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„Impact of Corporate Social Responsibility on  
Franchisor's Performance”

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“Information is only of value if you give it to people with the ability to do something with it.”

Stanley McChrystal (McChrystal, 2014)

## **Abstract**

Corporate Social Responsibility (CSR) has been on the agenda of many firms for a long time. The importance of the CSR has increased and there is an ongoing discussion about the effects of CSR on the firm's performance. Franchising is booming as an entry mode for wide business expansion. The performance of a franchisor depends on various factors.

In this master thesis, I investigate CSR activities that influence franchisor's performance in Austria. This thesis differentiates between promotional and institutional CSR activities. The paper analyzes the effects of two different types of CSR on the franchisor firm's performance by controlling the effects of country of origin and sector of franchisor.

Evidence has been provided by an empirical study, where a questionnaire has been sent to the firms in the Austrian franchise industry. The outcome of this study provides support for the conclusion that there is a positive effect of institutional CSR activities on the franchisor's performance.

According to available resources, this is first research about the effects of CSR on franchising industry. Furthermore, it is the first empirical setting to understand the effects of CSR in the Austrian franchise industry.

This study enriches the present literature of CSR, Franchising and Performance. The main conclusions have been discussed in order to present limitations and give possible areas for further research.

**Keywords:** Corporate Social Responsibility, Franchising, Performance

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## **List of Abbreviations**

**AFA** Austrian Franchise Association

**CED** Committee for Economic Development

**COO** Country of Origin

**CS** Corporate Sustainability

**CSP** Corporate Social Performance

**CSR** Corporate Social Responsibility

**ECSF** European Corporate Sustainability Framework

**EFF** European Franchise Federation

**ESFN** European Social Franchising Network

**EU** Commission European Commission

**IFA** International Franchise Association

**NGO** Non Governmental Organization

**OECD** Organization for Economic Co-operation and Development

**UN** United Nations

**VRIO** Value, Rarity, Imitability, Organization

**WBCSD** World Business Council for Sustainable Development



# 1 Introduction

Corporate Social Responsibility gains significant interest in the business world every day and in some branches even becomes a buzzword. Globalization, tough competition and demand from conscious customers as well as rise in ethical standardization all together lead to changes in company strategies. Today's firms try to be more environmentally friendly in every aspect of their operations. The awareness of sustainable consumption between customers and suppliers has increased (Seuringa & Goldb, 2013). One of the key natural interests of a company is to have a good public reputation and image. It is difficult to have a good reputation in the industry and CSR activities could help the firms to enhance their image.

Even though CSR importance has increased and the number of franchise systems is steadily growing all over the world, including Austria (IHS Global Insight, 2012), CSR in franchising firms has received no significant attention so far. Aim of this Thesis is to find out if Corporate Social Responsibility activities have an impact on franchisor's performance in the Austrian market.

I have been engaged in different CSR projects throughout my life. I have decided to examine the CSR topic from a business perspective. Some scholars even call for a future research about the effects of CSR activities on the firm performance (Brown & Dacin, 1997). There is a research deficit about CSR in franchising. Living in Austria and having contact and help of Austrian Franchise Association, I made a choice to conduct this study in Austrian market and Franchise companies.

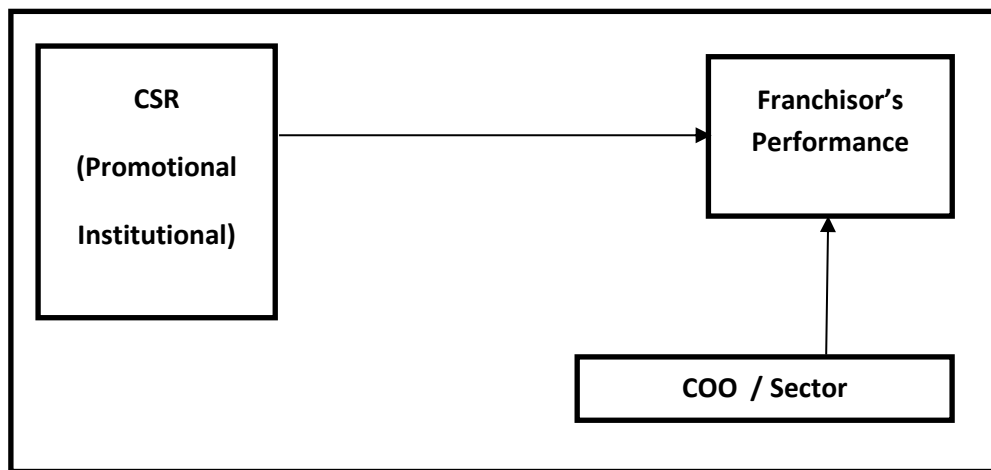
## 1.1 Research Questions

In the literature, there are different findings about the impact of CSR activities on the performance of the firms (McWilliams & Siegel, 2001). Despite a rising importance of the CSR, few studies have been done for the franchising industry.

This master thesis aims to find an answer to the following research question:

