franchising (Du Toit, 2017). It is a form of social intervention that entails selling a proven replicable turnkey business to buyers in subsistence markets who agree to follow a business model at a fee (Christensen, Parsons, & Fairbourne, 2010). This definition echoes the elements of social franchising (McKague, Wong, & Siddiquee, 2017). However, while social franchising refers to all franchising systems with social goals, micro-franchises are small with focus on job creation and poverty alleviation at the subsistence level in impoverished economies (Fairbourne, Gibson, & Dyer, 2007). In micro-franchising, end-users pay for the services and products, but social franchising does not always involve payment. For example, Childline, a social franchise in India does not require payment for its services in helping children in distress (Du Toit, 2017) but Child and Family Wellness Shops (micro-franchise) in Kenya does (Alon, Mitchell, & Munoz, 2010). Figure 1 shows the similarities and differences among commercial, social, and micro-franchising. Goals, pricing and sources of funding are the differentiating factors.

Figure 1. Commercial, social, and micro franchising.



Source: Adapted from Fairbourne et al. (2007).

2.3 Factors influencing motivation, adoption, and performance in social franchising

Scalability is the major attraction for franchising in social entrepreneurship (Zajko & Hojnik, 2018). Factors such as access to capital, local expertise and minimization of agency costs also motivate social franchising (Montagu, 2002). Weber, Leibniz, & Demirtas (2015) suggests key components for successful scalability in social entrepreneurship include commitment of individuals driving the process, management competence, partial/entire replicability of the operating model, ability to meet social demands and obtain necessary resources, the potential to collaborate with others and adaptability.

There are few frameworks/models that explain the motivation, operation, and the impact of social franchising (Tracey & Jarvis, 2007). Our review highlights the omissions: the role of the targeted beneficiaries and how they influence the initiative starting from the motive through to the impact. Below, we discuss the various models in the literature on social franchising.

2.3.1 Montagu (2002) conceptual framework of franchising health services

Montagu's framework for social franchising in the health sector indicates franchises often seek to benefit providers and the public. The model stipulates there are three aspects of social franchising: ensuring availability of services, quality of services, creating awareness, and use of services. He argues all three aspects are important and that success in one produce spill-over effects on the others.

2.3.2 Kistruck, Webb, Sutter, & Ireland (2011) conceptual model of theoretical relationships

Kistruck et al. (2011) indicate that, agency theory, resource scarcity theory, and the concepts of brand and standardized operations drive franchise performance. They argue that the traditional franchise model may not be successful in bottom-of-the-pyramid context unless the micro-franchise allows social audit and customisation by franchisees to suit individual markets.

2.3.3 Beckmann and Zeyen (2014) Hayekian perspective of social franchising

Using Hayekian perspective, Beckmann and Zeyen (2014) distinguishes between end-connected-logic of small groups and rule-connected-logic of big groups in social franchising. They argue social entrepreneurs use small-group-logic to start their ventures but face difficulties when growing toward a big-group-logic. Hence, social franchising offers a strategy to replicate the small-group and mobilize social capital while reducing agency costs through self-selection and self-monitoring mechanisms.

2.3.4 McBride (2015) fundamentals of good social franchise design

McBride (2015) argues that, the ability of social franchising to deliver sustainable solutions is grounded in the fundamental principles of successful replication practices in the commercial sector. The principles include basing the concept on successful operating business, sufficient customer demand, availability of qualified franchisees, management commitment, systemizing the business, and the ability to transfer systems know-how with reasonable amount of effort and time.

2.3.5 Zafeiropoulou (2017) social franchise model (SoFraM)

Zafeiropoulou (2017) model discusses how social franchising elements interact with the wider environment. He argues that social franchise formation, governance, partner selection, and performance are influenced by decision-making and four systems: the individual, organisational, social and political contexts. Figure 2 displays the focus of social franchising frameworks in the literature.

Figure 2. Focus of social franchising frameworks.

Author	Title of model	Focus
Montagu (2002)	Conceptual framework of social franchising health services.	Goals and activities of social franchises in health services.
Kistruck, et al. (2011)	Conceptual model of proposed theoretical relationships.	Effect of the institutional environment on drivers of social franchising.
McBride (2015)	The relationship between motivation, model of operation and performance.	Social franchises' duplication of original organization through local small-group conditions.
Beckmann and Zeyen (2014)	The social franchise model – SoFraM.	Principles of a successful social franchise.
Zafeiropoulou (2017)	Fundamentals of good social franchise design.	Factors influencing social franchising.
Our model	Hayekian perspective of social franchising.	Internal, external and beneficiary influence on franchise motive and formation, operating principles and performance.

2.3.6 New conceptual model

The existing models as discussed above do not fully integrate the factors driving social franchise performance. None simultaneously captures important drivers of social franchising such as the role of end-user needs and satisfaction, the effect of environment, and their effect on performance. McBride (2015) states that end-user role in franchising decisions and processes is crucial and should form an integral part of the model. Our model in Figure 3 fully integrates these factors in explaining social franchising. Factors that influence social franchising are represented by boxes while the direction of influence are depicted by arrows.

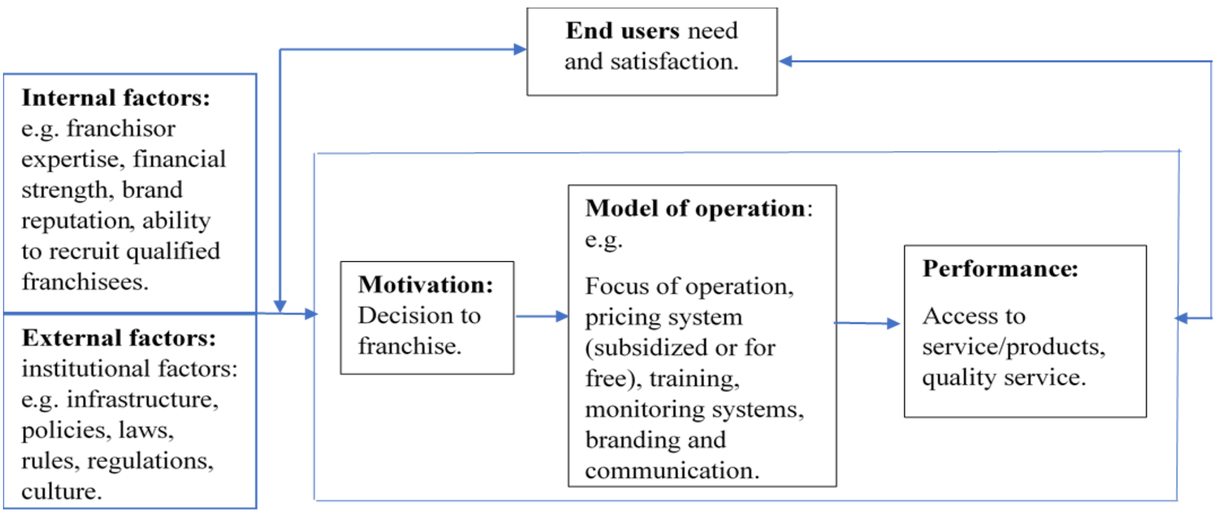
We identify five main factors that collectively explain social franchising: environment, end-user needs, motivation, model of operation and performance. Generally, environmental factors such as internal and external drivers influence the decision to engage in social franchising, but this largely depends on end-user needs. Together, these factors influence the model of operation which directly impacts the performance outcome of the initiative.

The model begins with the identification of environmental factors grouped into internal and external drivers. Internal factors relate to the franchisor's expertise, financial strength, brand and ability to recruit qualified and committed franchisees who share his vision. These factors play a major role in social franchising and the results of the initiative (Doherty, Haugh, & Lyon, 2014). As Figure 3 depicts, environmental factors are insufficient to explain the decision to franchise given that it also depends on the end-user needs and satisfaction. Understanding what end-users want and how to attract them play a key role in the franchise decision-making and performance outcomes (McBride, 2015). Penn-Kekana et al. (2018) highlights the importance of internal characteristics like perceived brand quality, promotional approach and the recruitment of staff using Matrika's social franchising model in India as a case study. The perceived poor brand (Sky social franchise network), promotional approach and poor understanding of client needs rendered the project ineffective. This confirms the need to have a trusted brand, understand the market, recruit capable franchisees, and understand the demands and needs of end-users (Du Toit, 2017).

Externally, social initiatives result from social reality where individuals or groups of people collaborate to address systemic failures in societies (Zafeiropoulou, 2017). Social franchisors respond to social needs by identifying and designing strategies to mitigate the effects of institutional voids on people (McBride, 2018). To achieve that, they must first determine if as interventionists they have the capacity to address the identified social need (Alon et al., 2010) before proceeding to design a model (Zafeiropoulou, 2017). The operational model is a function of the franchisor's mission, competency, resource capacity, the identified institutional void and the existing legal and regulatory framework. Zafeiropoulou and Koufopoulos (2013) observed that institutional factors are a major source of challenge in social franchising because social franchises are largely in markets lacking strong institutions (e.g., poor infrastructure, rules, and regulations). Given the importance of stakeholders, especially state institutions, social franchisors must invest in legitimacy-building for stakeholder acceptance and access to critical social resources (Shane & Foo, 1999). For example, Du Toit (2017) reports that collaboration with the Indian government accounts for the success of the family planning programs by Janani, a non-governmental organisation in Bihar-India. Therefore, institutional environment influences the drive for social initiatives, determines the type of model adopted, and impacts performance.

Finally, the mode of operation is a product of the environment, end-user needs and the motivation to franchise as reflected in the pricing system used by the franchisor, the training of local partners, branding and communication (Montagu, 2002). Focusing on filling institutional voids and alleviating poverty, products or services prices are often subsidized for local partners and franchisees. The capability of the system also depends on the calibre of franchisees recruited as Penn-Kekana et al. (2018) reports in the Matrika program. The end-users, internal factors, and the external environment affect the motivation, the model adopted and the results of the social initiative which in turn affect the satisfaction of the end-users in a cyclical manner. Figure 3 illustrates the model.

Figure 3. Conceptual framework
The relationship between motivation, model of operation and system performance



3. Methodology

We use co-citation and content analysis following the methodologies of recent bibliometric studies (e.g., Alon, Anderson, Munim, & Ho, 2018; Apriliyanti & Alon, 2017).

Bibliometric analysis is a statistical method that determines the qualitative and quantitative changes in a given research topic (Apriliyanti & Alon, 2017). It is an established form of meta-analytical research (Fetscherin & Heinrich, 2015) applied in identifying focal articles to objectively illustrate the linkages among them (Alon et al., 2018). The reasoning assumes quality and key research papers published in reputable journals base their research on previously published quality papers in similar journals (Zamore, Ohene Djan, Alon, & Hobdari, 2018). The unit of analysis is citation (Alon et al., 2018). Beyond simply counting publications, it includes centres of excellence and analysis of relationships among articles in a field, enabling measurement of the popularity and impact of key authors, their publications and the development of the research topic (Fetscherin & Heinrich, 2015).

We use ISI Web of Science (WoS) database and Scopus because they are the most important bibliometric databases housing important scientific documents across all disciplines (Falagas, Pitsouni, Malietzis, & Pappas, 2008). Though WoS and Scopus differ in relation to scope, volume, data, and coverage policies, Falagas, et al. (2008) argue that the papers and citations are correlated.

The sample articles date from 2002 to October 2018. First, we search using “social franchis*” AND “microfranchis*” to obtain articles on social franchising and micro-franchising. We find 98 articles from WoS and 125 from Scopus. Reading the abstract and content leads to 97 of WoS and 95 from Scopus. However, only 14 from Scopus are not in the set of WoS. Next, we analyse the 97 using HistCite bibliometric software to obtain the streams. The 14 from Scopus are then distributed where applicable through content analysis. Figure 4 illustrates the methodological approach.

Figure 4. Methodological approach.

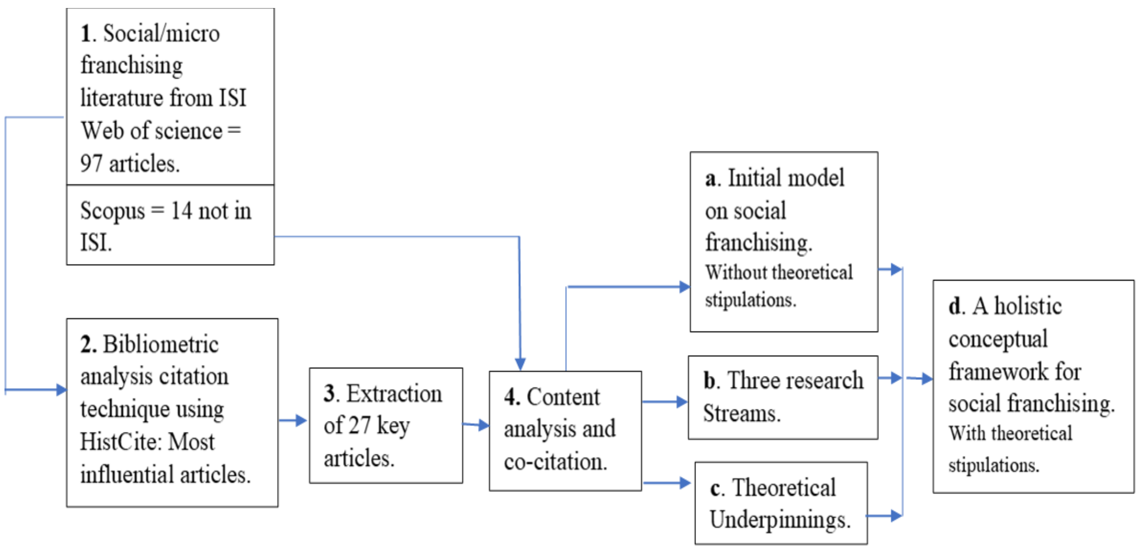
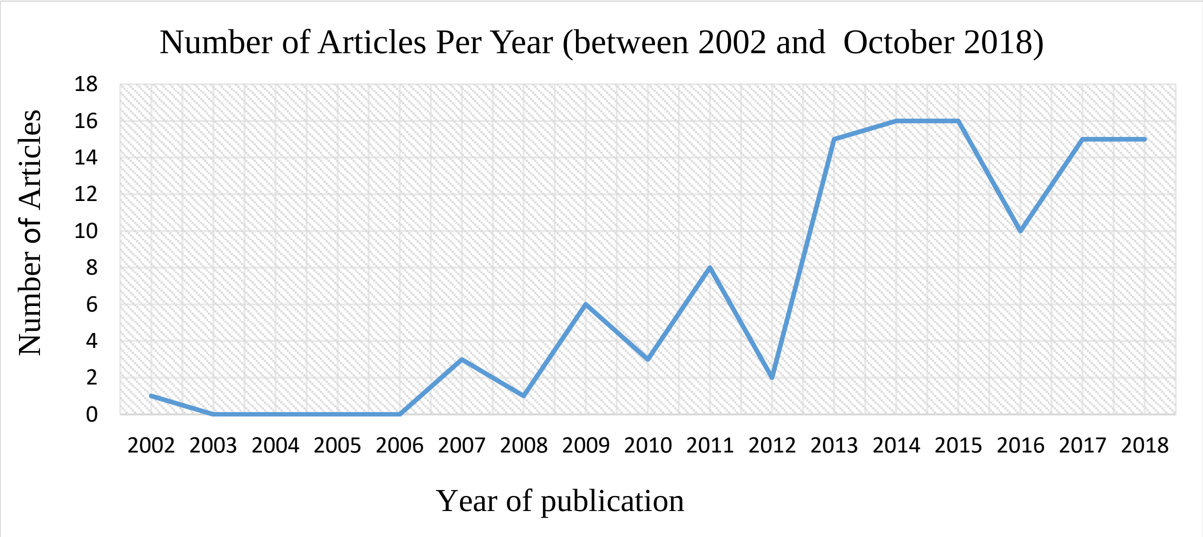


Figure 5 shows the slow development of research in social franchising from 2002 after Montagu introduced the topic into literature till 2013 when researchers started showing interest in the topic. More papers were published between 2013 and 2015 than in any other year. As a model of intervention that has expanded exponentially with millions of dollars from taxpayer's (Mumtaz, 2018), the development in research is not encouraging. Though the research increased significantly between 2012 and 2015, there was a sharp decline in 2016. This indicates the paucity of research in the field (Mumtaz, 2018).

Figure 5. Articles published between 2002-2018



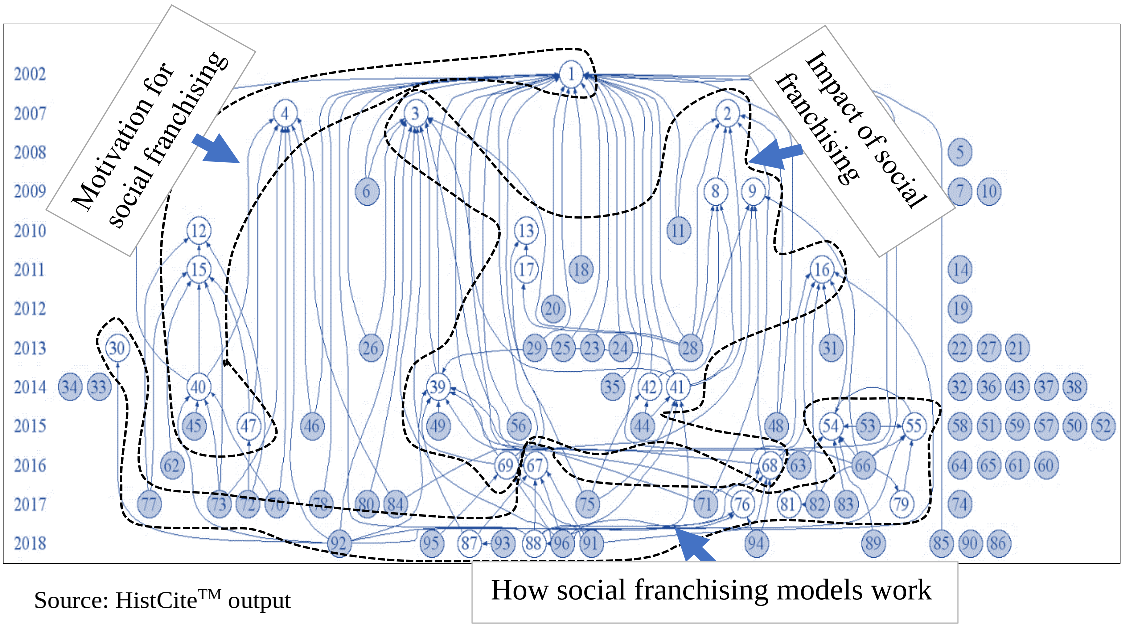
4. Findings

4.1 Profile of Scholarship on Social Franchising: Citation Map and Research Streams

We obtain the profile of social franchising literature using co-citation mapping. It connects authors, documents, and journals based on their citation (Alon et al., 2018). Since social franchising is a new area of research with few publications, we limited the value of bibliographic citation to zero to include new papers. According to Barreiro (2015), the citation threshold can be zero to include recent articles. HistCite identified 27 most influential articles, representing 28% of the sample. Additionally, HistCite produced a map of the network of literature that includes all 97 articles. The map consists of nodes representing the articles.

As Figure 6 shows, the number of arrows pointing to a node depicts the value of the node's influence. The more the arrows, the higher the influence, and the fewer the arrows, the lower the influence on other articles within the network. The vertical axis denotes the year of publication while the arrows indicate the citation relationship among the articles. The unshaded notes represent the influential articles, and the shaded ones signify the non-influential ones. Analysing the content of the articles, we identify three research clusters: motivation for social franchising, how social interventions work and the impact of social franchising. We label the groups based on their themes of focus. The groups are internally inclusive and externally exclusive. Next, we discuss the research streams.

Figure 6. Social franchising literature citation map.



Source: HistCite™ output

4.2 Motivations for Social Franchising

The common discussion in this stream is about how applicable the two main theories of motivations for business format franchising are in social franchising. For resource scarcity, Montagu (2002) (1 in Figure 6) applies the same logic for business format franchising to social franchising, a fractional franchising. His explanation is buttressed by Tracey and Jarvis (2007) (4 on Figure 6) and Beckmann and Zeyen (2014) (40 on Figure 6) who theorize that resource scarcity (e.g., capital, managerial expertise, and local knowledge) is the motivation behind social franchising. Kistruck, et al. (2011) (15 in Figure 6) argues this reason is not applicable in developing economies.

Contrasting views of agency theory also occur in the literature. Montagu (2002) and Beckmann and Zeyen (2014) (40 in Figure 6) maintain that the agent may not act in the best interests of the principal, hence the need for franchising to minimise ex-ante and ex-post costs. Tracey and Jarvis (2007) and Kistruck, et al. (2011) indicate that social franchising would rather bring about higher cost.

Tracey and Jarvis (2007) call for more theories to examine social franchising. Kistruck, et al. (2011) also calls for investigation of potential variations of franchising models in bottom-of-the-pyramid markets. Our analysis reveals two other theories not captured in any of the three clusters which we discuss under theoretical extension.

4.3 How social franchising models work

The common discussion in this cluster concerns two major social interventions and their limitations. Marie Stopes International (MSI) and Population Services International (PSI) are two global franchisors that use social marketing to address health problems in low-and-middle income countries. Thurston, Chakraborty, Hayes, Mackay, & Moon (2015) (54 in Figure 6) describe the operational approaches, challenges, and solutions implemented by these global franchisors. Sundari and Fonn (2011) reports that the organizations provide intensive capacity-building and support for private sector health service providers along with branding, training, monitoring quality services, and commodity support. The argument is that the providers maintain high quality standards in their service provision and that, there is no significant difference between the two franchisors (Azmat, Ali, Hameed, & Awan, 2018).

Alur and Schoormans (2011) argues social franchising is essential and demonstrates the ability to scale up impacts. Hence, Munroe, Hayes, & Taft (2015) and Ngo, Nuccio, Pereira, Footman, & Reiss (2017) suggests it should be pursued vigorously to meet family planning 2020 goals. Arguing that attention to franchisee selection is crucial for social franchising success, Sivakumar and Schoormans (2011) suggests that, the selection criteria in commercial franchising are applicable for social franchising. Melo, Carneiro-da-Cunha, & Borini (2018) indicate that, the background of micro-franchisees influence franchisees' perception of franchisors' support and brand. Ngo, Alden, Hang, and Dinh, (2009) also theorize that improvement of clinic infrastructure, increased standardization of quality services, staff instruction on relationship management, and promotion of culturally relevant brands are success factors. De Pree and Su (2011) suggests using templates that include workflows to guide the entrepreneur and employees via mobile phones to support the formation of collaborative federations, minimize waste and maximize profits.

Ravindran and Fonn (2011) argues it is not clear if current quality assurance systems including supportive supervision, provider behaviour change, clinical monitoring, or scalability of the models are cost-effective nor well-managed in terms of service quality, coverage, and equity. Montagu and Goodman (2016) (67 on figure 6) maintain that quality and the promotion of wide choice methods are particularly challenging in scaling-up among free agents as providers. Buchan (2014) adds policy and legal issues as obstacles. Hence, Mumtaz (2018) (87 in Figure 6) questions the logic behind the multimillion investment in social franchising given the limited evidence of its impact. Thurston et al. (2015) calls for development of approaches that can scale up the model cost-effectively. Table 1 displays the measures under the stream.

Table 1. Measures for How the social interventions work

Authors	Measures	Variable
Thurston et al. (2015)	- Appropriate-franchisees-selection - Training, branding, monitoring, commodity support - Behaviour-change-communication - Awareness-creation - Subsidized /free services	- Capacity-building - Clients-attraction
Ngo, et al. (2017)	- Service-delivery-approaches - Demand-creation approaches - Upholding-minimum-quality-standards	- Program-effectiveness
Ravindran and Fonn (2011)	- Range-of-services - Geographic-coverage - Service-cost - Quality mechanisms	- Potentials-of-social-franchises

4.4 Impact of social franchising

Most articles in this stream examines the impact of clinical social franchising on the poor. They measure impact on the bases of accessibility, quality, equity, client satisfaction, and increasing client health knowledge and perception (e.g., Shah, Wang, & Bishai, 2011) (16 on Figure 6). Brown (2014) adds human security as another dimension of social franchising benefits while Fredriks, Pennink, Simatupang, & Siswanto (2014) maintain that social franchising can be an instrument in technology push to stimulate entrepreneurship and local economic development in rural areas. The literature indicates mixed findings on the impact of clinical social franchising (Beyeler & De La Cruz, 2013).

For instance, Lönnroth, Aung, Maung, Kluge, & Uplekar (2007), (3 on figure 6) reports that a highly subsidized tuberculosis treatment delivered by a social franchise scheme in Myanmar positively affected the targeted poor. Other researchers reporting positive impact of social franchising include (Aung et al., 2014; Bishai et al., 2015; Decker & Montagu, 2007; Nguyen et al., 2013). In support of the above reports, Gold et al. (2017) (79 in Figure 6) explains that, simultaneously supporting service quality while addressing barriers of demand like pricing can increase demand for family planning services.

Kozhimannil, Pereira, & Harlow (2009) (9 on Figure 6), finds no significant changes associated with donor-funded franchise midwives prenatal care standards in the Philippines. Ravindran and Fonn (2011), (13 on Figure 6) reports that though there were quality measures in place, evidence of adherence was limited in Pakistan. They maintain social franchise initiatives in Pakistan offer limited range of fragmented reproductive health services at sub-optimal quality. Tougher, et al. (2018) (88 on Figure 6) finds the Matrika social franchise model ineffective in improving the quality and coverage of maternal health services at the population level. Shah et al. (2011) finds trade-offs among access, cost and quality care that need balancing as competing priorities. Alon (2004) also maintains that it is not yet known whether globalization through franchising has irreversible negative impact on host countries. Finally, Mohanan et al. (2017) calls for sound empirical evidence before scaling social franchising programmes and Decker and Montagu (2007) suggest more research to identify the relative importance of the different aspects of the franchise relationship.

Ultimately there is lack of consensus on the drivers and impact of social franchising. The clusters mainly focus on the health sector except the first stream and some few articles. Table 2 displays measures of impact.

Table 2. Measures of social franchising impact

Authors	Measures	Variable
Shah, Wang, & Bishai (2011)	- Provider training - Methods offered - technical competence - Range of services - Information-to-clients - Client satisfaction	- Quality
Gold et al (2017)	- Number of franchisees - Average number of services per year	- Efficiency
Lönnroth et al. (2007) **Gold et al (2017)**	- Subsidized services - Coverage - Number of services - Number of clients serviced	- Access
Nguyen et al. (2013)	- Attitudes - Experience - Duration of consultation - Likeliness to return	- Satisfaction

4.5 Research status of social franchising

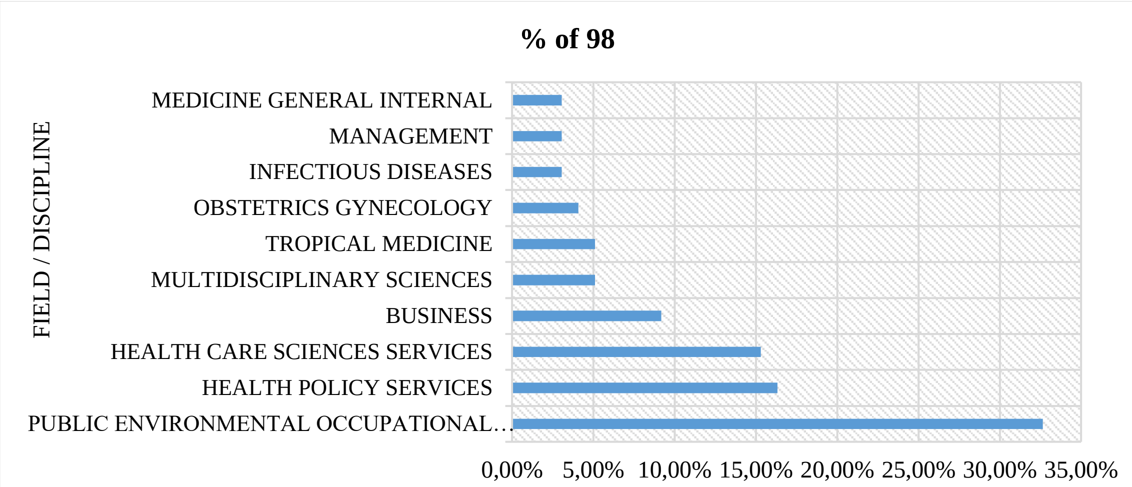
Here, we discuss the areas of research, the most influential articles, and authors with the most impact on knowledge development in the social franchising literature.

4.5.1 Areas of research

Social franchising is an emerging area of academic inquiry with roots in several areas of knowledge: e.g., entrepreneurship, psychology, sociology, anthropology, and economics (Austin, Stevenson, & Wei-Skillern, 2006). The following percentages depict the concept's profile in terms of research in different areas: Environmental occupational health (32.65%), health policy services (16.33%), health care sciences (15.31 %), business (9%), multidisciplinary sciences (5.10%), tropical medicine (5.10%), obstetrics and gynaecology (4%), general internal medicine (3.06%), infectious diseases (3.06%), management (3.06%), and medical general internal (3.06%).

Most (87.94%) of the current literature are on health science whereas only 11.39% (business and management) discuss topics outside the field of health science as Figure 7 shows. These suggest social franchising needs more research the fields outside health to inform policy formulations and the development of the concept as a model of intervention.

Figure 7. Areas of knowledge on social franchising



4.5.2 The most influential articles on social franchising

We measure the research performance of social franchising at the micro and macro level. The micro level (local citation) is analysed at the individual researcher level within the local collection while the macro level (global citation) measures the influence of a paper outside the local collection. These two are the most common bibliometric indicators of an article's quality (Zamore et al., 2018). We include the local citation score per year, a ratio of the total local citation that standardizes the values of the citations regardless of the year of publication to complement the measures of micro and macro analysis for meaningful comparisons of the articles.

As Figure 8 shows, Montagu (2002) founding article has the highest influence, with a total local citation (TLC) of 28, and average total local citation (TLC/t) of 1.65, followed by Lönnroth, et al. (2007) with a TLC of 10 and TLC/t of 0.83 in terms of local citation. The tenth-ranked article on the table is Beckmann and Zeyen (2014) with a TLC of 4 and TLC/t of 0.80. Using the (TGC) metrics, Tracey and Jarvis (2007) top the ranking with a TGC of 102 and TGC/t of 8.5, followed by Montagu (2002) with a TGC score of 70 and GCS/t score of 4.12,

Figure 8. Ranking of Top 10 Articles

Rank	Author	Journal	TLC	TLC/t	TGC	TGC/t
1	Montagu (2002)	Health Policy and Planning	28	1.65	70	4.12
2	Lönnroth et al. (2007)	Health Policy and Planning	10	0.83	59	4.92
3	Tracey and Jarvis (2007)	Entrepreneurship Theory and Practice	7	0.58	102	8.50
4	Aung et al. (2014)	Journal of Tropical Pediatrics	7	1.40	10	2.00
5	Decker & Montagu (2007)	Journal of Adolescent Health	6	0.5	13	1.08
6	Shah et al. (2011)	Health Policy and Planning	6	0.75	19	2.38
7	Thurston et al. (2015)	Global Health -Science and Practice	6	1.5	8	2.00
8	Kistruck, Webb, Sutter, & Ireland (2011)	Entrepreneurship Theory and Practice	5	0.63	38	4.75
9	Kozhimannil et al. (2009)	Jama	4	0.40	19	1.90
10	Beckmann & Zeyen (2014)	Non-profit & Voluntary Sector Quarterly	4	0.8	7	1.40

while Thurston et al. (2015) take the tenth position. Interestingly, Thurston et al. (2015) which is the seventh when using TLC and tenth when using TGC as the metrics of measurement is second with 1.50 when TLC/t is used as the metric. However, Montagu (2002) remains first in ranking with 1.65 TLC/t, Aung, et al. (2014) are the third with 1.40 followed by Lönnroth et al. (2007) with 0.83, before Tracey and Jarvis (2007) with a 0.58 TLC/t.

The variations in TLC, TLC/t and TGC is partially explained by the focus of the publications. For instance, Montagu (2002) and Thurston et al. (2015) are in the field of health science whereas the focus of Tracey and Jarvis (2007) is general. But the majority of publications on social franchising are in health science. This explains why in terms of local citations Montagu (2002) and Thurston, et al. (2015) records more citations. Similarly, when examining citations outside the local citation, it should not be surprising that Tracey and Jarvis (2007) is cited more. Figure 8 illustrates the article values in terms of ranking.

5. Theoretical underpinnings

Social franchising derives its principles and theoretical explanations from commercial franchising. There are currently four theories in the literature that attempts to explain the phenomenon of social franchising: Resource scarcity, agency, stewardship, and social networks theories as Table 3 shows.

Table 3. Articles with theories

Theory	Author(s) & Year	Title	Journal
Resource scarcity theory & Agency theory	Montagu (2002)	Franchising health services in low-income countries	Health Policy and Planning
	Tracey & Jarvis (2007)	Toward a theory of social venture franchising	Entrepreneurship Theory and Practice
	Kistruck,Webb, Sutter, & Ireland (2011)	Micro-franchising in bottom-of-the-pyramid markets: institutional challenges and adaptations to the franchise model	Entrepreneurship Theory and Practice
	Beckmann & Zeyen (2014)	Franchising as a strategy for combining small and large group advantages (logics) in social entrepreneurship: s Hayekian perspective.	Non-profit and Voluntary Sector Quarterly
	Asemota & Chahine (2017)	Social franchising as an option for scale	Voluntas
Social Network theory	Zafeiropoulou & Koufopoulos (2014)	The influence of the relational marketing paradigm on the governance of the novel channel format named social franchising: An exploratory qualitative analysis of four social franchises from the UK	Journal of Developmental Entrepreneurship

Stewardship theory	Krzeminska and Zeyen (2017)	Stewardship cost perspective on the governance of delegation relationships: the case of social franchising	Non-profit and Voluntary Sector Quarterly

5.1 Resource scarcity theory

The theory in commercial context posits that, firms, especially young and small businesses prefer company ownership to franchising but are often motivated to franchise because they lack resources (Capital, managerial talent, and local knowledge) needed for expansion (Alon et al., 2015). When the firms mature and become strong, they may repurchase the franchised outlets (Alon et al., 2015).
Tracey and Jarvis (2007), Beckmann and Zeyen (2014) and Montagu (2002) argue resource scarcity theory explains why firms choose social franchising. They maintain that resource constraints generally are even more pressing in social enterprises compared to for-profit small and medium sized enterprises.

Contrarily, Kistruck et al. (2011) and Zafeiropoulou and Koufopoulos (2013) contend that the resource scarcity reasons for social franchising is not applicable in base-of-the-pyramid markets. Because franchisees in base-of-the-pyramid markets lack managerial skills, are financially constraint, and are in poor institutional systems.

Supporting Kistruck et al. (2011), we reason that social franchisors are motivated by their desire to solve social problems such as health problems and unemployment. For instance, Vision Spring provides reading glasses to the poor at low prices, while Aflotoun's mandate is economic empowerment of children in poor communities (Du Toit, 2017). Though these franchisors face resource challenges, they are not motivated to franchise because of the resources the franchisees can provide, but by the identified need they propose mitigating. Hence, unlike for-profit franchisors who franchise to obtain resources from franchisees, social franchisors are motivated by the need to solve social problems which may include solving franchisee needs.

5.2 Agency theory

In commercial franchising, agency theory argues that, owners of organisations (principals) often delegate the responsibility of their business management to agents (Lafontaine, 1992). Like the principals, the agents are self-interested economic individuals, hence they may behave opportunistically and not seek to fulfil the interest of the principals (Alon et al., 2015). To mitigate this, principals expend resources to monitor and align the interest of agents, but the cost for monitoring and aligning the interests of agents are less in franchising compared to company ownership (Lafontaine, 1992).

Asemota and Chahine (2017) and Montagu (2002) argues that social franchisors engage in franchising to lower agency cost. Beckmann and Zeyen (2014) adds that, social franchises are among small groups and volunteers who serve as checks on franchisees behaviour, hence lowering agency costs in social franchising.

Tracey and Jarvis (2007) posit that agency costs in acquiring information for selecting franchisees are higher in social franchising than for commercial franchising. Agreeing, Kistruck et al. (2011) posits that franchisees in the bottom-of-the-pyramid markets lack work experience and prefer the certainty of employment to the risk associated with being micro-franchisees. Further, the infrastructure and institutional limitations in bottom-of-the-pyramid markets hinders the monitoring abilities of the micro-franchisors, hence increasing agency costs compared to commercial franchising.

In line with Kistruck et al. (2011), we maintain that it is not easy to come by qualified franchisees in bottom-of-the-pyramid economies and it is rare for people to volunteer as workers for social franchises. Because of the high cost of selection and lack of work experience among social franchisees, agency costs may be higher in social franchising than in conventional franchising.

5.3 Social network theory

Social network theory posits that organisations rely on their networks to access information that lowers search costs and risks of opportunism (Gulati, 1998). The relationships among the network members form the reality within which the company acts. Commitment, trust, solidarity, mutuality, flexibility, role integrity, harmonization of conflict, and restraint of power are elements of a quality network (Zafeiropoulou & Koufopoulos, 2013). Quality embedded relationships channels information with advantages in three ways, access to information about current and potential partners, timely access to information and referrals to other firms or alliances (Gulati, 1998).