**“Do CSR activities have an impact on the Franchisor's performance in Austria?”**

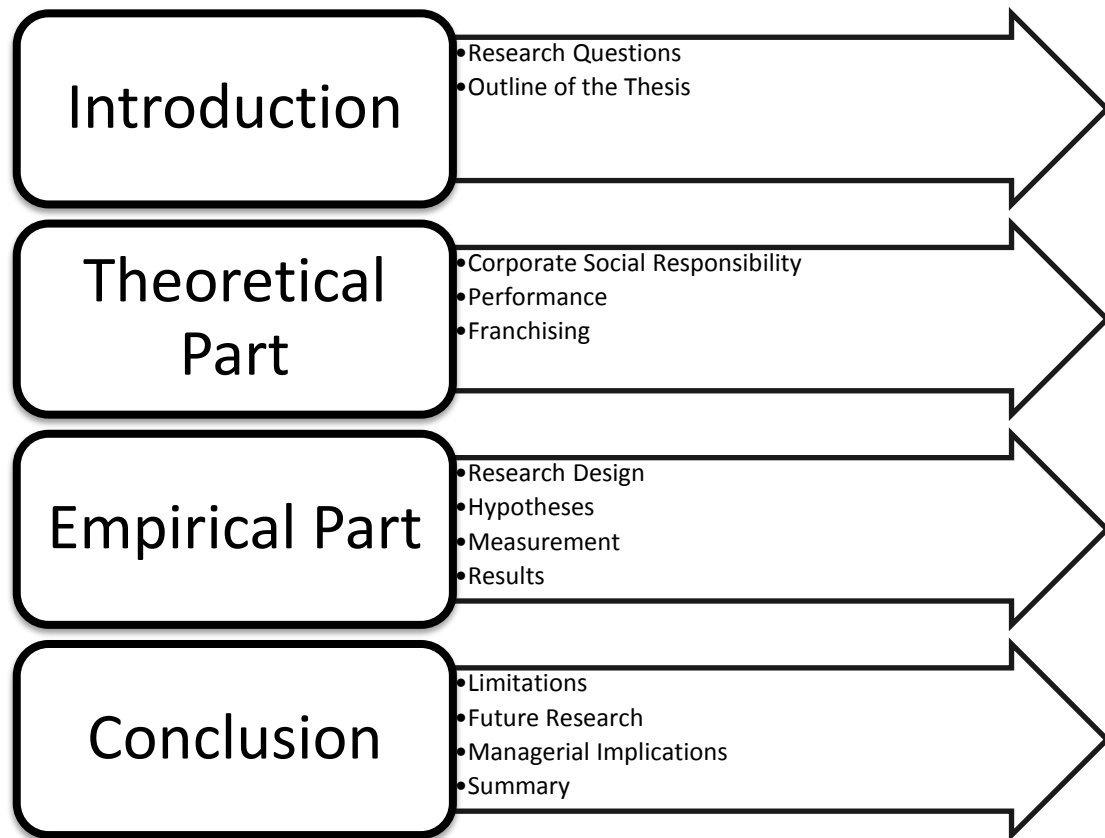
CSR has been investigated with two different types, promotional and institutional CSR. Country of Origin (COO) and Sector are used as control variables. Theoretical Framework is illustrated in Figure 1. More details about hypotheses and measurement are introduced in the empirical part of the study.



**Figure 1: Theoretical Framework**

## **1.2 Outline of the Thesis**

The thesis consists of four main parts, introduction, theoretical part, empirical part and conclusion. In the introduction, there is an overview of the subject and the research questions are presented. The next part covers theoretical framework of Corporate Social Responsibility, Franchising and Performance in order to better understand theoretical concepts. The theoretical framework gives an overview of the history, definitions, models and theories of these three terms. The remaining part deals with empirical study. There is a detailed explanation of methodology with research design given, as well as sample and data collection and analysis of the data. In the last part the major findings are presented and managerial implications, limitations and possibilities for further research are written. The outline is illustrated in Figure 2.



**Figure 2: Structure of the Thesis**

## 2 Corporate Social Responsibility

The subject of Corporate Social Responsibility belongs to the main concerns of today's businesses. There are a lot of models and definitions of CSR in the existing literature. The interpretation of the term CSR has developed through various different approaches.

In the following part, I start with origins of CSR and then I continue with different definitions of CSR term. Besides CSR definition, the related terms are defined. The thesis also contains the most comprehensive frameworks and models which are related to the topic of CSR.

### 2.1 Historical Review

CSR has been a subject on the agenda of business people for a long period of time. But the CSR concept has just emerged before World War II.

Frederick's (2008) detailed framework of CSR history describes four phases in the period between 1950s and 2000s (Table 1).

Phase	Name
1. Phase:1950s-1960s	Corporate Social Stewardship
2. Phase: 1960s-1970s	Corporate Social Responsiveness
3. Phase: 1980s-1990s	Corporate/Business Ethics
4. Phase: 1990s-2000s	Corporate Global Citizenship

**Table 1: Phases of CSR (Frederick, 2008)**

The first phase is called "Corporate Social Stewardship", where the main CSR activity were donations to charity. This phase started in the 1950s and lasted until the 1960s (Frederick, 2008).

In the 1960s came the Second Phase called "Corporate Social Responsiveness", in which the firms started to feel more responsible to the public and government. They implemented important actions in order to meet



the society's expectations from external environment. This phase ended in the 1970s (Frederick, 2008).

"Corporate/Business Ethics" belongs to the third phase lasting from 1980 to 1990. In this phase, the firms drew up their mission and visions based on CSR activities. Moreover, they re-designed their corporate culture according to ethical principles and policies (Frederick, 2008).

The last described stage of the CSR development started in 1990 and is called "Corporate Global Citizenship", where the CSR finally became the concern of many international organizations and NGOs. At this stage, companies and their leaders discussed mainly sustainability and relations to CSR. There is an endeavour to integrate their firm performance with the help of partnerships with different NGOs (Frederick, 2008).

#### 2.1.1 1950s

In 1951 Frank W. Abrams, the executive manager of Standard Oil of New Jersey, raised the CSR issue and spoke about the responsibilities of managers in the business world. He argued that companies and its top-management should become good citizens and shall take better care of their external stakeholders, like customers and the whole society (Banerjee, 2009). The modern era of Social Responsibility started in 1953, after Bowen published the book "Social Responsibilities of a Businessman" (Bowen, 1953). According to Bowen "the business man has the duty of the welfare of society instead of profit maximization" (Hay & Gray, 1974). In 1958, Levitt argued that CSR is the responsibility of the government and not of the businesses, criticized CSR and wrote about its threats (Levitt, 1958). Nevertheless, CSR continued rising in importance.

#### 2.1.2 1960s

Due to social movements<sup>1</sup> in the 1960s, the importance of CSR further increased (Taylor, 1989). The Organization for Economic Co-operation and Development (OECD) published policies about sustainable growth (OECD, 2001). They published an extensive guideline to promote sustainable economic

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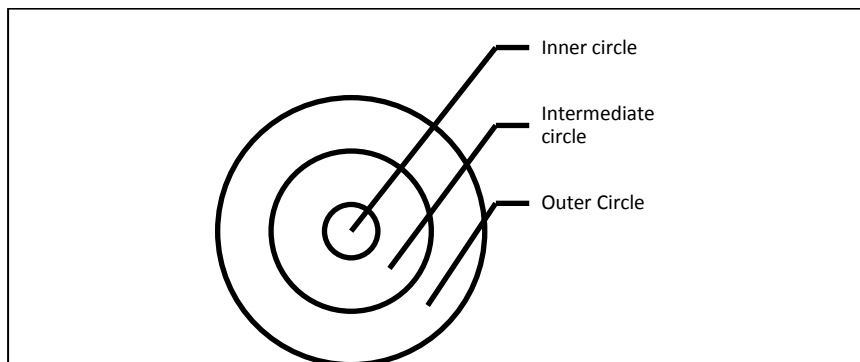
<sup>1</sup> Women's Rights and Native American protest are the important social movements of the 1960s.

growth for member and non-member countries. The trend continued with a number of contributions from academics about CSR. Different authors made efforts to clearly define the term CSR. Davis described CSR as

*“Businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest”* (Davis, 1960, p. 70).

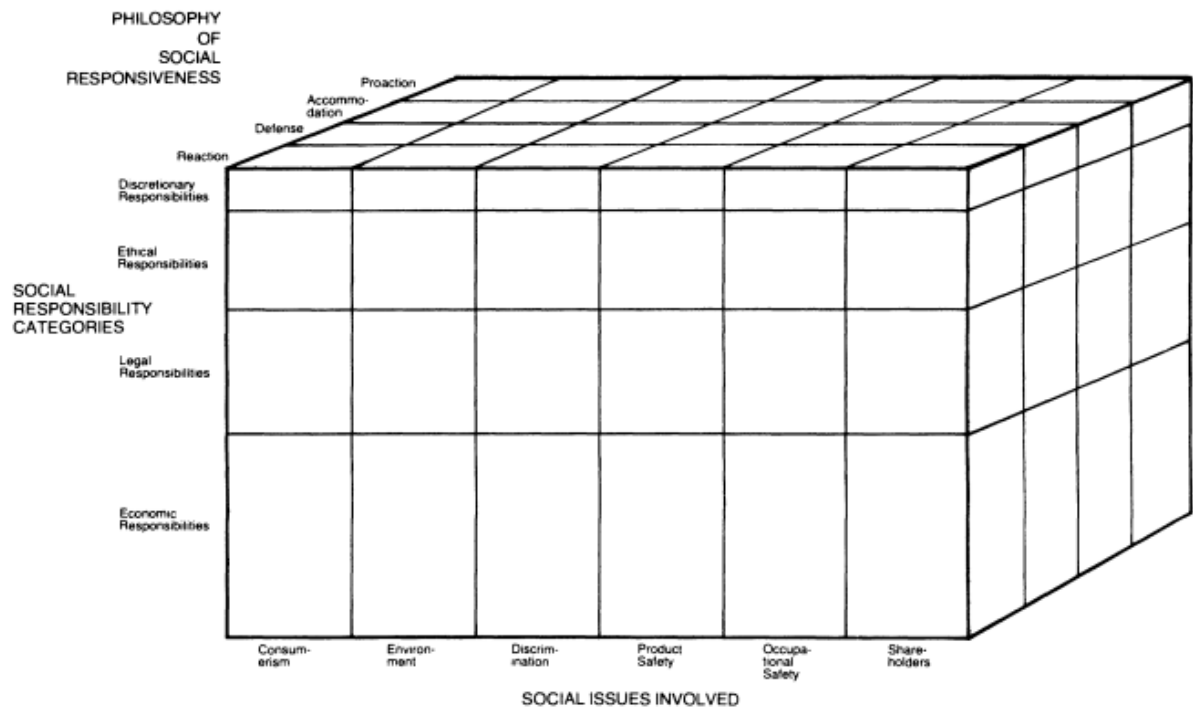
### 2.1.3 1970s

In the 1970s, valuable frameworks and models of CSR occurred in the literature. In 1971, the Committee for Economic Development (CED) released “Social Responsibilities of Business Corporations” study. It defined CSR by three concentric circles (Figure 3). The inner circle shows the responsibilities of the firm’s economic functions like manufacturing and services. The intermediate circle aims at the social values which have to be supported by economic functions. The outer circle advises the firms to increase their involvement in society (CED, 1971).



**Figure 3: Three concentric circles (CED, 1971)**

At the end of the 1970s, Carroll introduced a new model of Corporate Performance (Carroll, 1979). These dimensions are presented in Figure 4. He defined social responsibility using four categories: discretionary, ethical, legal and economic. This model then started to be used as a basic model for CSR (Carroll, 1979).



**Figure 4: Three Dimensional Modell (Carroll, 1979, p. 503)**

#### 2.1.4 1980s

In the 1980s Wartick and Cochran extended Carroll's 3 dimensional model and presented the 3P model which consists of principles, policies and processes (Wartick & Cochran, 1985). In addition, with the introduction of the Stakeholder theory and business ethics terms in the 1980s, CSR has been extended in business world. At the end of the 1980s, CSR was more essential than before and Ben and Jerry's published the first social performance assessment report, which shows potential achievement of social mission and goals (Svedsen, 1998).