Given Kistruck, et al. (2011) argument that the search cost for franchisee selection is high, we argue that franchisors embeddedness in networks of high information exchange may have the advantage of obtaining information about the capabilities and trustworthiness of the candidates for selection as franchisees. Hence network embeddedness facilitates franchisee selection, lowers risk of opportunism, and impacts system performance.

5.4 Stewardship theory

Stewardship theory is often used in place of agency theory to examine delegated relationships (Muth & Donaldson, 1998). It regards managers as 'stewards' rather than self-interested, rational or economic agents (Muth & Donaldson, 1998). As stewards, they have non-financial motives such as the need for achievement, recognition, intrinsic satisfaction with successful performance, respect for authority and a work ethic (Etzioni, 1975). Hence, they act based on a sense of duty and identification with the organization even when confronted with personally unrewarding course of actions (Etzioni, 1975).

Krzeminska and Zeyen (2017) argues that stewardship relationships, like all transactions, incur costs and may lead to groupthink, faulty attribution of success, rigidity, and escalating commitment that could eventually lead to failure. Drawing on Tracey and Jarvis's (2007) argument, social franchisees must have managerial capabilities including social goals for the ventures to be successful. Because social franchisees with social goals and selfless interests are likely to have higher positive impact, we argue that there is a positive correlation between a franchisor's ability to recruit stewards as franchisees and the franchise system performance and long-term survival.

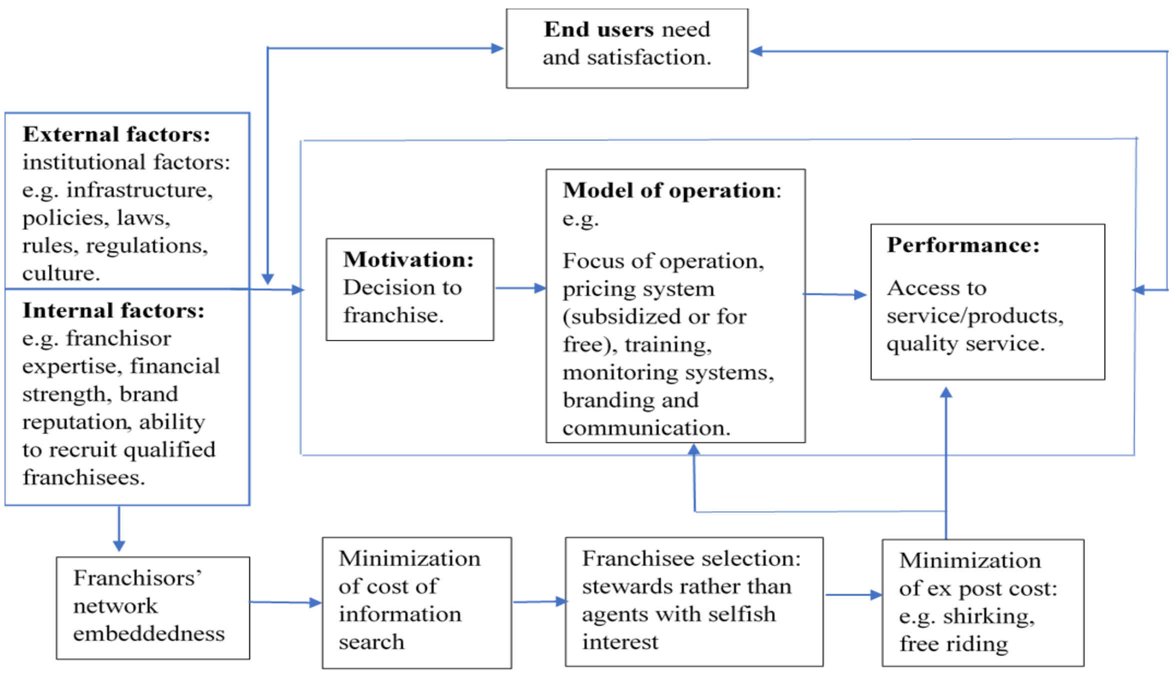
6. Discussion and Directions for Future Research

6.1 Theory development

Examining the primary motivations, of commercial franchising (resource scarcity and agency) in the context of social franchising, we find that the key motive behind social franchising is social need rather than resources of franchisees. Agency costs in social franchising are expected to be higher than for commercial franchising because of the institutional voids in bottom-of-the-pyramid markets. However, the social franchisor's internal strength, if it includes embeddedness in social networks may lower the search costs for information. This leverage can result in selecting qualified franchisees whose goals are compatible with the franchisor's.

Consequently, franchisees whose goals are compatible with the franchisors are likely to behave as stewards with selfless interest rather than opportunistic agents. Agency costs in social franchising may be minimised when franchisees are committed to achieving mutual goals with the franchisor, hence giving the franchise system the capacity to solve the social need identified. In turn, the satisfaction of the end-users ensures the continuous patronage of the franchise services or products, which affects the system performance in a cyclical manner. Figure 9 of the revised social franchise conceptual model reflects this logic. Unlike the initial conceptual model in Figure 3, the revised model integrates theoretical arguments of franchisor network embeddedness, minimisation of information search cost, franchisee selection and minimisation of ex-post cost.

Figure 9. Theoretical drivers of social franchising adoption and performance.



Source: Authors' construct

7. Limitation of the study

Bibliometric analysis has its limitations (Apriliyanti & Alon, 2017). HistCite can only be used to analyse data from the ISI Web of Science database, however, we address this by including articles from Scopus through content analysis. Further, articles from Google Scholar were included in other parts of the paper.

8. Conclusion

Our review shows consensus on the potentials of social franchising. However, there are conflicting views on its impact despite the millions invested. Existing frameworks do not fully capture the factors that underpin the concept. To fill this gap, we reviewed and synthesized the literature to develop a new conceptual model which captures the dynamism of social franchising through five driving factors and theoretical stipulations.

The profile of the literature on social franchising which is a multidisciplinary field indicates that 87.94% of the publications on social franchising are from the field of health science whilst 11.39% are outside the discipline of health science. These figures indicate that, at large, the field as a multidisciplinary area is under researched and needs more research in and outside health science to inform policy formulations and enhancement of the concept.

In conclusion, the research attempts to understand social franchising through the development of an integrated conceptual framework. The findings have practical implications for social franchising practitioners, researchers, donors and policy makers. For practitioners, understanding the driving factors may open the avenue for value creation, performance improvement, and minimization of failures among social franchises. This may reduce wasted investments from donors and taxpayers. We encourage researchers to empirically test our propositions and research questions in Table 4 (in Appendix) for validation. Also, as social problem-solving in micro-franchising refers less to solve social problems in the society but more to provide job opportunities for franchisees as internal stakeholders, it will be illuminating if future research should more precisely differentiate the external versus internal stakeholder focus of social franchising and micro-franchising.

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Appendix

Research Stream	Future Research question/direction	Author	Journal
	1. What are the potential variations of franchising models in bottom-of-the-pyramid markets?	Kistruck et al. (2011)	Entrepreneurship Theory and Practice.
	2. What is the distinguishing nature of social franchising?	Tracey and Jarvis (2007)	Entrepreneurship theory and practice.
Motivation for social franchising.	3. What are the exit rates and reasons behind the exit of micro-franchisees? 4. What accounts for micro-franchisee success and failures? 5. What are the differences between social and business entrepreneurship? 6. What is the difference between within-sector and cross-sector social franchising? 7. Can theories of job enrichment that hold for franchises in developed countries also hold for micro-franchises in subsistence markets? 8. What are the theory-driven profiles of micro-franchisees and typologies of entrepreneurs in developing countries?	Christensen et al. (2010)	Journal of Business Research.
	9. What differences exist among micro-franchising activities in different legal, regulatory, and cultural contexts?	Camenzuli and McKague (2015)	Social Enterprise Journal.
How social interventions work.	10. What is the performance of social franchise networks in clinical health using information from routine monitoring data?	Gold et al. (2017)	Global Health: Science and Practice.
	11. How does knowledge transfer occur in social franchising and influence system performance as well as transfer of future knowledge?	Rosado-Serrano and Paul (2018)	International Journal of Hospitality Management.
	12. What is the importance of different aspects of franchise relationships and is replication in the public sector possible? 13. What role do costs have as a barrier to facility-based delivery care?	Thurston et al. (2015)	Global Health: Science and Practice.

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The impact of social franchising.	12. What is the importance of different aspects of franchise relationships and is replication in the public sector possible? 13. What role do costs have as a barrier to facility-based delivery care?	Thurston et al. (2015)	Global Health: Science and Practice.
	14. Can social franchises provide services cost effectively with alternative investments in the public sector?	Decker and Montagu (2007)	Journal of Adolescent Health.
	15. Can social franchises increase equitable access to reproductive health services for low-income and marginalised populations?	Kozhimannil et al. (2009)	Jama.
	16. Which incentives can improve access within the private sector: insurance, vouchers or fee waiver programmes?	Shah, et al. (2011)	Health Policy and Planning.
	17. Can franchising modernize the service sectors of developing economies? Which sectors are likely to benefit most? 18. Will the trend towards globalization influence cultural homogenization through franchising? How desirable and controllable can that be? 19. Is cultural conflict inherent in the interaction of global franchising with local interests? How can such conflicts be resolved?	Alon (2004)	Journal of Macro-Marketing.
Proposed questions based on our review.	1. Given the deprived conditions in bottom-of-the-pyramid markets and the unique characteristics of social franchising, which theory can best explain the need for social franchising? 2. How can existing theories be combined to explain the tenets of social franchising? 3. To what extend do the institutional limitations of the bottom-of-the-pyramid markets affect the sustainability of social franchises and how can these institutional barriers be diminished? 4. Do micro-franchising ventures have the potential to grow beyond the micro level? If so, what are the drivers for growth? 5. Though social franchising is widely used in the health sciences, reports about their operational success are being questioned (e.g., Mumtaz, 2018; Tougher et al., 2018). Can social franchising as a multidisciplinary field best fit in some disciplines than others?		

Chapter 2

Micro-Franchising in the Bottom of the Pyramid Market: Rwanda

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Micro-Franchising in the Bottom of the Pyramid Market: Rwanda

Abstract

This study examines how a mission-driven shared identification can help mitigate the failure of a micro-franchise in Rwanda, a bottom of the pyramid market. A single case study was adopted following Gioia's established analytical process. Interviews, semi-structured interviews, and observations were conducted between the period of 2018 and 2019. It was found that a mission-driven shared identification can be achieved if a micro-franchisor promotes a culture of sharing and perceived organisational support among micro-franchisees. Also, an alliance with the government or its endorsement is necessary in encouraging franchisees to identify with a micro-franchisor. Furthermore, in a collectivist culture, if a micro-franchisor succeeds in establishing shared identification, the franchisees are very likely to remain loyal in times of crisis.

Keywords: hybrid organisation; micro-franchise; organisational support; empowerment; shared identification

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1. Introduction

Social franchises are a new type of hybrid organizations and social enterprises that adopts franchising strategy to provide social goods and services in underserved areas. As a type of social franchise, micro-franchising is increasingly spreading the benefits of franchising among the poor. The rise and attractiveness of the approach is based on its potential to impact and the ability to scale (McKague, Menke, & Arasaratnam, 2014). However, while millions of dollars from governments and donors are made to these health interventions (Mumtaz, 2018; Doyle & Patel, 2008) records indicate that most of them do not survive beyond their pilot stage (Sundin, Callan, & Mehta, 2016). For instance, between 2008 and 2009 alone, 23 micro-franchises in Uganda and more than 30 in India could not survive beyond their pilot phase (Sundin et al., 2016). The sustainability of micro-franchises has therefore become a major concern among practitioners and scholars to the extent that its applicability as a format became the subject of a major debate between scholars in The Lancet Global Health (Mumtaz, 2018).

A lack of shared commitment and dedication to the goals of the organization are common problems between franchisees and franchisors (Dada & Watson, 2013). It serves as a barrier to the franchise knowledge management (Okoroafor, 2014) and affects the survival of social franchises. For example, it increases the tendency for opportunism, erodes franchisor-franchisee shared sense of purpose and identity, and increases monitoring cost (Kistruck, Webb, Sutter, & Ireland 2011; Tracey & Jarvis, 2007). Tracey and Jarvis (2007) study demonstrate how the social franchise Aspire Group’s dual social mission and sustainability goals contributed to the disunity between the franchisors and franchisees and the eventual failure of the venture.

Africa is an example of a bottom of the pyramid (BOP) market. It is part of the emerging economies (Alon & Rotem, 2017) with many institutional obstacles (Kotabe, Jiang, & Murray, 2017). Kistruck et al. (2011) suggested that poverty and the institutional contexts that characterize BOP markets adds significant challenges to the economic growth and sustainability of micro-franchises. Same reasons were ascribed to the documented frequent presence of opportunism among micro-franchisees (Kistruck et al., 2011).

Chow and Chan (2008) proposed that the presence of shared goals promotes mutual understanding and serves as a force to hold people together in an organization. A recent study by Giudici, Combs, Cannatelli, and Smith (2018) established that the attractiveness of a social franchise mission can unite social franchisors and franchisees in their goals and make them fight together to sustain the organization. However, it is not certain that a mission-driven shared identification can easily be developed in BOP markets (Giudici et al., 2018). The micro-franchisors may have a social mission, but the micro-franchisees may not share in the mission because they may be interested in just making money. In other words, the franchisor and the franchisee might be in different stages of Maslow's hierarchy. These differences accord with the general social entrepreneurship literature reporting that mission drift is more likely in social enterprises that have different sets of target beneficiaries such as a micro-franchise (Santos, Pache, & Birkholz, 2015). Hence, the study seeks to determine how a shared identification in mission can be achieved in micro-franchising, and how that shared identification can help mitigate opportunism and failure of a micro-franchise in a BOP market.

The rest of the paper is organised as follows: Next is 2. the review of the literature in social and micro franchising, followed by 3. the methodology for data collection and analysis, 4. the findings and discussion, then the 5. conclusion.

2. Literature Review

Like business-format franchising, social franchising is a contractual alliance between two entities, a franchisor and franchisee. It allows the franchisee the liberty to leverage the franchisor's brand and operational processes or know-how in exchange for upfront and ongoing fees (Seid & Thomas, 2006). The franchisors develop their business practices and ensure that franchisees learn accurately how to apply their know-how. Such alliances are often designed to create a win-win situation for both parties (Preble, Reichel, & Hoffman, 2000). But as separate entities, selfish interests sometimes prevail in the business arena. However, in social franchising, the franchisor seeks to solve social problems rather than maximize profits as business franchisors do (Tracey & Jarvis, 2007). Therefore, in social franchising the social mission supersedes profit making (Tracey & Jarvis, 2007; Fairbourne, Gibson, & Dyer 2007). For instance, social franchising in the health sector has four primary goals: 1) access (increasing the number of delivery points, providers and range of services), 2) cost effectiveness (reducing the cost of services), 3) quality (providing services that meet quality standards), and 4) equity (serving all population groups, especially the needy) (Ravindran & Fonn, 2011). These goals usually target the end users.

Micro-franchising is a type of social franchising (Naatu & Alon, 2019) where micro-franchisors ‘develop and promote by sale small businesses that the poor can afford to enter and operate’ (Christensen, Parsons, & Fairbourne, 2010). Whereas other social franchises can employ the non-poor as social franchisees, micro-franchises mainly employ the poor as franchisees. The term ‘micro’ refers to the size of the investment that might be needed, or the cost of the goods sold. Examples of micro-franchising systems in Africa include One Family Health (OFH) in Rwanda, Woman360 in Ghana, Child and Family Wellness Shops (CFW) in Kenya.

Social franchising is a nascent area of academic enquiry, and its practice and relevance is on the rise. It uses innovative processes and strategies in the exploitation of opportunities to create social value. As social enterprises, they are complex organisations that have dual identities emanating from their social and commercial goals (Zafeiropoulou & Koufopoulos, 2013). Therefore, tensions emerge from having to address the challenges associated with both motivations (Moss, Short, Payne, & Lumpkin, 2011). Marrying both social and commercial goals, they are neither purely for profit, nor strictly non-profit organisations. They are on a continuum and could lie anywhere in between both extremes (Austin, Stevenson, & Wei-Skillern, 2006).

Micro-franchising for instance, is a ‘market-based enterprise-led approach’ used to provide much needed goods and services to low-income communities, particularly in BOP markets (McKague et al., 2014). While it is increasingly being adopted in the health sector to improve access to healthcare services in marginalised communities, sustainability and scaling remain its biggest obstacles (Sundin et al., 2016). Although these problems are common in almost all social enterprises (Dumalanède & Payaud, 2018), higher cost of franchisee selection, training and opportunism are thorny challenges particular to the sustainability and scaling of social or micro-franchises (Kistruck et al., 2011). This is because micro-franchising generally involves the transfer of knowledge from the franchisor to the franchisees. In the setting of BOP market, illiteracy is higher, hence the cost for the search and training of micro-franchisees is also high. Further, the weak institutions make it easy for opportunistic micro-franchisees who after acquiring the know-how want to easily cheat by ceasing ongoing payment (Kistruck et al., 2011). These are consistent with Oliva and Kotabe’s (2019) suggestion that, the barriers to knowledge management could be environmental, organisational or human.

The literature attributes the opportunistic behaviours, and differences between micro-franchisors and franchisees in their goals identification as factors affecting the survival of micro-franchises in BOP markets (Giudici et al., 2018). Thus, an effective understanding of how to manage these tensions and franchise know-how is critical. Knowledge management is an organisational practice aimed at developing, acquiring, storing, discarding and using knowledge that is essential in value creation for an organisation (Oliva & Kotabe, 2019). It is especially crucial for franchise system survival. Surprisingly, how to successfully sustain and scale micro or social franchising has received scant attention from the scholarly community (Kistruck et al., 2011; Giudici et al., 2018).

A great deal of the extant literature on social entrepreneurship simply points to the existence and types of tensions (e.g., Doherty et al., 2014; Moss et al., 2011). The other studies exploring how to balance these tensions are largely conceptual and they mainly review the existing literature (e.g., Ebrahim, Battilana, & Mair, 2014; Phillips, Ghobadian, O'Regan & Jam, 2015). To the best of the researchers' knowledge, no study has explored how micro-franchisors can influence organisational identification among micro-franchisees, or how shared identification can affect the management of micro-franchise know-how and survival.

2.1 Theoretical underpinning

Organisational identity and legitimacy theories are well-established theories. They provide rich theoretical lenses for understanding the complexities of social organisations including how they acquire social capital and perceived social worthiness in the eyes of institutional stakeholders to improve performance and increase their chances of survival (Diochon & Anderson, 2011; Moss et al., 2011). Organisational identity refers to the enduring attributes that constitute the collective view of the organisational members about the organisation (Moss et al., 2011). Organisational identification, on the other hand, is about how employees or internal stakeholders view themselves as part of their organisation (Chen, Yu, Hsu, Lin, & Lou, 2013).