<b>Principles</b>	<b>Processes</b>	<b>Policies</b>
Corporate Social Responsibilities	Corporate Social Responsiveness	Social Issues Management
(1) Economic (2) Legal (3) Ethical (4) Discretionary	(1) Reactive (2) Defensive (3) Accommodative (4) Proactive	(1) Issues Identification (2) Issues Analysis (3) Response Development
Directed at:	Directed at:	Directed at:
(1) The Social Contract of Business (2) Business as a Moral Agent	(1) The Capacity to Respond to Changing Societal Conditions (2) Managerial Approaches to Developing Responses	(1) Minimizing "Surprises" (2) Determining Effective Corporate Social Policies
Philosophical Orientation	Institutional Orientation	Organizational Orientation

**Figure 5: 3P Model (Wartick & Cochran, 1985, p. 767)**

### 2.1.5 1990s

In the 1990s Wood re-designed Wartick and Cochran's 3P Model and created another model based on social responsibility, social responsiveness and corporate behavior. Carroll (1991) published the Pyramid of Social Responsibilities. It is the most well-known model of Social Responsibility. This paper has been cited by more than 3000 research papers (Anon., 2013). In the 1990s, not only the researchers but also companies and organizations paid attention to CSR. In 1998, Shell issued a social report to point out the issues such as sustainable development in their own company (Marlin & Tepper, 2003). The Business for Social Responsibility organization was founded in 1992 to support firms to take more socially responsible actions. At the beginning they tried to increase awareness of social responsibility between firms. Nowadays, they focus on areas like environment, human rights, economic development, governance and accountability. The Organization offers consultancy to their 250 member companies in order to implement sustainable actions truly (Business for Social Responsibility, 2014).

The following table summarizes the development of CSR Concept till 2000s.

	1930	1940	1950	1960	1970	1980	1990	2000
First corporate responsibility texts	■							
New Deal and welfare state		■						
Nationalization (Europe), state enterprise (former colonies, Communist Bloc). Post-war consensus (USA)			■					
Return of business and society debate				■				
Shift from responsibility of leaders to responsibility of companies					■			
Debate about nature of responsibilities						■		
Introduction of stakeholder's theory							■	
Corporate responsibility as management practice (e.g. corporate social responsiveness)						■		
Environmental management							■	
Corporate social performance							■	
Stakeholder partnerships								■
Business and poverty								■
Sustainability								■

**Table 2: Development of CSR Concept (Blowfield & Murray, 2011, p. 36)**

#### 2.1.6 2000s

With the start of the 21st century, CSR became a global topic. In 2000, the United Nations launched the Global Compact program to give incentives to the companies to behave based on sustainable policies and also to publish the reports about their socially responsible actions after its implementation (United Nations, 2000). Furthermore, the European Union published the Green Paper strategy and renewed it for 2030 (European Commission, 2013). It was followed by OECD Guidelines for Multinational Enterprises, which covered topics about business ethics (OECD, 2001).

Kotler and Lee published a book and introduced six categories about CSR. These categories are:

*“promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering and socially responsible business practices” (Kotler & Lee, 2005).*

The majority of Fortune’s 250 firms actively pursues CSR initiatives (KPMG , 2005).

#### 2.1.7 Actual trends

In 2012, the World Business Council for Sustainable Development proposed that CSR reporting should be a part of the annual report books (WBCSD, 2012). In 2013, the top six corporate sustainability trends are summarized by Ernst & Young in a survey conducted between executives of corporate environmental strategy. When preparing the CSR corporate strategy , the support of top management plays a crucial role, whereas governmental and other organizations’s role is decreasing. The sustainability issues should be considered as a part of risk management of the companies and should be combined with the CSR reporting system. CSR reporting is important not only for the investors but also for the shareholders of the firms. (Ernst & Young, 2013, p. 4)

### 2.2 Definition of CSR and Related Terms

Since the beginning of CSR history, different definitions have emerged. Until 1960, CSR had been defined as a responsibility of businessmen. The change in the definition occurred with Carroll, who started to explain CSR not only as the responsibility of one person, but the whole organization. As explained in the history of CSR, in the 1980s there were fewer definitions of the CSR term, since the focus of the authors went to other related topics, such as creating models of CSR and finding other related concepts, i.e. Corporate Social Performance (Carroll, 1999). With the start of the millennium, there are new definitions from different authors as well as from international organizations. The definitions from those organizations show us again how the importance of the topic

increased globally and became a concern for the whole society. They published many principles for the firms to guide them to a better CSR strategy.

In 2011, EU Commission renewed the CSR definition as “**the responsibility of enterprises for their impacts on society**” (EU Commission, 2001, p. 6).

To understand the CSR topic deeper, the definitions of some CSR terms should be also examined. These are corporate social performance, corporate sustainability and CSR Reporting.

Corporate Social Performance “*concerns a business organization's observable outcomes as they relate to its societal relationships*” (Wood, 1991, p. 693).

Sexty (2011, p. 151) defined Corporate Sustainability as:

*“corporate activities demonstrating the inclusion of social and environmental as well as economic responsibilities in business operations as they affect all stakeholders”*

CSR Reporting offers many benefits for the different stakeholders of the firm. The investors can gain necessary information, consumers can learn about the activities of the firm which helps to enhance their brand image and increase their reputation (Nikolaeva & Bicho, 2011).

The Global Reporting Initiative has been established in 1999 in order to set a standard approach for CSR reporting (Global Reporting Initiative, 2014). There could be minor differences in the CSR reporting in different countries.