Legitimacy is a social judgement of acceptance, appropriateness and desirability that makes it possible for an organisation to access the resources it needs to survive and grow (Moss et al., 2011). According to Herrbach and Mignonac (2004) organisational identification is a function of organisational identity. Legitimacy and organisational identity logics are often used together when examining the complexities of the dual goals of social entrepreneurship. For instance, using the lens of identity theory Moss et al. (2011) suggested legitimacy concerns in relation to the incongruities between organisational identities. Similarly, Diochon and Anderson (2011) highlighted the interface between identity and the establishment of legitimacy.

Culture and attribution are also connected to organisational behaviour. Culture is the 'collective mental programming that is part of human conditioning that people share with other members of their nation, region, or group but not with members of other nations, groups, and regions' (Hofstede, 1983). It is an important determinant of how people view themselves and their social world (Gyekye, 2006). Hofstede (1983) classified culture into two groups: collectivist and individualistic cultures. In the classification most western countries are categorized as individualistic cultures, while Asians, Africans and Latin Americans are considered collectivists. Individualists are largely motivated by their need to fulfil their obligations to themselves. Hence, their concern is mostly about self-actualization and self-respect. Collectivists do not seek actualization at the expense of their identified groups. They try to fulfil their obligations to their in-group such as their family, or their loyalty to the group to which they belong such as their organisations or country (Hofstede, 1983).

Attributions are mechanisms individuals use to make sense of their own behaviour and the actions of others and events around them (Cardon, Stevens, & Potter, 2011). They help take actions based on their interpretations of the causes of events (Cardon, et al., 2011). They also explain why people engage in productive and counterproductive organisational behaviours which consequently impact the relationship between management and members of an organisation (Harvey, Madison, Martinko, Crook, & Crook, 2014). Thus, Martinko, Harvey, and Dasborough (2011) posited that all rewarding or punishing organisational behaviours are influenced by attributions. The process of attribution, in turn, is affected by the culture of the individual.

Collectivism and individualism are useful in predicting the influence of culture on the process of attribution (Higgins & Bhatt, 2001; Gyekye, 2010). For example, people in both individualistic and collectivist cultures attribute positive events to actions they themselves have taken, whereas collectivists generally attribute negative events to uncontrollable, external factors. Collectivists have a strong attachment to and identification with their in-groups (McCormick & Shi,

1999) and ascribe the blame for negative events to out-groups rather than in-groups. In addition, they are very loyal to (Hofstede, 1983) and identify with their employers when they feel that they receive organisational support from them (Edwards & Peccei, 2010; Eisenberger, Huntington, Hutchison, & Sowa, 1986).

2.2 The case

We investigate the issues noted above using the context of Rwanda. Almost on the verge of collapse in 1994 after four years of civil war and genocide, the country has made great strides in terms of development and improvements in health (Pose & Samuels, 2011). However, as of 2011, 60% of the population still lived below the poverty line (Pose & Samuels, 2011). The total population was 11.6 million, with 81% living in rural areas (Charles, Moe, & Bartlett, 2013). Health systems and resources were centralised in urban areas and the country was critically short of health workers. There were only 625 physicians and 8,513 nurses and midwives in the entire country (Charles et al., 2013). In other words, there was a ratio of 1 doctor per 17,150 people, as opposed to the WHO's suggested ratio of 1 doctor per 10,000 (Charles et al., 2013). It was in this context that Primary Family Health (PFH) came to be.

Primary Family Health (PFH) is a pseudonymous name chosen for confidentiality. It is a good case for the study because the organisation is a micro-franchise, operates in a BOP market and has survived for eight years amidst the challenges of Rwanda. It is a unique and interesting organisation with theoretical and practical implications. Indeed, organisations such as the World Health Organisation (WHO), The Bertha Centre for Social Innovation, Oxford University, and London School of Hygiene and Tropical Medicine have recognized it as an entrepreneurial social franchise model worthy of emulation in other developing parts of the world (Niekerk & Chater, 2016). As a micro-franchise, it creates job opportunities for the franchisees to fulfil its primary social goal—increasing access to healthcare for the marginalised.

PFH was launched in 2012 under a public-private partnership agreement between the PFH Foundation, MauPLUS, Rwancobank, DannyStore Holdings (DSH) and the Rwandan Ministry of Health (MOH). The stated mission is 'To improve access to quality essential medicines and basic healthcare services in isolated communities, using a sustainable business model to help underserved communities build health as an asset'. While its aim is to increase access to primary healthcare among the rural poor, an important by-product is reducing joblessness through entrepreneurship.

The franchise network was integrated into the government's public health strategy for Rwanda's Vision 2020 based on a similar model the franchisor had managed as a CEO for three years. The franchisor had more than 29 years of experience in the health industry. As a hybrid model, profit making is secondary, and the social mission is prioritized. PFH sustains itself through the sale and distribution of pharmaceuticals, marketing and franchisee fees (5% profit margin from the sale of medication, 3% from distribution, 2% monthly contributions from franchisees for marketing, and 6% monthly royalty fees) (Niekerk & Chater, 2016). The public-private partnership agreement restricts franchisees to using mid-grade nurses to avoid creating a shortage of highly qualified nurses in the public health sector. These mid-grade nurses however have a broad spectrum of skills that PFH finds useful. Recruitment is done through ads in local newspapers, postings on job boards at district offices, word of mouth, and especially referrals from local nursing administrators.

According to the agreement, PFH was responsible for establishing 500 health outposts by 2018, while DSH provided initial and ongoing training, mentoring, and expert support to the nurses. MauPLUS committed a substantial amount for about 70 initial health outposts and interest-free loans for additional health outposts. Rwancobank bore 24% of the total cost and agreed to provide affordable loans to franchisees for start-up costs, and ongoing nurse training and development. MOH's responsibility was to provide physical structures for PFH's health outposts.

Despite being recognized for its achievements, the franchisor confided that since its launch, the organisation has faced several challenges ranging from financial and institutional obstacles to operational and personal challenges. In addition, the situation worsened in 2019 because of a change in the law. The new law increased the challenges to sustaining the project, leading to the pull out of MauPLUS and Rwancobank, and the defection of eight franchisees. Nevertheless, the franchisor (the CEO) remains optimistic because he has always had the support and dedication of most of the franchisees and employees.

3. Method

Using a qualitative inductive case study to conduct an in-depth analysis, the researchers sought to investigate whether shared identification in a mission can be achieved, and how it can be achieved in micro-franchising. Single cases are more illuminating and revelatory (Yin, 2009) and inductive studies are particularly useful in deriving theoretical insights in areas that the extant literature does not adequately address (Ozcan & Eisenhardt, 2009). One of the few social franchises in Rwanda; Primary Family Health (PFH), has survived for a relatively long period of eight years. Hence, making it a unique case to examine why the micro-franchisees' chooses to identify with the organisation both in periods of calm and times of crisis.

3.1 Data collection

Primary data were collected through interviews, semi-structured interviews and observation. These were then triangulated with secondary data (published cases, reports, website contents) for confirmation. Augmenting the primary data with the secondary information improved the understanding of how a mission-driven shared identification is achieved in PFH. The data collection began in 2018 and ended in 2019. The interviewees for the study were key informants such as a consultant to PFH, the franchisor (CEO and Managing Director), franchisees (10 out of the 111), employees (9) and matrons (3). A former government official who witnessed the signing of the public-private partnership agreement was also interviewed. Participants consented to take part in the study after they were briefed about the academic nature of the research. During the period of crisis, participants were assured of anonymity to make them confident and candid in their report.

Between 2018 and 2019, the organisation experienced two phases: a 'normal period' (1st and 2nd occasions in 2018) and a 'struggle period' (3rd and 4th occasions in 2019). During the normal period, PFH was plagued by financial issues, but the operations continued as usual, and everybody was clearly optimistic about the future of PFH. The subsequent phase (the struggle period) was extremely challenging. During this period, the participants seemed a bit more uncertain about the organisation's prospects. The third interview, which was scheduled to take place in November 2018, was postponed to December 2018 and later to February 2019 because of the challenges the organisation was facing. See Table 1 for details.

Participants were asked retrospective questions to capture how the franchisor-franchisee relationship evolved over time. For instance, the franchisor and his managing director were asked whether they and the franchisees had common values and mission, and how they managed to get the franchisees to share their mission and values. Similar questions were asked of the franchisees. Examples include: How is your relationship with the franchisor and the other franchisees? What binds you together? How did the relationship develop? Because

Table 1. Data type, period, sources, and reason

Primary data period	**Occasion**	**Participant**	**No. (68)**	**Data Source**	**Reason**
(a) Normal period	**1st** Occasion February 2018	CEO Consultant MD	1 1 1	Interviews	To understand the mission and operations of PFH social franchise.
	2nd Occasion June 2018	MD Employees Franchisees Gov't official	1 9 10 1	Semi-structured interview and observation	To understand the relationship between the franchisor and franchisees, and how the relationship was established.
(b) Struggle period	**3rd** Occasion February 2019	CEO MD Employees Franchisees	1 1 9 10	Semi-structured interviews and observation	To understand the effect of the change of law on PFH and the franchisor-franchisee relationship.
	4th Occasion July 2019	MD Employees Franchisees Matron Gov't official	1 9 9 3 1	Semi-structured interviews and observation	To gain more insight into the franchise relationship and what the franchisees and other key people think about the challenges. To understand the factors influencing the franchise relationship in a period of crises.
Secondary data				Published reports, Newspaper articles, Company's website information	To confirm and triangulate the primary data and observation.

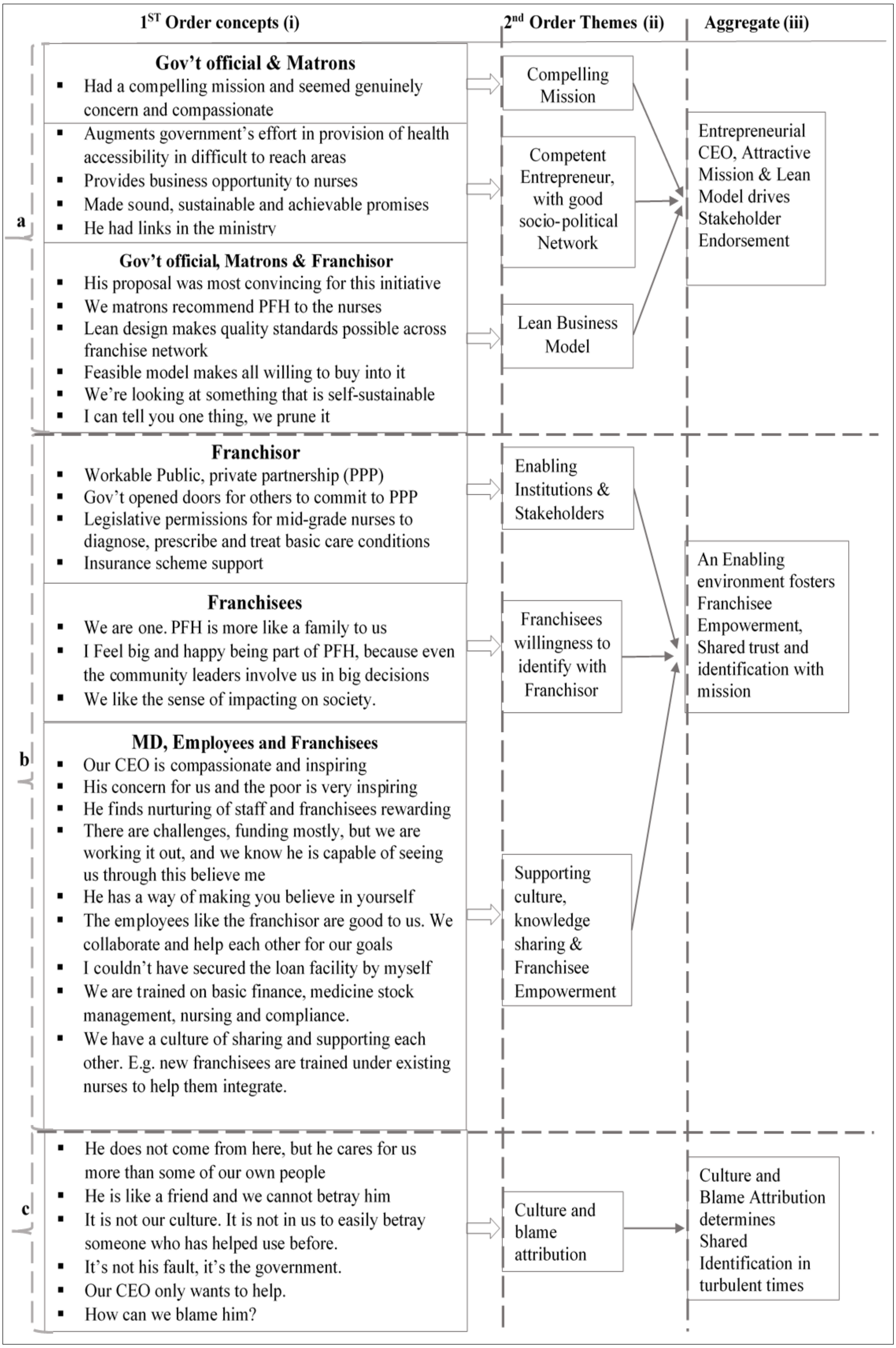
the responses from the franchisor revealed the effect of their relationship with the government and nursing matrons (administrators) on the creation of their identity, the study included a former government official and three matrons in the interviews. Interview sessions were recorded with the permission of the participants and transcribed immediately after. On average, each interview lasted for about 45 to 60 minutes. The first and second authors coded the material together while the third author translated and transcribed the data collected in Kinyarwanda. To ensure the reliability of the information, steps were taken to validate the emerging findings by crosschecking the results with the interviewees and triangulating through secondary data. Doing so helped confirm the various perspectives. Table 1 details the types of data, time periods, sources, and reasons for collecting the information.

3.2 Qualitative analysis of the data

Gioia, Corley, and Hamilton, (2013) established analytical process was used to examine the emerging empirical observations. Thus, the data was approached without any pre-conceived hypotheses. The analysis consisted of three key steps. First, it started by building a database (Gioia et al., 2013) consisting of the transcripts, field notes, reports, and published cases to create a coherent narrative of PFH's story. Next, the transcripts were read through for open coding using in-vivo codes. In the process, records of the researchers' thoughts about the emerging information and the existing literature were kept in memos. The data were constantly compared and contrasted throughout the process of analysis taking note of repeated words on each occasion. The terms or words repeatedly used by the participants during the interview process were then used in the coding. For instance, 'we prune it', an in-vivo code was used to describe the streamlined services of PFH designed for cost efficiency and to address the problem of variability. The open coding led to numerous codes, which were consolidated into the first-order categories reflecting the participants' ideas and concepts.

During the second stage, termed 'axial coding' (Gioia et al., 2013) differentiation among the first-order codes (Figure 1.i) was done based on the similarities and differences. Acting as knowledgeable agents to interpret the emerging evidence, the researchers labelled them with descriptors common to each category, trying to stay as close as possible if not using the participants' terms. For example, they used terms that they heard from the participants such as 'positive,

Figure 1. Structure of the coding



Source: Author's construct

multi-skilled and goal-oriented employees. Next, they searched for patterns and relationships between the second-order themes (Figure 1.ii) to classify them into 'aggregate dimensions' (Figure 1.iii) (Gioia et al., 2013).

The third and final stage of the analysis was influenced by the approach Giudici et al. (2018) used which entailed the development of propositions. They tried to understand the relationship between the concepts, themes, and dimensions, and how together they built a logical presentation of the phenomenon under observation. The emerging explanations were compared with extant literature to theoretically develop and contextualise the findings. At this stage, the researchers iterated between their data and theory, and began to focus on the extant literature related to creating an identity based on a shared mission and how the findings might fit with the literature.

4. Results and Discussion

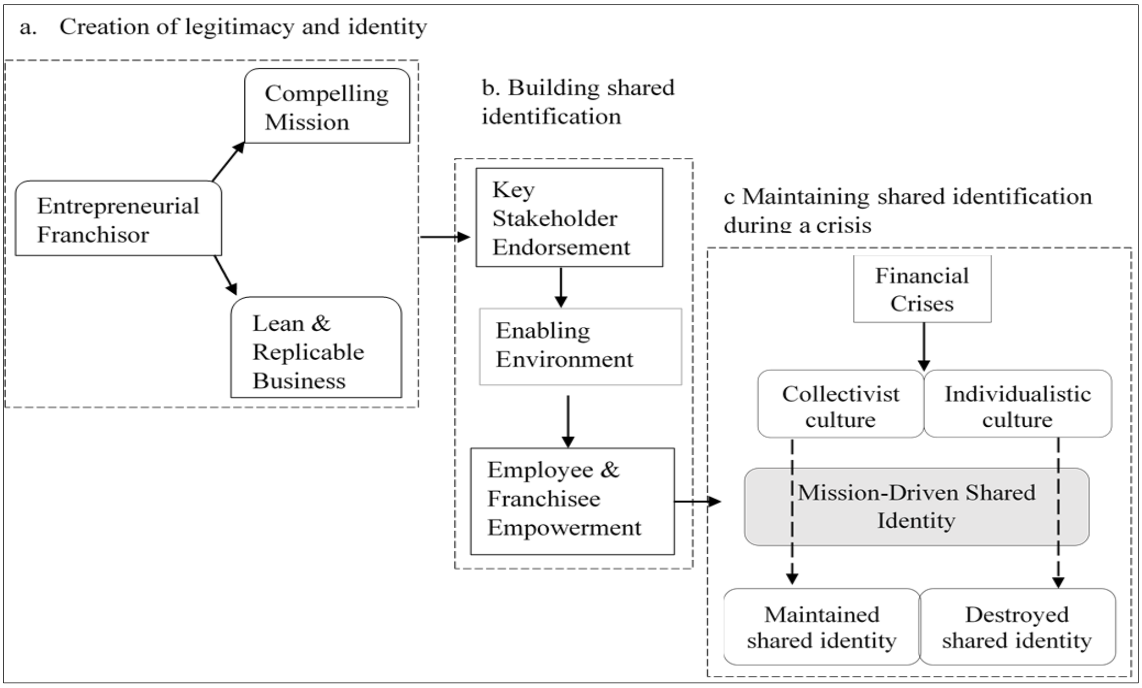
As Figure 1.ii, illustrates, there were seven themes that emerged from the data in the second-order themes: 1) a compelling mission, 2) competent entrepreneur with good socio-political network, 3) a lean business model, 4) enabling institutions and stakeholders, 5) franchisees' willingness to identify with the franchisor, 6) supporting culture, knowledge sharing and franchisee empowerment, 7) culture and attribution of blame. The themes were then aggregated into three dimensions (Fig 1. iii a, b, and c) during further analysis.