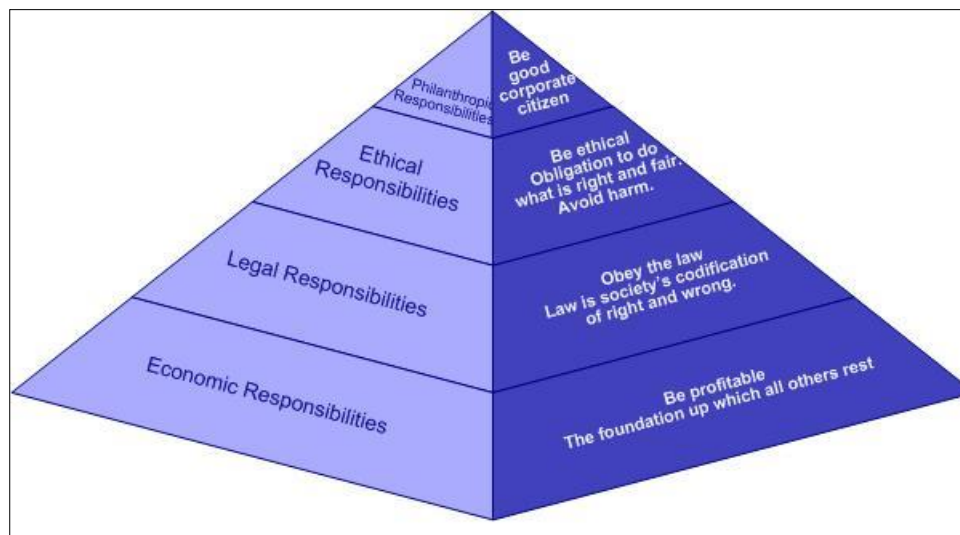
## **2.3 Models & Theories**

Since the origin of the topic, many models of CSR and theories about it have arisen. The most important ones are Carroll's pyramid of CSR, the Triple Bottom Line of and Marrewijk's Five Dimensions and Competitive Advantage and Stakeholder Theory.

### **2.3.1 Carroll's Pyramid of CSR**

Carroll renewed his model and described “the pyramid of Corporate Social Responsibility”. His model is the most well-known model which has ever been

used. His model is based on economic, legal, ethical and philanthropic responsibilities. According to him, in 1991 the ethical and philanthropic responsibilities gained more importance. The Figure 6 illustrates the pyramid of CSR (Carroll, 1991).



**Figure 6: The Pyramid of CSR (CSR Quest, 2014)**

Economic responsibilities are the core responsibility of businesses. The firms should try to reach the highest profit possible and maintain strong competitiveness. Moreover, high level of operative efficiency is also necessary. The success of the firm depends on its profitability. These responsibilities are essentially required.

Legal responsibilities are the second important part of the pyramid. They represent the expectations of government and law. Even though the primary goal of the firms is to be profitable, they have to achieve this goal by obeying laws and rules. It is demanded to be a corporate citizen by the firms.

Ethical responsibilities are the standards and regulations which represent the expectations of the society. Even though law does not require these, the firms should behave in an ethical manner and achieve its profit by doing what is morally or ethically expected.

Philanthropic responsibilities are related to corporate citizenship. Compared to laws and norms these are based on voluntary support to make contributions to



the society. All kind of help for charities, educational institutions can be counted as part of philanthropic responsibility.

### 2.3.2 Marrewijk and Werre's 5 levels CS Model

In 2005, Marrewijk and Werre published their study about Corporate Sustainability (CS), prepared for the European Corporate Sustainability Framework (ECSF). The ECSF project is financed by EU and aims to improve the performance of firms by gaining interest of different stakeholders and trying to behave more sustainably. In this framework CS is used as a synonym for CSR. The ambition levels show the motivations of companies to engage in CS/CSR activities (Marrewijk, 2001).

This framework provides five ambition levels of CS (Figure 7).

"Compliance-driven CS" is about achieving well-being of the society by following the right regulations and behaving correctly. At the same time, the firms should contribute to the society with charity and stewardship activities (Marrewijk, 2003).

"Profit-driven CS" is about engaging CSR activities in daily business, business operations, while staying profitable at the same time (Marrewijk, 2003).

"Caring CS" is about creating a balance between all CSR activities and goes deeper into society topics without any concerns about legal requirements and profit calculations (Marrewijk, 2003).

"Synergistic CS" is about creating a synergy between all stakeholders by adding value to different CSR areas of organizational performance (Marrewijk, 2003).

"Holistic CS" is about contributing to the quality of the planet by behaving fully responsible in every unique activity of organizations (Marrewijk, 2003).

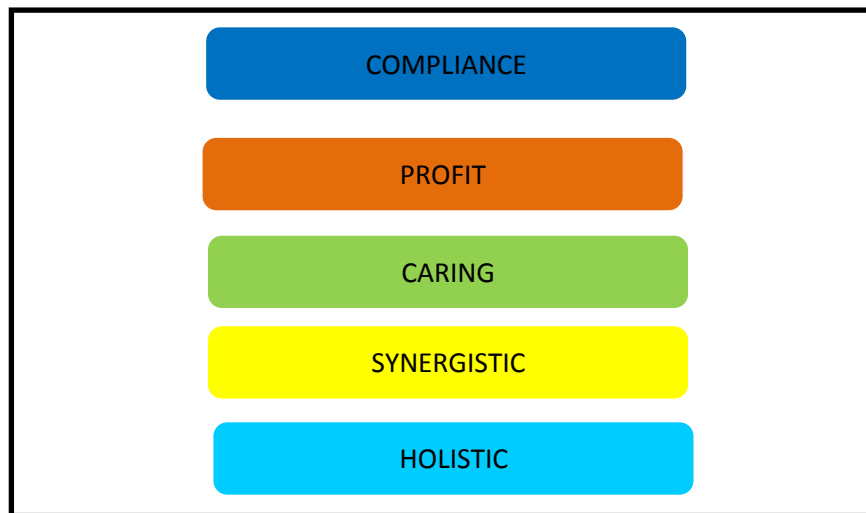


Figure 7: Marrewijk CS Ambition Levels (Marrewijk, 2003)

### 2.3.3 Triple Bottom Line

The Triple Bottom Line is a measurement of the corporate performance based on the different types of values, which owned by a corporation. The Triple P's represent Profit, People, and Planet (Sexty, 2011). The Triple Bottom Line term was coined by John Elkington in the 1990s. According to him, the success of the companies should not be measured only by traditional financial measures, but rather their effects on our society and environment (Norman & MacDonald, 2004).

To sum up the models, there is a figure, in which CSR, CS and the triple bottom line are shown (Figure 8).

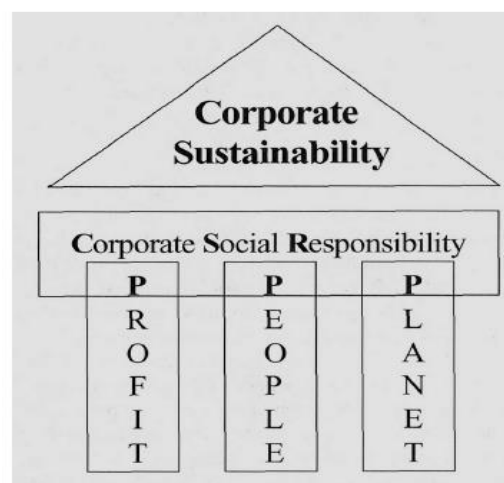


Figure 8: Relationship 3P, CS and CSR (Wempe & Kaptein, 2002) cited in (Marrewijk, 2003)

#### 2.3.4 Stakeholder Theory

Freeman introduced the Stakeholder Theory in his book "*Strategic Management: A Stakeholder Approach*" in 1984. Stakeholder is defined as any party, who is influenced by the organization's activities (Freeman, 1984). He explained to whom the business should be responsible. With his broad perspective not only the traditional stakeholders groups like owners, customers, suppliers, and employees, but also the governments, competitors, consumer and environmental advocates and media are added to the stakeholder society (Wood, 1991). According to Freeman, managers should be engaged in CSR activities, because it is an important value for the non-financial stakeholders (Freeman, 1984).

After Freeman's definition, the stakeholder model attracted the interest of many academicians and businesses. Until 2007, it had been used 179 times in the academic literature with different perspectives (Laplume, et al., 2008).

Other stakeholder theories focused on two basic principles (Kakadabse, et al., 2005).

- I. Managers shall have concerns about any type of stakeholders and also shareholders. (Jones, et al., 2002).
- II. The second principle is more business oriented. According to this principle, the effects of the organization's activities are threefold: internal stakeholders, external stakeholders and strategic options. (Haberberg & Rieple, 2001).

According to Carroll, the researches about CSR are merged from the Stakeholder literature. In reality, CSR is trying to figure out what kind of responsibilities of companies to follow. On the other hand, stakeholder theory is dealing with to whom the companies are responsible (Kakadabse, et al., 2005).

#### 2.3.5 Competitive Advantage Theory

Porter introduced the term competitive advantage to the business area. Porter (1980) explained that competitive advantage is an essential factor for a firm in order to perform well in a competitive environment. According to Porter, competitive advantage comes from two different resources. These are cost

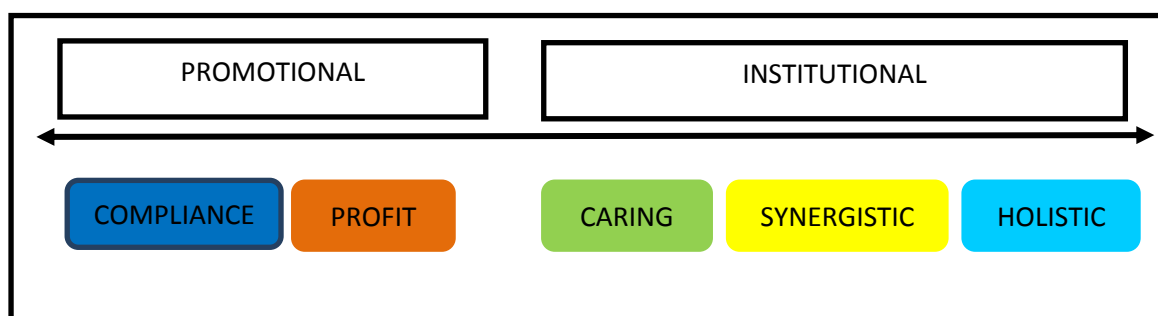
advantage and differentiation advantage. According to resource-based view, corporations use their resources in order to create a value (Porter, 1980).

From the strategic point of view, CSR can enable social progress, since the firm has to use its resources and know how to create benefits to the society. CSR can have a positive impact on the four elements of national competitiveness (Porter & Kramer, 2006). Factor conditions are the natural resources that a company has, e.g. gold deposits. Demand conditions depend on the size of the product segment, i.e. if there is a high demand for goods, it enables companies to make more profit on those markets. If there are many firms from related industries, it could provide know-how (Haberberg & Rieple, 2008).

### 2.3.6 CSR as a Continuum

Pirsch conceptualized CSR as a continuum. This continuum starts with promotional CSR programs and with institutional CSR Programs. If the firms are engaged in promotional CSR activities, they aim to short-term returns for performance and their premium goal is to create satisfaction between the shareholders of the company. Conversely, institutional CSR activities are planned for the long-term so that it meets the needs of all their stakeholders. Since the compliance and profit ambition levels are the consideration of the shareholders; those two drivers belong to the Promotional CSR, whereas caring, synergistic and holistic ambition levels belong to the institutional CSR (Pirsch, et al., 2007).

The combination with Marrewijk CS ambition levels are illustrated in the Figure 9 below.