As Figure 1.iii illustrates, three major dimensions emerged as powerful factors in creating a shared identification. First, a competent entrepreneurial CEO (the franchisor) with a compelling mission and a lean business model together drives the endorsement of key stakeholders. Second, an enabling and supporting environment fosters franchisees' empowerment, nurtures a sharing culture, and promotes trust and a shared sense of purpose. Third, the culture and the attribution of blame play a significant role in franchisor-franchisee relationships during challenging times. Figure 2 provides a graphical representation of how this process works. The mechanism moves from 2a, the creation of legitimacy and identity, to 2b, building shared identification, then finally to 2c, maintaining the shared identification during a crisis.

4.1 The normal period

During the normal period when the situation was calm, several key findings emerged.

Figure 2. The mechanism and drivers of mission-driven shared identification.



Source: Author's construct

4.1.1 Creation of a legitimate identity through a compelling mission, competent entrepreneur with a good network and a lean business model

In answer to the question, 'How did you make the franchisees willing to identify with your mission?', the data indicated that the franchisor needed proof of a legitimate identity to attract resources and the right kind of franchisees. To accomplish this goal, he needed government support to push other institutions and stakeholders such as MauPLUS, DSH and Rancobank and the matrons (i.e., the directors and deputy directors of nursing services) to believe in and support the organisation. Hence, the franchisor said, *'The government opened doors for others to commit to the public-private partnership' (Fig. 1. ia).*

The findings were in line with the growing evidence that the survival and success of social enterprises depend on the level of legitimacy they command (Sarpong & Davies, 2014). As Doyle and Patel (2008) argued, organisations compete for acceptance and support and Rwanda being a country with a history of civil war and genocide is filled with local and international people trying to establish non-profit organisations. In the early stage the organisation is unfamiliar and must prove its credibility to be accepted (Clercq & Voronov, 2009). Therefore, aligning the organisation's operations with the government as the institution of highest authority increased its chances of being accepted and regarded as credible by the general public (Naatu & Alon, 2019; Zafeiropoulou & Koufopoulos, 2013). Association with the government gives the firm a legitimate identity that differentiates it and encourages other organisations to support it.

The external image of the organization in the marketplace exerts a direct influence on the external stakeholders and an indirect influence on the internal stakeholders (Herrbach & Mignonac, 2004). For instance, the nursing directors intimated that their awareness of *'.... the government involvement with the franchisor made them believe in PFH'*. Thus, the matrons were the ones who promoted the organisation to the franchisees. The franchisees also confirmed that their belief in PFH was influenced by the fact that the franchisor was *'highly regarded by the authorities in the field'* (Figure 1. ia). Given these findings, it is logical to propose that,

- Proposition 1: The government's alliance with or open endorsement of the micro-franchise is necessary in creating a shared identity and promoting the franchisees' willingness to identify with the micro-franchisor.

The elements used to secure the support of the government were the franchisor's compelling mission, his competence, and a lean business model (Figure 1.ii second-order themes). As he said: *'My competence, compassion, mission and most importantly the lean model I presented secured me the public-private partnership agreement. ... with that, we were able to pull together the needed resources and support required to get started'*. Though the literature acknowledges the relevance of each of these factors in social entrepreneurship separately, it has not focused on the importance of obtaining the government's endorsement and its influence on franchisees. Next, the relevance of each of these elements in this case were examined in comparison to the literature.

Compelling mission. Mission statements are valuable tools organisations utilize to create their identity. Hence, social ventures use them 'as a means to gain legitimacy or favourable status' (Moss et al., 2011). For instance, in the Aspire Group, the attractiveness of the mission had the power to fire the government's ‘imagination’ and its support (Tracey & Jarvis, 2007). Similarly, in this case, the former government official described the mission and proposal of PFH as one of *‘the most convincing proposals they ever had for such an initiative in the health sector’ (Figure 1. ia). He explained that ‘the man … had a compelling mission and seemed genuinely concern and compassionate’* (Figure 1. ia). Hence, the attractive mission statement impacted the government’s decision to support PFH.

Competent entrepreneur with good network. It is contended that for social enterprises to succeed the entrepreneurs should have some exceptional influential characteristics unique to social entrepreneurs (Galera & Borzaga, 2009; Bacq & Janssen, 2011). Examples include competence, intrinsic social motivation, and charisma to inspire and mobilize resources for the institution (Dees, 1998; Santos et al., 2015). The study confirms these characteristics in PFH’s franchisor. He used his expertise, networks and over 29 years’ experience in the industry to mobilise resources to empower the franchisees through the public-private partnership agreement. For instance, the former government official explained that they were encouraged by the profile of the franchisor, and that *‘He had links in the ministry’ (Figure 1. ia), and ‘he seemed capable of delivering what was agreed upon if the other parties could honour their part of the agreement’*.

Lean business model. The major challenge to the survival of social franchises is the absence of ‘ready-to-wear’ business models (Tracey & Jarvis, 2007). For this reason, Tracey and Jarvis (2007) associated the failure of the Aspire Group with the absence of a ‘ready-to-wear’ business model. Thus, it was not surprising that PFH franchisor had to convince the government of the feasibility of his model (termed *‘the most convincing proposal they ever had…*’) (Figure 1. ia). Most especially when governments and donors have been cautioned in the literatures to be cognisant of proofs of social franchises failures when contemplating future investments in them (Tougher et al., 2018). Thus, PFH franchisor explained that, a perceived ‘*feasible model makes all willing to buy into it*’ (Fig 1. ia).

The literature acknowledges the importance of a compelling mission, entrepreneurial competence, and a lean business model as separate factors. However, the study found that their combined effect was crucial in gaining government support, which seemed a vital requirement for other key stakeholders such as MauPLUS, DSH, Rwancobank and the franchisees to trust in and identify with the franchisor. Thus, the next proposition is,

- Proposition 2: A competent social entrepreneur, an attractive mission, and a perceived lean business model are necessary requirements for gaining government support and creating a shared identification with micro-franchisees.

4.1.2 Enabling institutions and stakeholders, a supportive culture and franchisees' empowerment, and franchisees' willingness to identify with the franchisor (Figure 1. b)

Enabling institutions and stakeholders. Apart from offering a perceived legitimate organisational identity, the collaboration with the government paved the way for a shared identification. For instance, the franchisor revealed that the 'government opened doors for others to commit to the public-private partnership' (Figure 1. ib). In addition, PFH could employ mid-grade nurses as franchisees. Even though the franchisees are mid-grade nurses, they were given the *'legislative permission ... to diagnose, prescribe and treat basic care conditions'* (Figure 1. ib). The community members and leaders also trusted PFH (Figure 1. ib). These facts coupled with the point that the nursing matrons embraced PFH show how collaboration with the government facilitates an enabling environment for a micro-franchise.

When the government is involved in a public-private partnership, its role extends beyond legal enforcement to a partnership role (Pessoa, 2008). But in practice, the government's role in most public-private partnership agreements in developing markets is often simply limited to providing a favourable environment for the other parties (Pessoa, 2008). Arguably, this circumscribed role reduces the effectiveness of the public-private alliance. In the case of PFH, it was found that it influenced the image and acceptance of the organisation in addition to the favourable environment that supported the franchisees' empowerment. This factor was evident before the struggle period.

Supportive culture, knowledge sharing and franchisees' empowerment. The supportive culture and franchisee empowerment flow from enabling institutions and stakeholders. It points to how government agencies are necessary to improve the sustainability of organisations in emerging markets (Kotabe, et al., 2017; Dumalanède & Payaud 2018). According to Del Giudice and Maggioni (2014) it is necessary for an organisation to be fit into a system that allows cooperation and opportunity to acquire resources. The firm's ability to acquire resources was enhanced through networking with the government officials (Kotabe, et al., 2017). For instance, the parties in the public-private partnership agreement were not only willing to collaborate, but also in the process committed their resources to augment the franchisor's ability to empower the franchisees. For example, DSH agreed to provide ongoing training, mentoring, and expert support to the nurses. MauPLUS committed $1.4 million for 60 initial health outposts and $2.8 million in interest-free loans for an additional 180 health outposts. Rwancobank shouldered 24% of the total cost and agreed to provide affordable loans to franchisees for start-up costs and ongoing nurse training and development. MOH provided the physical structures for the PFH health outposts.

The success of every mission requires collective actions. Hence, in addition to the resources for empowering the franchisees, the franchisor made sure that there was a peaceful work environment to promote collaboration, sharing and cooperation in PFH. The franchisees mentioned how they got integrated into the franchise system through the support of their senior franchisees who made them understand the practical aspect of what they were taught. According to them, the senior franchisees acceptance made them feel welcomed and part of the family of PFH (Table 1. ib). This culture of knowledge sharing facilitated the transfer of the franchise know-how to the franchisees. It helped them to understand the purpose of the organisation and what the job requires. Further, because of the welcoming environment, the franchisees developed feelings of reliability and trust for each other including the franchisor. For example, all the franchisees interviewed maintained that they, the franchisor and the franchisor's employees had a good working relationship.

Organisational support is the perception of internal members about the 'extent to which an organisation values their contribution and cares about their well-being' (Eisenberger et al., 1986). According to social exchange theorists, if an organisation provides employees with socio-economic support (e.g., the soft loans, and free structures for operation as in PFH), it leads to an exchange-based relationship. The employees reciprocate by emotionally bonding with the organisation through identification (Edwards, 2009). This is consistent with the self-esteem argument that organisational support elicits feelings of obligation (Eisenberger et al., 1986) and encourages a return of psychological investment in organisational identification (Edwards, 2009). Comments such as, 'We collaborate and help each other for our goals', '*He has a way of making you believe in yourself', and 'The employees are like the franchisor who is good to us'* (Figure 1.

ib) are indications of a sharing culture and organisational support. When employees feel that their organisation supports them, they are likely to identify more with the organisation, put in more effort at work, and express fewer intentions of leaving (Edwards & Peccei 2010). This finding supports the next theme which discusses comments suggesting the franchisees' affective attachment to the organisation and its mission.

Franchisees' willingness to identify with the franchisor. The franchisees made comments such as, *'We are one. PFH is more like a family to us', 'I feel big and happy being part of PFH, ... even the community leaders involve us in big decisions', 'We like the sense of impacting on society' and 'He has a way of making you believe in yourself'* (Figure 1. ia). These comments imply that the franchisees felt valued and happy to be part of PFH. The comments show the effect of the organisational support on their sense of self-regard and the resulting psychological and emotional bonding with PFH. It explains why the senior franchisees welcome and willingly share their experience and knowledge with new franchisees to help them integrate into the system. A trusting and friendly environment facilitates knowledge sharing and its retention (Del Giudice & Maggioni, 2014). This may partly explain why the researchers observed less opportunistic behaviour among PFH's franchisees compared to Kistruck et al (2011). The Shared goals held them together and made them share what they know without (Chow & Chan, 2008) letting them cheat. Hence, the researchers interpreted this as a shared sense of purpose. Therefore, the next proposition is,

- Proposition 3: A shared sense of purpose can be achieved in a micro-franchise in a BOP market if the franchisees perceive the organisation as supportive.

4.2. The struggle period

During the 3rd and 4th occasions of the data collection (Table 1.b), there was a change in the law, which created confusion about the operation of the public-private partnership. Previously, the mutual health insurance fund (Community Based Health Initiative, CBHI) was managed by the local authorities at the district level. Claims were credited to PFH's account to be distributed to the franchisees. The new law however demands that the CBHI be managed by the Rwanda Social Security Fund (RSSB). The RSSB removed the franchisor from the chain to deal directly with the franchisees at a higher level. Doing so created a gap, whereby the franchisees could default on their payments. A few of the franchisees (7%) took advantage of this opportunity to default on the payment of their royalties and loans. Foreseeing the cash flow problems that could result, Rwancobank and MauPLUS withdrew their support in order not to incur losses. This move aggravated the financial problems of PFH.

4.2.1 Culture

With this situation, the researchers expected more franchisees to follow suit and cheat. However, over 90% remained loyal to the franchisor. The managing director said: '*Perhaps it's because we could empower them and the employees to work and earn income that won their trust in the capability of the franchisor. They find no reason now to doubt the competence of the franchisor in the face of our current challenges' (Table 1.b).*

The managing director is not a native herself, but she attributed the loyalty of the franchisees to their culture. She maintained that it is difficult for Rwandans to trust foreigners, a situation she believes stems from their many years of war. However, '*…when you are finally able to win their trust, you can be an everlasting friend'* (Table 1.b). She also admitted that the franchisees '… are human', so PFH has to resolve its financial issues quickly '*because hardship can force them to behave otherwise*'.

Crosschecking with the literature, it was noted that the culture of collectivist societies such as that of Rwanda might influence the franchisees' loyalty to the franchisor. As Hofstede (1983) rightly explained, his description of national cultures is based on average patterns of common elements which cannot be generalized to every individual within a nation. Similarly, in the case of PFH, a few of the franchisees deviated from the general behavioural patterns of collectivism. When the rest were asked why they remained loyal to the franchisor and still identified with him despite the challenges (Table 1.b), they responded:

> *'The franchisor has done so much for us and our communities and we respect him for that. I cannot see myself leaving PFH because of our current problems after even I have benefited from it. That is not how we are brought up here in Rwanda! PFH is almost like a family, so we must stay and work things out!'*

> '*We are facing a big challenge now, and this is not just about our founder, it's about us as a group, but this is the period we have to show our founder that we appreciate his help to Rwandans…. I cannot say much, but I think most of us will never be the same if we leave PFH'.*
>
> *'If our challenges with the government persist, I don't know what can happen. …. And I don't think that that will happen; we will surely find a way'.*
>
> *'This will soon pass, and we will remain faithful to PFH to continue impacting lives like we have being helped'*.

As the managing director noted, there are understandable reasons that could have motivated the franchisees to engage in behaviour that would promote their self-interests such as leaving the franchisor or defaulting on their payments. Their choice not to engage in such behaviour and instead look out for the good of the organization is an indication of the influence of their collectivist culture.

4.2.2 Culture and the attribution of blame

Comparison of the views of the matrons and former government official (external members) to the views of the franchisees and employees (internal members) related to the perceived role of the franchisor in the current challenges were done. Except for one matron, the view of the matrons was similar to the government official as external members. However, the internal members did not attribute any of the blame to the franchisor.

Two of the matrons and the former government official thought all the parties in the public-private partnership agreement were to blame. The former government official said, *'An agreement that involves many parties usually have issues…and one party cannot be blamed'* (Table 1.b). For instance, they admitted the government had been borrowing from the CBHI fund, ultimately bankrupting it. In addition, the former Minister of Health who promoted PFH was dismissed. While they could not say much about Rancobank, MauPLUS and DSH, they thought they all had their own selfish interests. They also blamed the franchisor for failing to look for other sources of funding.

The third matron thought the franchisor was not competent enough and was not deserving of the public-private partnership. She complained, *'How can you* *open only 111 health outposts when you promised 500? Currently we are in 2019, but he cannot even boast of meeting half of the target 500'*.

The franchisees and employees attributed the blame to external parties such as the government and Ministry of Health. One said, *'You know how selfish these politicians are. After allowing him to invest his time, money, and resources into this, they are now disappointing him with laws that make things difficult for us to operate!'* (Table 1.b). They also believed that the previous Minister would have found a way to make the new law work in their favour. In addition, they thought their legal system was weak, allowing the defaulters the opportunity to cheat.

The idea of public-private partnerships is appealing, it bequeaths benefits such as the legitimacy on its private partners. But the practical implementation in developing countries is not without challenges (Castresana, 2013; Pessoa, 2008). BOP markets are underdeveloped with poor legal institutions and economic conditions. The current situation of PFH clearly illustrates the effect of the macro and micro conditions. Examples include the bankruptcy of CBHI through government borrowing, the new law that failed to take into consideration the effectiveness of the public-private partnership, and the weakness of the legal system. These factors, together with the unknown interests of MauPLUS, DSH and Rwancobank, are bound to raise challenges.

Given this situation, one cannot attribute the current financial crisis to a single party to the agreement. However, unlike the external members, the franchisees, and other internal members of PFH ascribed the blame to the government, excluding the franchisor. This is an obvious bias that reflects the bonding resulting from the shared 'organizational identification' (i.e., their willingness to remain with PFH, share its values and mission). According to Hofstede (1983) employees from a collectivist culture such as Africa are very loyal, and identity with their employers when they perceive organizational support from them (Edwards & Peccei, 2010; Eisenberger et al., 1986). Their bias in ascribing blame to the out-group is obvious compared to the matrons and government official who were more objective in spreading the blame to include the franchisor. Hence,

- Proposition 4: In a BOP market, if a micro-franchisor succeeds in creating a shared identification with the micro-franchisees based on a common mission, as collectivists they are very likely to remain loyal in times of crisis.

5. Conclusion

Despite the increased interest in micro-franchising practically and academically, the topic remains less explored and underdeveloped. Hence, it requires more research to identify the factors that affect its success and failure (Kistruck et al., 2011; Giudici et al., 2018). Drawing on the case of PFH, an iteration between the literature and data allowed the researchers to contribute to the micro-franchising and social entrepreneurship literature through multiple theoretical lenses. Theories about legitimacy, identity and identification, culture and attribution explain how the context of a BOP market affects the creation and sustenance of a micro-franchise through a mission-driven shared identification.

The study theorizes that, organizational identification or in other words a mission-driven shared identification can be achieved in micro-franchising if the franchisees regard the organization as supportive. An alliance with the government such as public-private partnership or open endorsement by the government is necessary to create a micro-franchise identity and encourage the franchisees to identify with a micro-franchisor. In addition, if a micro-franchisor succeeds in creating a common sense of purpose, or shared identification in a BOP market, the franchisees are very likely to remain loyal in times of crisis. The study highlights the value of shared identification through alliances, networks, the endorsement of the government, culture of sharing and encouragement of perceived organizational support.

As a single case study, it cannot be established how a mission-driven shared identification can be achieved in other contexts. The researchers thus suggest that future studies explore how to achieve an organizational identification in different cultures using multiple cases. It is hoped this research stimulates further inquiry into how micro-franchises can sustain themselves in different contexts. Future research could also apply a more theory-driven stakeholder approach that focuses on the value co-creation function of the critical stakeholders such as franchisor, franchisee, government, institutional and cultural environment. Empirical testing of the propositions through multiple case studies and context are encouraged.

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Chapter 3

Corporate Social Responsibility in Franchising: A Meta-Analytic Review

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Abstract

The study presents a comprehensive meta-analysis of academic research on corporate social responsibility (CSR) and franchising over the past 27 years (1994–2020). ISI Web of Science database was used to compile the data. 204 articles are identified and analysed through bibliometric citation and content analysis. The study reveals 49 most relevant articles, 107 authors, and 21 journals. The trending themes are clustered into three research streams: ethics and franchising; drivers of CSR performance and disclosure; and impact of CSR on organisational performance. Overall, the study indicates that, franchising has ethical implications which impacts on the large group of stakeholders it creates as a type of business strategy. Also, despite the high costs of pursuing corporate social responsibility, CSR is beneficial in establishing quality relationship with stakeholders which in turn has implications for operational and financial performances. The article makes an important contribution to existing knowledge and provides basis for further studies.