**Figure 9: CSR as Continuum (Larson, 2011, p. 12)**

## **2.4 Reasons for and obstacles against company's CSR engagement**

A big advantage of CSR is that it creates a reputation among consumers. According to Brown and Dacin, if the consumer has positive CSR associations, it can improve the product evaluation (Brown & Dacin, 1997). Moreover, in the labor market, the socially responsible companies are preferred more by employees to work for it. Furthermore, the firms, who are engaged in CSR activities, have long-term perspectives, which could help them to create a consistent image over time in the consumer mind (Smith, 2003).

Long-run self-interest is about the increasing profits by improving the wealth of the society. CSR improves the public image as well, which causes more customers and better-qualified employees to select the firm to buy products and to work for it. If the firms want to enhance their public image, they should react to the society's needs and be viable as a socially responsible firm. The right CSR activities could play a significant role for the government relationships. The firm should perform on the base of socio-cultural norms, which are a guidance for the firms to do their business. However, when engaging CSR activities the firms should not forget to take into consideration the interest of shareholders. Sometimes social problems are difficult to handle, and therefore some institutions have difficulties to handle this problem (Davis, 1973).

On the other hand, Davis mentioned the obstacles to social responsibility engagement. If the firms focus on CSR activities, they may lose the profit maximization focus, which is the core task of the firms. In addition, firms cannot invest their major economic resources to CSR activities and they should not forget their primary purpose. It is essential to have a view of the long run but also short run impacts on the financial situations of the firm (Davis, 1973).

If the firm management lacks social skills, it causes an underestimation of the importance of CSR and creates an obstacle for CSR engagement. Such managers are convinced that their firms are powerful enough and they do not need CSR activities to increase their power (Davis, 1973).

The firms who have a lack of accountability should not engage in CSR activities, since it would be beneficial neither for the firm nor for the society. CSR does not

always enables one to create satisfaction for all the groups in the society (Davis, 1973).

Davis has summarized the arguments for and against, and obstacles to social responsibility engagement (Table 3).

Arguments for CSR engagement	Obstacles to CSR engagement
Long-run self-interest	Profit maximization goals
Public image	Costs of social involvement
Viability of business	Lack of social skills
Avoidance of government regulation	Dilution of business's primary purpose
Sociocultural norms	Weakened international balance of payments
Stockholder interest	Business has enough power
Let business try	Lack of accountability
Business has the resources	Lack of broad support
Problems can become profit	
Prevention is better than curing	

**Table 3: Arguments for and against Social Responsibility (Davis, 1973, pp. 313-321)**

#### 2.4.1 The Effects of CSR on Performance

The effects of CSR on the firm performance can be evaluated by competitors, customers, employees and partner perspective.

First, the companies achieve competitive advantage by increasing their reputation in the industry (Roberts & Dowling, 2002). CSR can also decrease the operational expenses of the company, by investing in environmentally friendly processes. A special case is when the specific requirement becomes a regulation from the government in the future (Elsayed, 2006).

Another advantage is offering value-added products and services by engaging CSR activities. The consumers who are sensitive to ethical and social issues are the potential target market for the companies (De la Cruz Deniz Deniz & Katiuska Cabrera Suarez, 2005). The consumers even stated that they are more willing to buy from those companies, who invest in CSR (Del Mar Garcia de los Salmenes, et al., 2005).

Seifert (2003) found out that corporate social performance and firm financial performance are positively correlated. Since a positive perception towards CSR leads to having better employees, which can create more possibilities for innovations, it will cause better financial performance in the end (Surroca, et al., 2010).

Finally, CSR can offer possible partnerships and alliances. When a firm involves itself in CSR and is known in the industry as a responsible and trustable company, many investors can be interested in this specific company rather than in a company, which is not engaged in any CSR activity. This can speed up the system growth (Volery & Mensik, 1998).

## **2.5 Performance Measurement**

Measuring organizational performance is a very complex issue. Venkatraman and Ramanujam defined performance as *“fulfillment of the economic goals of the firm”* (Venkatraman & Ramanujam, 1986, p. 803). Performance is also seen as a sub dimension of organizational effectiveness.

There are many studies about organizational performance management in the literature. Most known theories come from organization theory and strategic management area.

In the organization theory, there are three basic approaches in order to measure organizational performance. The first one is the goal based approach. It assumes that the goals, which an organization sets for itself, are the evaluation criteria of the organization (Etzioni, 1964). The second approach is called system-based approach and evaluates the multiple and generic performance dimensions (Yuchtman & Seashore, 1967). The multiple constituency approach checks the satisfaction level of the different stakeholder groups (Thompson, 1967).

Strategic management makes a combination from these theoretical approaches and provides multiple hierarchical constructs. There are two dimensions, including financial and operational performance. Performance is a multidimensional construct; thus multiple, disparate measures should be examined. Only financial measures are not enough to evaluate the performance

in the right way. Based on their construct, sales growth, profitability, return on investment indicate financial performance. The operational performance indicators are product introduction, marketing effectiveness and manufacturing value added. According to this approach, it is also important to decide what kind of sources (primary vs. secondary) should be used when the performance is measured (Venkatraman & Ramanujam, 1986). In recent years, the researchers started to discuss strategic performance. Since 2002, strategic performance has been accepted as an essential dimension of the firm's business operations (Cavusgil & Zou, 2002).

The performance can be measured by objective and subjective indicators. Objective indicators are mostly the financial results of the firms, such as return on investments, profit margin and asset turnover. It is always a question if the figures give the right overview of the actual situation. Moreover, some scholars stated that for making comparison of performance between different industries, subjective measures could be more appropriate than objective measures (Dess & Robinson, 1984).

According to Covin and Slevin (1989), when researching small firms it is not easy to interpret based on objective performance indicators. Therefore, it is necessary to use subjective indicators. Subjective performance evaluations are affected by personal perception and opinion (Gibbs, et al., 2004).

Objective and subjective performance measurement could lead to slightly different results. Strong correlation between objective and subjective performance indicators have been proved in the literature by different researchers (Pearce, et al., 1987).