Keywords: franchising, corporate social responsibility, ethics, review

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1. Introduction

The past two decades have seen consumers, governments, and the general public embrace sustainable consumption and demand social responsibility from corporations (Paul Modi & Patel, 2016). Corporate social responsibility (CSR) denotes the ethical responsibility of enterprises to regulate their impact on society (Lee et al., 2016). Ethics, by contrast, is the moral framework in which human conduct is related to what is right or wrong (Preble & Hoffman, 1999). Though CSR is regarded as an ethical responsibility, empirical evidence suggests that there is also associated strategic value for corporate success in CSR investment (Chan, He, Chan, & Wang, 2012). Hence, firms are incorporating social and environmentally responsible measures in all facets of their operations (Kim & Lee, 2020). They implement these measures by utilizing the code of ethics required by the state together with the firms' voluntary code of ethics (Ziek, 2009).

The franchise sector is no exception in this regard (Meiseberg & Ehrmann, 2012). Franchising is a rapid-growth business strategy that is increasingly becoming an important sector in domestic and international markets (Rosado-Serrano, Paul, & Dikova, 2018). In the US, for instance, the franchise sector in 2019 was responsible for creating 773,600 small business ownerships and about 8.4 million direct jobs (Swift, Niu, Despradel, & Li, 2019). In the same year, Japan recorded 1,339 franchise chains, 263,490 stores, and a total turnover of ¥25.56 trillion in 2018 (Hara, 2019). This confirms the importance of franchising in economic development (Jeon & Gleiberman, 2017). Franchising as a strategy is prevalent in the hospitality and retail industries (Swift et al., 2019).

The success or failure of a franchise system of any kind depends on the merits associated with the appropriateness of the franchise brand and its reputation in the market (Naatu, Alon, & Uwamahoro, 2020; Jell-Ojobor, 2019; Montagu, 2002). Franchising creates extensive groups of stakeholders, including employees of franchisors, franchisees, employees of franchisees, customers, local communities, and governments in each geographical location in which the franchise operates (Kim & Lee, 2020). In this large and complex network, the likelihood of ethical violations occurring is high (Kim & Lee, 2020; Preble & Hoffman, 1999). Moreover, negative media coverage of ethical breaches makes the implementation of codes of ethics and CSR critical for preventing erosion of public trust in franchising (Preble & Hoffman, 1999).

The literature on CSR in domestic and international business encompasses several topical areas, such as the antecedents and consequences of CSR practices in multinational corporations (Yang & Rivers, 2009), the incentives for firms to voluntarily disclose their CSR information (Gamerschlag, Moller, & Verbeeten, 2011), and the relationship between investment in CSR and a firm's financial performance (Giese, Lee, Melas, Nagy & Nishikawa, 2019). Industries commonly researched include the restaurant (Kim & Kim, 2014), hotel (Jung, Lee, & Dalbor, 2016), and retail (Utgård, 2018) industries.

The concept has a long history that can be traced to the 1880s when John H. Patterson of the National Cash Register Company started the Industrial Welfare Movement (Carroll, 2008; Wren, 2005). Perceiving the factory systems in the US as the source of numerous social problems, activists were especially concerned about labour unrest, poverty, and child and female labour (Wren, 2005). The aim of these early welfare movements could be interpreted as both financial and social as they sought to improve performance by preventing labour problems (Carroll, 2008).

The popularity of CSR grew after Howard Bowen published Social Responsibilities of the Businessman in 1953 (Carroll, 1979). From that time to 1967, social responsibility (SR), as it was then known, was focused on philanthropy (Murphy, 1978). Notable early scholars include Davis (1960), Friedman (1962, 1970), and McGuire (1963). These scholars held contradictory views. Davis (1960), for instance, argued that the financial power of a firm is equal to its social responsibility, and therefore evasion of his social responsibility may lead to loss of financial power. This notion was criticized by Nobel laureate and renowned economist Milton Friedman (1962, 1970), who argued that the social responsibility of a firm is to increase the firm's profits, not to waste the firm's resources on inappropriate and unjustifiable activities like social investment that should be handled by the government.

Many scholars opposed Friedman's argument. For instance, McGuire (1963) argued that a firm's responsibilities extend beyond its legal and economic obligations. Specifically, the firm should be involved in politics, community social welfare, and the education and happiness of its employees. Carroll (1979) also argued for firms' engagement in social responsibility and for which he developed a three-dimensional conceptual model of corporate social performance. According to him, a firm's social performance should require; the firm's social responsiveness to first be assessed, followed by the identification of the social issues it must address, and lastly a choice of philosophy in addressing the issues. The model identified ethical, legal, economic, and discretionary issues as the categories of responsibilities of a firm and maintains that the philosophy of response could range in a continuum from absolutely no response to a very proactive response that entails doing a lot. These anti-Friedmannian arguments were complemented by Freeman's (1984) stakeholder theory that CSR protects all legitimate stakeholders and hence enhances firms' reputation and value. Finally, Elkington (1997) introduced "the triple bottom line" framework as another tool for measuring organizational social performance. The three dimensions of the framework are economic, social, and environmental performance.

The literature on corporate social responsibility in franchising was pioneered by Storholm and Scheuing (1994). In the 27 years since the publication of their study, the literature has developed slowly in multiple directions. As a result, it is difficult to conduct a meta-analysis of academic research on corporate social responsibility in franchising over the past three decades. Indeed, recent publications on the topic characterize the status of this literature as exploratory (Meiseberg & Ehrmann, 2012), peripheral (Perrigot, Oxibar, & Dejean, 2015), and fragmented (Jell-Ojobor, 2019). Against this background, the present study contributes to the literature by investigating how scholarly research on CSR in franchising has evolved over the past 27 years. It assesses various aspects of the literature, including journals, authors, institutions, perspectives, and theories, that have been highly impactful in the field.

The study follows Alon, Anderson, Munim, and Ho, (2018) and Fetscherin and Heinrich's (2015) steps for conducting an extensive review. As the first review paper in the field, the present study goes beyond the initial publication that specifically mentioned CSR in franchising (Meiseberg & Ehrmann, 2012) to include publications on codes of ethics in franchising dating from 1994 (Storholm & Scheuing, 1994) to April 2020.

This study utilizes bibliometric citation and content analysis (henceforth bibliometric analysis). As such, it differs from the standard meta-analyses that typically end with regressions. Bibliometric analysis is growing in popularity among scholars in management, finance, and social sciences (Alon et al., 2018). Many authors of CSR-related studies apply bibliometric techniques in data collection and analysis (e.g., Bakker, Groenewegen, & Hond, 2005; Feng, Zu, & Lai, 2017). As the first review paper in the field, the present study uses bibliometric analysis also because they shed more light on the evolution and current state of research on the topic (Bakker et al., 2005).

2. Methodology

The methodology employed in the present study is called meta-analysis, which is an analysis of an analysis (Wolf, 1986). Specifically, it is the synthesis of a collection of results and findings from an existing body of research (Fetscherin & Heinrich, 2015). The analysis comprises both quantitative and qualitative techniques such as bibliometric analysis (Naatu & Alon, 2019). Bibliometric analysis reveals the central articles on a research topic to objectively illustrate the linkages between them.

Bibliometric analysis is based on the reasonable assumption that articles that are published in journals were influenced by articles previously published in similar journals (Zamore, Djan, Alon & Hobdari, 2018; Øyna & Alon, 2018). Results from bibliometric analysis are useful both in measuring influence, such as the popularity of authors and publications, and in evaluating the development of the academic literature on a topic (Fetscherin & Heinrich, 2015). The basic unit of analysis in bibliometric analysis is the citation (Alon et al., 2018). Moreover, bibliometric analysis allows for the identification of research streams and their underlying theoretical frameworks for a topic. In addition to helping to identify knowledge structures, bibliometric analysis is employed to explore the evolution and diffusion of knowledge in specific journals (Fetscherin & Heinrich, 2015).

Overall, the objectives of bibliometric analysis and the objectives of this study are aligned: to identify the influential aspects of the literature on CSR in franchising, to examine the evolution of the literature, and to identify and evaluate the research streams on the topic. Thus, bibliometric analysis is an appropriate methodology for this study.

The software programs used in this study for data analysis are HistCite and VOSviewer. Both programs permit bibliometric citations as input files (Zamore et al., 2018). However, HistCite allows inputs only from ISI WOS (Fetscherin & Heinrich, 2015), whereas VOSviewer allows inputs from ISI WOS, Scopus, PubMed, and Dimensions.

Figure 1. Description of Methodology

(a) Topic: Corporate Social Responsibility in Franchising

Objectives

1. Investigate how scholarly research on CSR in franchising has evolved over the past 27 years.
2. Identify the most impactful perspectives and theories in the literature.
3. Present future research ideas worth investigating.

(b) Methodology: Meta-Review **Data process: Bibliometric**

1. Initial data from ISI Web of Science. Keywords: ("ethic*” OR "social responsib*" OR "sustainab*") AND ("franchis* "corporate social responsibility") Search results: 188.
2. Keyword selection through cartographic analysis in VOSviewer software. Keywords: ("green" OR "ethic*" OR "social responsib*" OR “sustainab*") AND ("franchis*" OR "corporate social responsibility"). Search results: 204.
3. Content analysis and exclusion of irrelevant articles. Search results: 49 articles
4. Verification of data with results from Scopus. Search results: 49 articles (Same articles)

(c) Contribution

1. Identification of influential aspects of the topic in the literature such as top journals, authors, and trending articles.
2. Elucidation of the profile and evolution of the academic investigations regarding the relationship between CSR and franchising.
3. Identification of the intellectual structure of most impactful perspectives and theories in the literature on CSR in franchising.
4. Identification of research questions for future investigation.

2.1 Data collection process

Bibliometric data collection can be divided into four steps, as shown in Figure 1(b). The first step is the selection of the database. For this study, ISI Web of Science (ISI WOS) was chosen. It is the most comprehensive citation index, comprising published articles that date back to 1900, and covers over 12,000 journals (Zamore et al., 2018).

The second step is a search of the literature on CSR in franchising. Since the selection of the right keywords is vital to ensure coverage of the entire body of literature on CSR in franchising, we conducted a cartographic analysis through the VOSviewer software program to identify the keywords for the final search. Initially, ("ethic*" OR "social responsib*" OR "sustainab*") AND ("franchis*" OR "corporate social responsibility") were the keywords used, which resulted in the retrieval of 188 documents. The keyword “green” was added to the next search ("green" OR "ethic*" OR "social responsib*" OR "sustainab*") AND ("franchis*"

OR "corporate social responsibility"), which resulted in the retrieval of 204 documents.

In the third step, a content analysis was conducted. Since the keyword “sustainability” has environmental, economic, and social applications, articles about purely economic sustainability were eliminated, as were those that were mainly about franchising and unrelated to CSR in franchising. After this step, 49 articles were left in the sample.

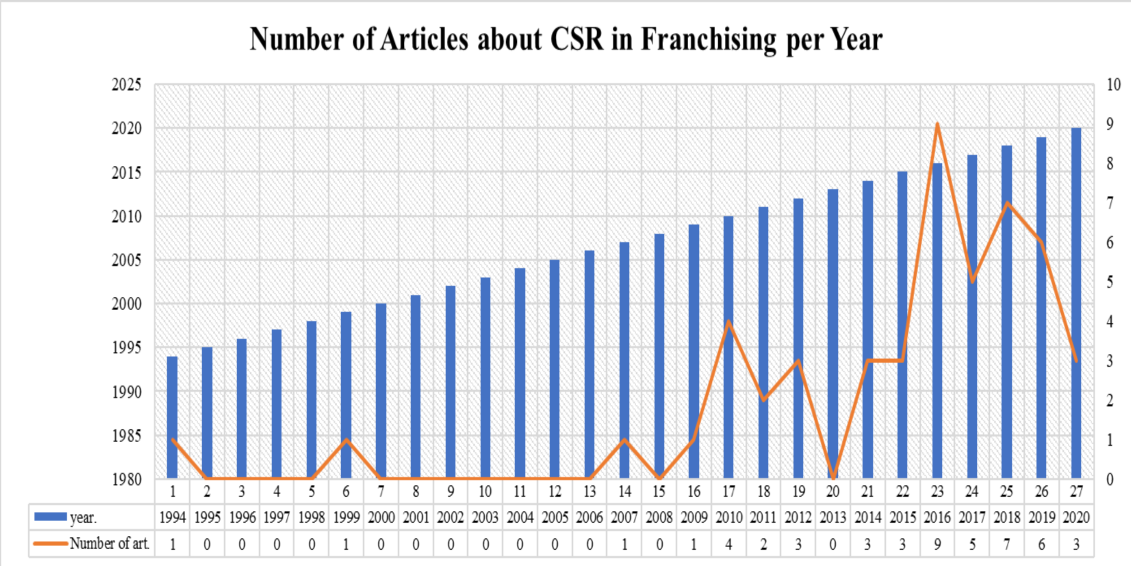
In the fourth step, a robustness check was conducted. Articles obtained from the keywords in Scopus were used to cross-check the inclusiveness of the search in ISI WOS. Scopus is perhaps the most important citation index after ISI WOS (Feng et al., 2017). The final sample of Scopus was the same as that of ISI WOS. Though the searches in both databases were not limited to specific years, the resulting sample period obtained was for the years 1994 to April 2020.

3 Results

3.1 CSR and franchising publications over the years

While corporate social responsibility has been discussed in the literature since the 1950s (Bakker et al., 2005), a search of the concept in relation to franchising revealed a study written in 1994 by Storholm and Scheuing. Corporate social responsibility entails the economic, legal, ethical, discretionary (Carroll, 1979) social, and environmental expectations that societies have of organizations (Elkington, 1997). Hence, Storholm and Scheuing’s (1994) paper on CSR in franchising is the first study devoted to the ethical implications of franchising (Jell-Ojobor 2019). As Figure 2 shows, the field has been quite slow to develop. For instance, there is a gap of 4 years between the first (i.e., Storholm & Scheuing, 1994) and second studies (i.e., Preble & Hoffman, 1999) and a gap of 8 years between the second and third studies (Dixon & Clifford, 2007). The highest number of articles on CSR in franchising published in a year was 9 in 2016. Since 2016, there has been a decline.

Figure 2. Number of articles on CSR in franchising per year.



The influential aspects of CSR in franchising literature

3.2. Most influential journals

Different journals are most influential in different areas of a subject (Baumgartner & Pieters, 2003; Zamore et al., 2018; Fetscherin & Heinrich, 2015). As a result, researchers try to assess which journals have the highest impact on the diffusion of topics or perspectives of interest (Bakker et al., 2005). The journals that published the 49 CSR in franchising articles are 21 in total. Thirty-eight per cent of these articles were published in hospitality, tourism, and sports journals, 33 per cent in business management journals, 10 per cent in marketing journals, 4 per cent in economics journals, and 4 per cent in service journals. Table 1 summarizes the top journals based on the total number of CSR in franchising-related articles published (PCSR F), their impact in terms of the average number of “local” citations received in the retrieved sample per year (TLC/t), and the average number of “global” citations received per year from all articles in ISI WOS (TGC/t). By all counts, the International Journal of Hospitality Management (IJHM) is the most influential journal in the field of CSR in franchising. It has eleven publications on the topic (PCSR F), four average local citations per year (TLC/t), and 53 total global citations (TGC/t). It is followed by the Journal of Business Ethics (JBE) with 7 (PCSR F) and 19 average local citations per year (TGC/t). Table 1 provides further details.

In an additional analysis, the number of articles published (PCSR F) was taken as a proxy for output, while the average number of local citations (TLC/t) was taken as a proxy for impact on the field of CSR in franchising. In the 2x2 matrix shown in Figure 3, the x-axis represents (TLC/t) and the y-axis represents (PCSR F), for each journal. By calculating the mean values for both variables, namely, (TLC/t) M = 0.41 and (PCSR F) M = 2.33, I identified four groups of journals. Quadrant A consists of the International Journal of Hospitality Management (IJHM), International Journal of Contemporary Hospitality Management (IJCHM), and Tourism Management (TM). It constitutes 14 per cent of the journals in the sample and has a high output and high impact in the field of CSR-related studies. Quadrant B consists of the Cornell Hospitality Quarterly (CHQ) and the Journal of Small Business Management (JSBM). It constitutes 10 per cent of the journals in the sample and has low output but high impact. Quadrant D consists of Sustainability (SUST) and the Journal of Business Ethics (JBE). It constitutes 10 per cent of the journals in the sample and has high output but low impact. Finally, quadrant C constitutes 66 per cent of the journals in the sample and has low output and low impact. In this analysis, IJHM was found most influential with an output above the average 2.3 publications and an impact above the average number of 0.41 local citations. Figure 3 provides a comprehensive picture of the journals in the 4 quadrants; see the Appendix for a glossary of journal abbreviations.

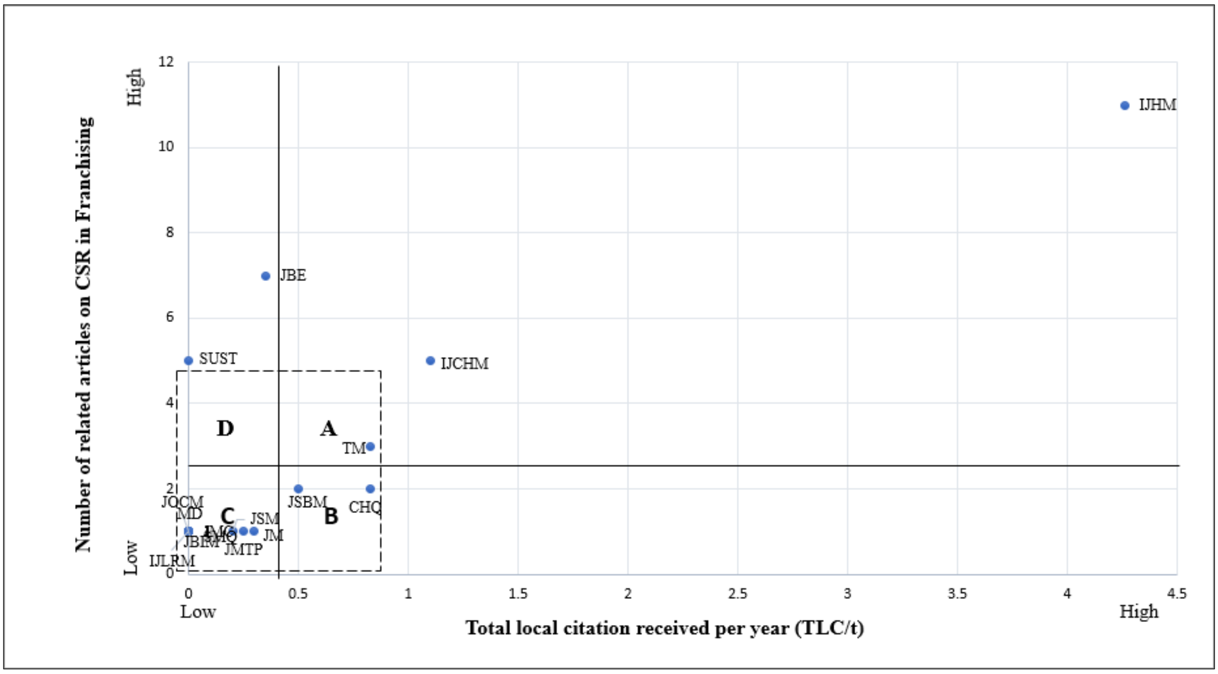
Table 1. Influential Journals

Rank	**Journal Name**	**ABS Rank**	**$P_{CSR\ F}$ (a)**	**Journal Name**	**ABS Rank**	**TLC/t (b)**	**Journal Name**	**ABS Rank**	**TGC/t (c)**
1st	IJHM	3	11	IJHM	3	4.26	IJHM	3	53.09
2nd	JBE	3	7	IJCHM	3	1.10	JBE	3	19.28
3rd	IJCHM	3	5	TM	4	0.83	IJCHM	3	16.39
4th	SUST	-	5	CHQ	2	0.83	JM	4*	8.70
5th	TM	4	3	JSBM	3	0.50	TM	4	8.58
6th	CHQ	2	2	JBE	3	0.35	JOCM	4*	7.71
7th	JSBM	3	2	JM	4*	0.30	IJLRA	-	6.00
8th	-	-	-	JMTP	2	0.25	CHQ	2	5.33
9th	-	-	-	JSM	2	0.20	SUST	-	5.33

Note: Table 1. shows the ranking of the most influential Journals in relation to: (a) PCSR F = Number of articles on CSR in franchising above single publication, (b) TLC/t = Average Local Citation received per year, and (c) TGC/t = Average Global Citation received per year above a score of 5. IJHM; International Journal of Hospitality Management, JBE; Journal of

Business Ethics, IJCHM; International Journal of Contemporary Hospitality Management, JM; Journal of Management, TM; Tourism Management; JOCM; Journal of Organizational Change Management, IJLRA; International Journal of Logistics-Research and Applications, CHQ; Cornell Hospitality Quarterly, SUST; Sustainability, JSM; Journal of Sport Management, JSBM; Journal of Small Business Management, JMTP; Journal of Marketing Theory and Practice.

Figure 3. Journals focus and impact on CSR and franchising research (big picture)

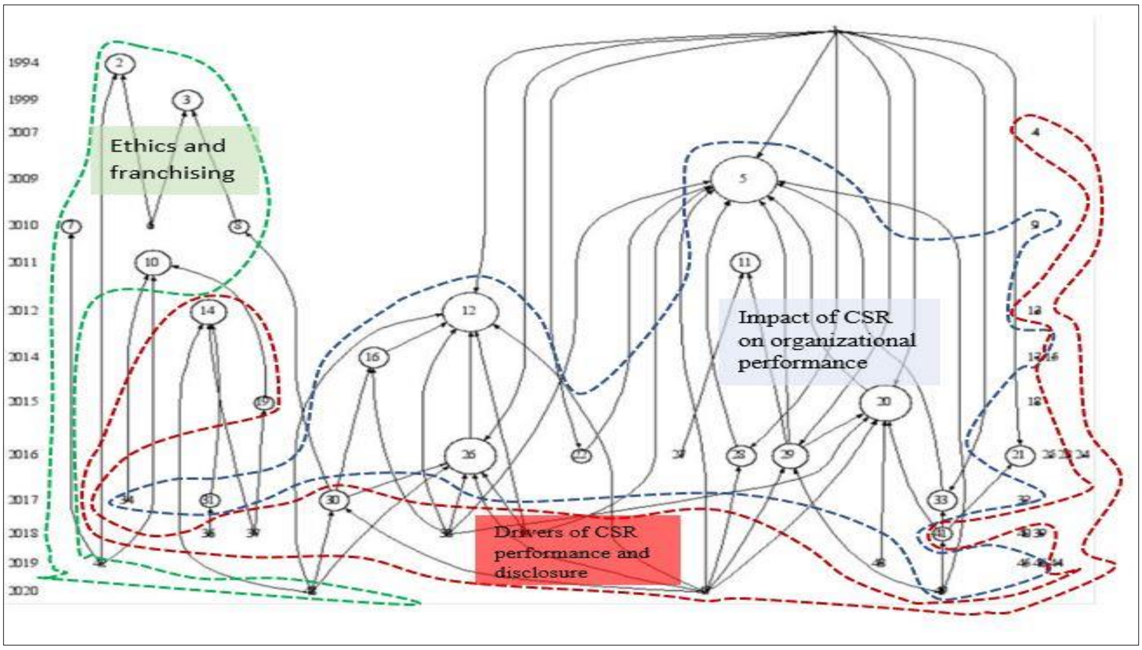


3.3 Citation Mapping of CSR and Franchising Literature

The study presents the results of a citation mapping of the articles in the field of CSR in franchising. A co-citation mapping was also conducted to visualize how the articles on CSR in franchising are co-cited and reciprocally cited over time. Citation mapping is useful in examining the origin and clusters of themes within a research field as well as in predicting future research directions (Zamore et al., 2018; Fetscherin & Heinrich 2015). For the sake of all-inclusiveness (since research in the field is scanty), the citation mapping included all 49 articles in the final sample. Naturally, since some articles were not locally (within sample) or globally (within ISI WOS) cited, they were excluded from the analysis. The results of the citation mapping from HistCite software appear in Figure 4. Of the 49 articles, 32 were interconnected. The vertical axis of Figure 4 illustrates the year of publication. Articles outside the citation mapping are to the right of figure 4 (eight of them were found relevant and thus included in the analysis). Circles (nodes) represent articles, arrows represent linkages between articles, and the direction of the arrows represents the direction of influence between the articles. The size of a node indicates the influence the article has on other articles, based on the total number of local citations (Fetscherin & Heinrich 2015). For example, the biggest node (5) corresponds to the article with the highest number of local citations (10).

To identify research streams in the literature, content analysis was performed (Zamore et al., 2018). Three research streams emerged; they are (1) ethics and franchising, (2) drivers of CSR performance and disclosure, and (3) Impact of CSR on organisational performance.

Figure 4. Citation Mapping by HistCite software from 1994 to April. 2020



3.3.1 Ethics and franchising

Ten articles published in seven journals examine the ethical aspects of business format franchising. The studies include Storholm and Scheuing (1994), Preble and Hoffman (1999), and Croonen (2010) and Biong, Nygaard, and Silkoset (2010) in Journal of Business Ethics, Royle (2005) in Business Ethics: A European Review, Gámez-González, Rondan-Cataluña, Castro, and Navarro-Garcia (2010) in Management Decision journal, Combs, Ketchen, and Short, (2011) in Journal of

Management Studies, Ferrell and Ferrell (2016) in Journal of Marketing Channels, Dharmawan et al. (2018) in Indonesian Law Review, and Jang and Park (2019) in International Journal of Hospitality Management.

The understanding emanating from this research stream is that franchising is a complex network with large stakeholder groups that make it easy for ethical violations to occur. Thus franchising as a business format has ethical implications that affect the general public (Storholm & Scheuing, 1994; Preble & Hoffman, 1999), employees (Royle, 2005), as well as the relationship between the principal players in the franchise industry (i.e., the franchisor and franchisee) (Storholm & Scheuing, 1994; Jang & Park, 2019; Croonen, 2010; Combs, et al. 2011). These largely stem from competitive pressure (Royle, 2005) and the nature of the franchise contracts that leave room for questionable business practices which attract media attention and negative perceptions about franchising (Storholm & Scheuing, 1994; Preble & Hoffman, 1999; Jang & Park, 2019).

Given that shareholder interests largely predominates in the business arena, management focus in most businesses including franchises are on maximizing short term profits and externalising costs to individuals (Royle, 2005). As such there are cases of unethical practices such as child labour and daily abuse of employee rights and others (Royle, 2005). Also, regarding the relationship between the franchisors and franchisees, unethical practices such as franchisors' encroachment in allocated locations, dual distribution, and full-line forcing on franchisees arise based on the asymmetrical balance of power in the franchise agreements drawn by the franchisors (Preble & Hoffman, 1999; Croonen, 2010). Franchisees, on their part, are prone to violations of the franchise agreements because of their entrepreneurial spirit and quest to gain while minimizing cost (Storholm & Scheuing, 1994). Hence, they engage in practices such as non-payment of royalties, and non-adherence to standardized conditions as specified in contractual agreements (Storholm & Scheuing, 1994). These affect the satisfaction, trust and commitment of the franchise parties (Jang & Park, 2019), thus requiring the need to develop socially responsible initiatives to address the concerns (Ferrell & Ferrell, 2016; Dharmawan et al., 2018).

Existing state and federal laws, as well as the codes of conducts from international institutions like the OECD (Organization for Economic Cooperation and Development) and the ILO (International Labour Organization), are however not comprehensive enough to protect the unethical practices (Storholm & Scheuing, 1994; Royle, 2005). For instance, even though ILO's Declaration on

Fundamental Principles and Rights (ILO 1998) allows the right to join unions, engage in collective bargaining, the elimination of child and forced labour, as well as discrimination, there are no provisions to ensure compliance (Royle, 2005). Similarly, though the state and federal laws require agreement disclosures and protect against deceptive practices, there is still room for fraudulent behaviours and misrepresentation (Storholm & Scheuing, 1994).

Accordingly, franchise associations in different countries have developed codes of ethics for self-regulatory purposes (Preble & Hoffman, 1999; Gámez-González et al., 2010). These codes are also short on ethical guidance, enforcement provisions, and narrowly focused on few stakeholders namely, the franchisors, franchisees, consultants, and employees (Preble & Hoffman, 1999). In addition, significant variations exist among the various country codes in relation to the scope of activities and issues covered (Preble & Hoffman, 1999; Gámez-González et al., 2010). Franchise associations are thus encouraged to inculcate directives into the codes to oblige franchisors and franchisees to comply with requirements as members of the association (Preble & Hoffman, 1999; Gámez-González et al. 2010; Dharmawan et al., 2018). Universal codes of ethics are also encouraged to make international expansion of franchise businesses less cumbersome (Preble & Hoffman, 1999). In addition, Biong, Nygaard and Silkoset (2010) suggested that a franchisors' establishment of ethical codes could also impact on the relationship between a franchisor and his franchisees and employees.

For future study, an exploration of the extent to which franchisees trade off financial incentives against desired ethical goals when choosing to join a franchise system is recommended.

3.3.2 Drivers of CSR performance and disclosure

The research stream is about what motivates a franchise organisation to pursue and disclose its corporate social responsibility practices. Thirteen articles (i.e., Dixon & Clifford, 2007; Meiseberg & Ehrmann, 2012; Perrigot, Oxibar, & Déjean, 2015; De Grosbois, 2012; Jones, Hillier, & Comfort, 2014; Choi, 2016; Kang, Lee, & Yoo, 2016; Kim, Thapa, & Holland, 2018; Kim & Stepchenkova, 2018; Kim & Thapa, 2018; Utgård, 2018; Kim, Lee, & Kang, 2018; Cai, Chen, Siqin, Choi, & Chung, 2019) in 9 journals contribute to this research stream (i.e., Journal of Organisational Change Management, Journal of Small Business Management (2), International Journal of Hospitality Management, International Journal of

Contemporary Hospitality Management (4), International Journal of Sports Marketing and Sponsorship, Journal of Business and Industrial Marketing, Sustainability, Journal of Business Ethics, Tourism Management, and International Journal of Production Economics).

CSR performance concerns the engagement in the economic, legal, ethical, and philanthropic (Carroll, 1979) as well as social and environmental responsibilities of a firm (Elkington, 1997). Micro and macro factors are identified in the literature as factors that influence the pursuit of CSR performance and communication in a firm. Micro factors are those that are within the firm and under the control of management; they include the individual-level characteristics, management, organisational culture, and firm characteristics such as firm size (Egbunike & Okerekeoki, 2018). Macroeconomic factors are outside the control of management and the firm; they include social, environmental, political conditions, suppliers, competitors, government regulations and policies (Egbunike & Okerekeoki, 2018).

To begin with the micro factors, Carroll (1979) and Elkington (1997) argued that, while the economic responsibility is the core mandate of a firm, the firm must go beyond that by fulfilling other responsibilities. However, performance beyond the core mandate (economic responsibility) is often costly (Jones, Hillier, & Comfort, 2014). Thus, it requires top management who view environmental and social problems as opportunities rather than threats for a firm to proactively embrace CSR (Dixon & Clifford, 2007; Kim & Stepchenkova, 2018). Such leaders are powerful (Biong, et al., 2010) and innovative (Dixon & Clifford, 2007). They are transformational with entrepreneurial flair, operating philosophy and leadership style that can influence the strategies and orientation of a franchise system towards positive CSR (Dixon & Clifford, 2007; Choi, 2016; Kim et al., 2018; Cai et al., 2019).

For instance, Dixon and Clifford (2007) observed a positive effect of an entrepreneurial CEO on a franchise system’s pursuit of environmental, social and economic goals. Kim and Stepchenkova (2018), and Kim and Thapa (2018) also observed a significant effect of environmental and ethical transformational leaders on CSR performance. Ethical leadership is interpreted to mean “demonstration of integrity and high ethical standards, considerate and fair treatment of employees, as well as holding employees accountable to ethical conduct” (Kim & Thapa, 2018 p. 2). Further, it was found that the proactive pro-environmental attitude of a franchisors' top management equally impacts positively on a franchise systems' CSR performance Choi (2016).

Since pursuing CSR activities require extensive investment (Meiseberg & Ehrmann, 2012; Perrigot et al., 2015), one other micro factor with the potential to influence a firm's CSR performance is firm size. Meiseberg and Ehrmann (2012) and Perrigot et al. (2015) observed that large franchise organisations are more into CSR activities and disclosure than small size organisations.

In terms of macro factors, competitive forces and cultural environment are identified. For instance, Utgård (2018) maintains that firms disclose their CSR performance when they perceive that the disclosure will benefit them. Thus, competitive forces such as CSR demands from consumers in the marketplace and the drive to differentiate a franchise business from the competition are motivating factors that drive a franchise system's CSR performance and disclosure (Utgård 2018). As such, De Grosbois (2012) argued that firms that do not disclose CSR information are perhaps engaged in poor social activities or not pursuing any significant CSR activity, or the management considers the information as irrelevant to stakeholders.

Regarding cultural factors, uncertainty avoidance is identified. It is defined as the degree to which a group of people in a society are comfortable or uncomfortable in undertaking risks (Kang et al., 2016; Kim et al., 2018). Because of the high investment required for quality CSR activities coupled with the unpredictability of the effect of CSR on financial performance, CSR practices are viewed as risky (Kang et al., 2016). Since some cultures are more risk-averse than other cultures (Hofstede & Hofstede, 2005), Kang et al. (2016) and Kim et al. (2018) argued that uncertainty avoidance play a key role in defining the level of CSR. However, while Kim, Lee, and Kang (2018) observed a negative significant effect of uncertainty avoidance on the level of franchise systems' CSR involvement in high uncertainty avoidance countries, Kang et al. (2016) observed a positive significant effect of uncertainty avoidance on the level CSR involvement.

In conclusion, a franchisor's top managements' entrepreneurial characteristics, their operational philosophy, leadership style, strategies, franchise system's size, and ethical values in addition to competitive forces and culture (uncertainty avoidance) are factors that influence its CSR performance and communication. For future study, researchers could determine which stakeholders are targeted by a franchise system and how the groups expectations and satisfaction levels affect the franchise system performance.

3.3.3 Impact of CSR on organizational performance

The relationship between CSR and organisational performance constitutes the most widely analysed topic in the literature. Twenty articles in nine journals contribute to this research stream. The articles and their respective journals are; Lee et al. (2012), Lee, Singal and Kang (2013), Lee, Choi, Moon and Babin (2014), Youn, Hua, and Lee (2015), Lee et al. (2016), Rhou, Singhal and Koh (2016), Youn, Song, Lee and Kim (2016), and Chen (2019), in Journal of Hospitality Management, Lacey and Kenneth-Hensel (2010), Biong, Nygaard and Silkoset (2010), and Kim (2017) in Journal of Bussiness Ethics, Park, Song and Lee (2017), Kim and Lee (2020) in Tourism Management, Inoue and Lee (2011) in Journal of Sports Management, Jung, Lee and Dalbor (2016) in International Journal of Contemporary Hospitality Management, Lacey and Kenneth-Hansel (2016) in Sport Marketing Quarterly. Jeon and Gleiberman (2017) in Journal of Marketing Theory and Practice, Cha and Jo (2019) in Sustainability, Massimino and Lawrence (2019) in Journal of Operations Management and Kim, Pennington-Gray and Kim (2020) in The Service Industries Journal.

The research stream is about how CSR affects franchise systems' performance. Based on Venkatraman and Ramanujam (1986) classifications, we group the articles into stakeholder performance (Lee et al., 2012; Lee et al. 2014; Lee et al. 2016), operational performance (Lacey & Kenneth-Hensel, 2010; Biong et al., 2010; Kim, 2015; Lacey & Kenneth-Hensel, 2016; Massimino & Lawrence, 2019; Chen, 2019; Cha & Jo, 2019), and financial performance (Inoue, et al., 2011; Lee et al., 2013; Youn et al., 2015; Rhou et al., 2016; Youn et al., 2016; Jeon & Gleiberman, 2017; Kim & Lee, 2020; Jung, Lee, & Dalbor, 2016; Park et al., 2017).

Stakeholder performance. This research stream implies that, the success of a franchise system depends on the health of its surrounding community (stakeholders) and how the business relates to the community (Lee, et al., 2012). The community of stakeholders include organisational stakeholders (employees, franchisees, customers, shareholders, and suppliers), the public, regulatory, and media stakeholders (Lee et al., 2012; Lee et al., 2014). The key element in building quality long term relationship with stakeholders is trust (Lee et al., 2014; Lee et al., 2016; Kim et al., 2020). Trust is the willingness to commit to a relationship with another party with the belief that the other party will perform an agreed action in return. Trust can affect satisfaction and long-term commitments to a relationship (Lee et al., 2012; Lee et al., 2014; Lee et al., 2016; Kim et al., 2020).

In line with Freeman (1984), scholars in this stream suppose that a business that is proactive in CSR is one that meets its legitimate stakeholders expectations (economically, ethically, legally, discretionary, socially, and environmentally) (Lee et al., 2012; Lee et al., 2014; Lee et al., 2016). Accordingly, Lee et al. (2016) and Kim, Pennington-Gray and Kim (2020) found that a franchisor's social responsibility has the potential to affect franchisees' trust, their satisfaction and long-term orientation. A franchisee invests a lot in order to be part of a proven franchise business system that his success may depend on. As such, a franchisor that proves he is responsible earns the trust of his franchisees. The franchisees become supportive and compliant, and they perceive the franchisor as one who is indeed interested in their welfare. This consequently impacts their satisfaction with the franchisor and their decision to remain with the franchisor in the long run.
Same applies to employees. Lee et al. (2012), and Lee et al. (2014) empirically shows that CSR affects employees organisational trust, their job satisfaction, and commitment. Employees' whose expectations are met and cared for by their employer are satisfied and committed to working hard to increase their performance at work (Lee et al., 2014). They exhibit positive attitude within the organisation towards co-workers and outside to external stakeholders like customers (Lee et al., 2014). One other indicator of stakeholder performance discussed in the literature is customer relationship.

Though customers are also stakeholders, outcomes of customer relationship management such as customer satisfaction, purchase intentions and purchase behaviours result from the effectiveness of operational activities (Jahanshahi et al., 2012). Hence, they are discussed under operational performance.

Operational performance. Operational performance includes measures such as marketing effectiveness, market-share, new product quality, value added manufacturing as well as other measures of technological efficiency (Venkatraman & Ramanujam, 1986). Customer perception, attitude and behaviour towards a firm's marketing activities and brand building initiatives determine the effectiveness of the marketing endeavours (Kim & Kim, 2005). As such, brand equity (e.g., brand awareness, loyalty, perceived quality, and image), sales performance, and service quality are products of effective marketing (Kim & Kim, 2005).

Investment in CSR and its disclosure are marketing activities (Lacey & Kenneth-Hensel, 2010; Kim, 2017; Massimino & Lawrence, 2019). Organisations that are proactive in CSR do not stop short at performing positive CSR, they disclose their performance to differentiate themselves from those that have poor social performance (Kim, 2017; Utgård, 2018). Since firms are judged by what they promise and do, customers form expectations from the promises, and when the expectations are met with actual positive CSR performance, their perceptions about the firm are positively affected (Lacey & Kenneth-Hensel, 2016). However, their trust, satisfaction and long-term commitment and behaviour (e.g., purchase behaviour, or loyalty) towards the firm are built over time as the firm consistently proves that it is committed to being socially responsible (Lacey & Kenneth-Hensel, 2010; Lacey & Kenneth-Hensel, 2016; Chen, 2019).

Customers who trust and are satisfied with a firm have positive image and perception about the firm (Cha & Jo, 2019) and they are highly likely to recommend the firm to other customers (Kim, 2017). These together contribute to higher productivity and franchise brand equity (Kim, 2017). Brand equity consists of brand strengths and brand value where brand strengths entail customers' perception and behaviours that allow sustainable competitive advantage while brand value is a financial outcome (Kim & Kim, 2005).

Financial performance. Financial performance is the type of organisational performance that consists of accounting-based (e.g., profitability, growth, leverage, liquidity, and cash flow efficiency) and market-based measures like return on shareholders market value and annual return (Venkatraman & Ramanujam, 1986). Financial performance resulting from firm strategies are mostly used to assess the worth of pursuing those strategies (Park & Lee, 2009). The findings regarding the relationship between CSR and franchise systems' financial performance are inconsistent. Thus, they resonate the confusion in the literature about why a firm should or should not invest in CSR (e.g., Freeman, 1962; Friedman, 1984). Some observe a positive effect (Youn et al., 2016; Jeon & Gleiberman, 2017; Rhou et al, 2016), others negative (Inoue & Lee, 2011; Jung et al. 2016) and others no significant effect at all (Lee et al., 2013; Kim & Lee, 2020). Others also observe a mix of findings. For instance, in Park and Lee's (2009) study, while CSR has no effect on the franchise firms' market value performance, it has a positive effect on accounting performance (return on equity) in the long term.

A possible reason for the non-significant effect of CSR on financial performance could be attributed to the period of analysis. For instance, as Park and

Lee (2009) showed, at the initial stage cost of CSR investment may exceed the benefits, but in the long run, the investment pays off as the firm consistently prove to customers and other stakeholders that it is committed to being socially responsible. Therefore, cross-sectional studies conducted at the initial stages of CSR investment may find non-positive or non-significant effect of CSR on financial performance. On another hand, stakeholders CSR awareness also affects the way in which CSR initiatives results in financial gain (Rhou et al., 2016). For example, Rhou et al. (2016) study shows that CSR activities can only add value to a firm's financial performance if the firm effectively publicizes its CSR performance for customers to know about its "good deeds". Hence, firms that fail to disclose their CSR performance may not reap the benefits of their investment.

Another explanation is that the firms' may be involved in both negative and positive social activities (Park et al., 2017). As such, stakeholders awareness of the negative social performance could nullify the impact of positive CSR practices. For example, Rhou et al. (2016) show how financial performance becomes negative as awareness of the negative social performance of a franchise firm increases. Other factors include firm size, type, and economic situation of the country at the time of the study. In Youn et al. (2015) study, restaurant size moderated a positive effect of CSR on financial performance. Also, empirical evidence shows greater positive effects of CSR on fast-food financial performance than full-service restaurants (Youn et al., 2016). In terms of economic effect, the impact of CSR on a firm's financial performance is non-significant in favourable economic times and significantly positive in a period of recession (Lee et al., 2013).

In addition, the research stream reveals that the relationship between CSR and systemic risk of franchise firms is non-significant (Park et al., 2017). This implies that, firms that participate in positive CSR activities (e.g., philanthropy) to cover up their negligent and unfair business practices (e.g., child labour) may not be able to offset the effect of their poor social and negligent practices.

For a future study that could be more informative, a comparative longitudinal study between firms in different industries is recommended to determine the effect of CSR investment and disclosure on firm financial performance.

3.4 Theoretical lenses in CSR and franchising

While there are limited studies on the topic, varied theoretical lenses and approaches are identified. Specifically, thirteen (13) theories. They are; stakeholder theory by Freeman (1984), slack resource (Waddock & Graves, 1997), managerial opportunism (Preston & O'bannon, 1997), signalling (Boulding & Kirmani, 1993), Institutional theory (Waldman et al., 2006), regulation (Posner, 1974), agency costs (Jensen & Meckling 1976), transaction cost (Williamson, 1973), internationalization (Buckley & Casson, 1976), social exchange (Saks, 2006), theory of ethics (Hunt & Vitell, 1986), expectation-disconfirmation (Oliver, 1977) and the theory of reasoned action (Ajzen, 1985).

Stakeholder theory. Three studies used stakeholder theory to analyze the relationship between CSR and firm performance (Kim & Lee, 2020; Parket al., 2017; Youn et al., 2016). The theory contends that stakeholders interest in the firm is legitimate, as such firms' that try to meet the demands of their stakeholders get rewarded for their effort (Freeman, 1984). Owing to the fact that franchising creates a large group of stakeholders (franchisees, employees, local communities, and governments in different geographical locations) and CSR is about meeting stakeholders demands, researchers find the use of stakeholder lenses relevant in analysing the relationship between these two concepts.

Relationship marketing and expectation-confirmation theories. Relationship marketing is about building a mutually beneficial long-term relational exchange with stakeholders (e.g., customers, employees, franchisees) (Lacey & Kenneth-Hensel, 2016; Youn et al., 2016). Relationship quality describes the perceptions of the relationship partners about how the relationship fulfils parties expectations (Lacey & Kenneth-Hensel, 2016). Expectation-confirmation theory on the other hand presumes that consumers cognitively formulate expectations of most probable level of product or service performance and the extent to which the expectations are met determines perceived confirmation experience (Oliver, 1977). Expectation-confirmation theory is used together with relationship marketing to explain the importance of fulfilling stakeholders CSR expectations in a franchise system (Lacey & Kenneth-Hensel, 2016; Youn et al., 2016).

Social exchange. Social exchange theory argues that exchange partners have possessions that their exchange partners value, and by exchanging, they each benefit more (Lee et al., 2014). In franchising, franchisors and franchisees share the franchise systems' risks (Kim & Pennington-Gray, 2017). Based on the franchisors proved business formats, franchisees are spared from the risk of establishing enterprises from scratch. Similarly, by leveraging on franchisees fees, expertise and local markets knowledge, franchisors avoid venturing on their own into unknown markets and risking agency problem (Roh, 2002). Franchisors and franchisees ethical behaviours reduces instigation of threats from each other (Kim & Pennington-Gray, 2017).

Transaction cost theory. Transaction costs entail the difficulties in negotiation, monitoring and enforcement that occur for an exchange to take place between two parties (Williamson, 1973). In franchising, the transaction costs include opportunism, information impacts and asset specificity (Perrigot et al., 2015). Due to superior auditing, managers of company-owned units are viewed as better in communicating strategic information than franchisees. In line with this, franchisors are encouraged to test CSR and innovations in their company-owned units to lessen the difficulty in convincing franchisees acceptance of the strategy (Perrigot et al., 2015).

Theory of ethics. Ethics is the foundation of morality, where morality means moral judgements, standards, and rules of conduct (Hunt & Vitell, 1986). According to the theory of ethics, what you do unto others is what they do unto you. Hence, it is best to set rules to live by and do unto others what you want to be done unto you (Hunt & Vitell, 1986). Accordingly, franchisors ethical disposition and social responsibility impacts directly on franchisees and employees' ethical behaviour towards the franchisor (Kim & Thapa, 2018).

Institutional theory and regulation theory. To explain how companies are compelled to disclose CSR information, regulation (Perrigot et al., 2015) and institutional theories were used. The institutional theory argues that to survive and obtain legitimacy in local business environments, an organization must conform to the beliefs, norms and values in the society in which it operates (Kang et al., 2016). The regulation theory holds that government intervention checks the inefficiencies, unethical and inequitable market practices such as monopolistic, and opportunistic behaviours of organizations (Posner, 1974). Consequently, franchise firms' try to obtain legitimacy and avoid new or more coercive regulations as checks on their market imperfections by being socially responsible and disclosing more information on their social and environmental performance (Perrigot et al., 2015; Kang et al., 2016).

Signalling theory. Signalling theory is based on the premise that information impacts stakeholders decision-making processes (Utgård, 2018). As such, signalling perspectives are employed to explain how corporate social performances are communicated as signals to build corporate reputation, enhance firm-stakeholder relationship (e.g., government, customers, employees), and improve financial performance (Jeon & Gleiberman, 2017).

Slack resource theory and managerial opportunism theory. Slack resource and managerial opportunism theories concern the effect of a firm's financial performance on the level of CSR involvement (Park & Lee, 2009). Slack resource theory argues that, though firms like to be good corporate citizens, their actual behaviour depends on the availability of resources (Park & Lee, 2009). As firms' financial performance increases, it may lead to higher levels of CSR activities. Contrarily, managerial opportunism posits that (Park & Lee, 2009), managers deem their private interest primary in corporate decision-making. So, with high financial performance, managers may try decreasing social expenditures to take advantage of the opportunity and increase their short-term personal gains. In such a case, the higher the financial performance, the lower the CSR performance (Preston & O'bannon, 1997). Interestingly Park and Lee's (2009) study indicates that a higher return on accounting performance leads to a negative CSR involvement which supports the managerial opportunism theory.

Internationalization theory. According to internationalization theory, firms benefit positively by leveraging on firm-specific knowledge and products in diverse markets across countries (Buckley & Casson, 1976). However, empirical evidence suggests that the simultaneous implementation of CSR and internationalization has a negative synergistic effect on a firm's value performance (Jung et al., 2016). Internationalization as expansion strategy increases the firm's complexities and transaction costs since in addition to the new cultural and political factors (Williamson, 1973), the firm has to deal with new franchisees regarding issues of standardization against localization. Moreover, the development and implementation of CSR strategies may substantially challenge the firm's ability to address social issues within each domestic country (Jung et al., 2016).

Agency theory. Agency theory assumes that business owners and their management as partners work based on their selfish interest, hence giving rise to agency issues such as shirking and free-riding (Jang & Park, 2019). Franchising mitigates the shirking problem because unlike business management, franchisees are residual claimants of their outlets (Jang & Park, 2019). The problem of free-riding is however minimal in some situations and more in other situations

(Massimino and Lawrence 2019). For instance, CSR activities are encouraged to build brand equity in franchise systems. But in situations where franchisees social activities are not monitored, the franchisor is likely to face more problems of free-riding because the franchisees may not comply with the directive (Massimino & Lawrence, 2019).

Theory of reasoned action. According to the theory of reasoned action, behaviour is predicted by intentions to engage in a behaviour (Ajzen, 1985). An intention to engage in a behaviour is also predicted by an individual's attitude towards the behaviour and his perceptions about the pressure on him from people who matter to him if he refrains from engaging in the behaviour (Ajzen, 1985). Hence, as sensible beings, people use information available to them to gain control over their behaviour by considering the implications of their actions. Accordingly, CSR awareness is posited to be associated with people's favourable attitude and intentions to patronize a franchise system's products (Cha & Jo, 2019).

Overall, the theories are all relevant as they emphasize the importance of meeting stakeholder demands and its implication on the franchise system performance. All the theories, except, institutional theory, regulatory and the theory of internationalization are used for micro-level analysis. While there are many theories, the field is relatively immature with fragmented studies. Thus, the theoretical explorations are under-explored and requiring more studies for development.

4. Discussion

The paper sheds light on how research on CSR in franchising has evolved over the past 27 years. It evaluates the most influential aspects, perspectives, and theories to provide future research ideas. It is the first review specifically focusing on CSR in franchising. The current status of the field is relatively young and evolving rather slowly. Barely 49 publications in 21 multidisciplinary journals between 1994 and April 2020 were confirmed. Storholm and Scheuing (1994) pioneered the first study whereas Kim and Lee (2020) constituted the most recent. Majority of the studies were in the restaurant industry and the International Journal of Hospitality Management was found most influential, followed by the Journal of Business Ethics.

The trending themes in the literature were Ethics and franchising; Drivers of CSR performance and disclosure; and impact of CSR on organisational performance.

In summary, the nature of business format franchising has ethical implications that impact on a franchisor's relationship with its stakeholders (Storholm & Scheuing, 1994). Codes of ethics are recommended as a tool that can guarantee ethical behaviours (Storholm & Scheuing, 1994; Preble & Hoffman, 1999; Gámez-González et al., 2010). The problems identified in existing codes are the variations among the codes in different countries and the limited scope of issues and stakeholders covered as well as the lack of punitive measures that could ensure compliance with the codes (Preble & Hoffman, 1999; Gámez-González et al., 2010).

Firms' performance in CSR and the management's drive to disclose their CSR activities are influenced by micro and macro factors (Meiseberg & Ehrmann, 2012; Perrigot et al., 2015). They include entrepreneurial characteristics of chief executive officers, management, firm-specific attributes such as firm size, and competitive and cultural forces like customer demands and uncertainty avoidance (Meiseberg & Ehrmann 2012; Perrigot et al., 2015).

Despite the heavy investment involved in pursuing CSR activities, CSR performance has implications on organisational performance which include stakeholder performance, operational performance, and financial performance. CSR impacts on the trust, satisfaction, and behaviour of stakeholders (Lee et al., 2012; Lee et al., 2014; Lee et al., 2016). For example, employees and franchisees who are satisfied give their best in their operations which consequently has the ability to influence consumers attitude and purchase behaviours, thus impacting financial performance (Lee et al., 2014; Lee et al., 2016; Lacey & Kenneth-Hensel, 2010; Lacey & Kenneth-Hensel, 2016; Chen, 2019).

The findings showing negative and non-significant effects of CSR on financial performance (Inoue et al., 2011; Biong et al., 2010; Lee et al., 2013) were explained away with argument that the period of analysis such as the period of initial CSR investment (Park & Lee, 2009), poor CSR communication (Rhou et al., 2016) and perhaps the negative social activities of the firm (Park, Song and Lee 2017) are the possible reasons for the negative or non-significant findings. Thus, indicating that investment in positive social and environmental performance are brand-building activities that should impact positively on firm financial performance (Cha & Jo, 2019; Lacey & Kennett-Hensel, 2010).

The study also reveals that the relationship between CSR and systemic risk of franchise firms is non-significant (Park et al., 2017). This implies that participation in positive CSR activities (e.g., philanthropy) to cover up negligent and unfair business practices (e.g., child labour) may not be effective as the poor social and negligent practices could nullify the positive effect of positive CSR practices.

While multiple theoretical lenses were found in the literature, the stakeholder theory was dominant. Social exchange and signalling prevailed in the micro-level analysis (ethics/CSR effect on franchise relationships) whereas institutional lenses were more applicable in the macro-level study about the different effects of national culture on positive and negative CSR in different countries.

5. Conclusion and recommendation

In summary, this bibliometric analysis makes an important contribution to practitioners and the academic literature by outlining the key themes, structures, theories, and their contributions to knowledge development in the field of CSR and franchising. for instance, practitioners would learn that CSR activities may yield benefits in the long term and that CSR practices may not necessarily be able to offset the effect of negative practices. Regarding the academic literature, the review shows that, despite the slow progress in the literature, studies in the field has the potential to richly contribute to practical and theoretical development in the area of franchising and CSR activities since several theories seem applicable in the analysis. A possible limitation to the study may be in relation to the labelling of themes of the clusters. Other authors might spot other themes for discussion rather than the identified. Thus, as more research on the topic is recommended, researchers could also explore the current literature to shed more light on the field. Furthermore, suggested research questions are presented in table 2 for future research.

Table 2. Suggested research questions from identified streams

Research Stream	Suggested research questions
Ethics and franchising	▪ What are the current global trends in international franchise codes of ethics? ▪ To what extent do the codes of ethics affect the laws and behaviours of franchise stakeholders in various countries? ▪ How does the ethical orientation and performance of a franchisor affect the long-term orientation of a franchisee with a franchise system? ▪ What extent do franchisees trade off financial incentives against desired ethical goals when choosing to join a franchise system?
Drivers of CSR performance and disclosure	▪ What reasons explain how and why franchise systems adopt a certain CSR stance and communication strategy? ▪ Which stakeholders are targeted by a franchise system and how do the group's expectations and satisfaction levels affect franchise system performance? ▪ To what extent do international franchisors adapt their CSR communication according to their respective markets?
Impact of CSR on organizational performance	▪ How consistent are firms CSR reports in relation to their actual CSR performance in the franchise industry? ▪ Does geographical diversification play a role in the relationship between CSR and systematic risks in franchise firms? ▪ A comparative longitudinal study between firms in different industries is recommended to determine the effect of CSR investment and disclosure on firm financial performance.

Note: CSR – Corporate social responsibility

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Chapter 4

Crowd-out effect on consumers attitude and perception towards corporate social responsibility communication