As mentioned above, measuring performance is a very complex issue. Dess and Robinson (1984) suggested that organizational performance cannot be measured by one dimension; therefore multidimensionality will be a solution to assess the performance properly. However, it is very complicated to operationalize this view in the studies and it causes difficulties to define measureable items (Kirchhoff, 1977).



There is a lack of research about performance of franchising systems available. Performance is measured mostly by satisfaction of the franchisee and accomplishment of their goals (Elango & Fried, 1997). Franchising performance requires multidimensionality just like any organization (Carman & Klein, 1986). In this study, performance measurement of franchisors will be done in a subjective way, because not all the data about the financial figures of all franchise systems are available, it is better to use primary data.

## **2.6 Relationship between Performance and Strategy**

Resource Based perspectives study the connection between the firm's internal resources and its performance.

The origin of the Resource Based View (RBV) has been started with the Edith Penrose opinion, when he suggested that firms has a lot of resources (Hodgson, 1998). RBV focused on the internal environment of the firm's.

In 1991, Barney published a VRIO Framework to evaluate the firm's resources. He defined the resources as "an asset, competency, process, skill or knowledge controlled by the corporation". (Barney, 1991). There are two types of resources, tangible and intangible. Tangible resources of the firms are physical, technological, financial, organizational and human resources. Intangible resources are reputation and organizational capacity (Colin, 2004). According to the VRIO Framework, the resources should be valuable, rare, not imitable and not substitutable. If the resources accomplish these four criteria, it could be considered as a competence of the firm. Organizational capability includes the ability of the firm to accomplish its activities (Sadler, 2003). According to Fombrun, there is a corporate reputation and social responsibility that are directly related to each other (Fombrun, 1996). Reputation could lead to sustainable competitive advantage for the firms (Barney, 1991).

Grant enlarges the VRIO Framework by defining five steps in order to formulate the firm's strategy. These five steps are to identify the firm's resources, identify the firm's capabilities, evolution of potential resources and capabilities, select the strategy and identify the resource gaps (Grant, 1991, p. 115). Based on

Grant, the core of the firm's strategy is dependent on the internal resources and organizational capabilities (Grant, 1991).

Strategy is defined as

*“the determination of the basic, long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for those goals.”*

(Chandler, 1962, p. 13).

Firms take many decisions every day, but not every decision is made strategically. There are three ways, which help us to understand, if a decision is a strategic one. Firstly, a strategic decision has an effect on the whole organization. Moreover, the time horizon of a strategic decision is long, about 3-5 years. Finally, strategic decisions require a high level of commitment from the organization (Haberberg & Rieple, 2001).

Porter stated that the most crucial thing of the firm's strategy is to differentiate yourself from your competitors. (Porter, 1996). There are two elements in order to have superior performance, namely operational effectiveness and competitive strategy. The operational effectiveness is necessary for better performance but it should be supported by a competitive strategy (Porter, 1996).

#### 2.6.1 Strategic CSR

Besides these arguments against CSR, another criticism of CSR is that when the companies follow generic strategies, it leads to ineffectiveness of the financial performance rather than benefits the company.

The generic CSR strategies will not lead the companies to success; they should rather focus on strategic CSR, which enables a win-win situation for the stakeholders (Smith, 2003). Therefore, it is important that every company should design its own CSR strategy (Smith, 2003).

In conclusion, CSR is an extensive concept, which plays a strategic role for the companies. Porter and Kramer found an interrelationship between a corporation and the society, because the activities of companies affect the market which they

are operating. Therefore, it is necessary to focus on the strategic perspective of CSR. According to Smith (Smith, 2003), the firms have to understand their mission and values in order to create the best CSR strategy. It is important to understand strategic orientation of the franchising firms in Austria.

### **3 Franchising**

During the last five decades, franchising systems emerged as a popular international entry mode for many firms. According to the International Franchise Association (IFA), the total output of all franchised businesses in the United States in 2013 amounted to \$ 802 billion. This figure results from approximately 757,055 established franchised businesses, which employed 8,262,000 people (IHS Global Insight, 2012).

There are different factors which provide a support for rapid growth of franchising. First, the change in socio-demographic structure, such as women's participation in work life and aging of the population create further opportunities for franchising. Besides, there is a decline in manufacturing industry and a shift to service businesses (Hoffman & Preble, 1993).

There is also an increase in entrepreneurship and self-employment, which leads to opening more franchise outlets and being able to have one's own business. The government policies also enable more trade between countries and lowering trade barriers makes it possible to expand franchising in a global context (Hollensen, 2011).

Nowadays, the top 10 Global Franchises are Subway, McDonald's, KFC, Burger King, 7 Eleven, Pizza Hut, GNC Live Well, Wyndham Hotel Group, Dunkin' Donuts and DIA (Franchise Direct, 2014).

The following part reviews the literature about franchising. It starts by explaining the historical development of franchising, definitions of franchising and introduces the types and forms of franchising. Followed by theories of franchising, including resource scarcity and agency theory, the reasons and problems of franchise systems are given. Finally, there is a short outlook on the franchising industry in Austria.

#### **3.1 History of Franchising**

The origin of the franchise term is "franc" coming from Old French which denotes a grant of legal immunity (Anon., 2014).

There are many controversial sources about the first franchise systems in the world. The story goes back to the Middle Ages. The generations from Grünhagen and Mittelstad started in the early 1800s and divided the franchising history into two generations. The first generation lasted till the 1950s and the second generation started after the 1950s (Grünhagen & Mittelstadt , 2000).

### 3.1.1 First Generation

An early example is the McCormick Harvesting Machine Company. This manufacturer provided commissions to local agents for selling and servicing its machinery around 1850. In 1863, the Singer Sewing Machine Company started to grow by increasing the distribution of their sewing machines through a franchise system (Mendelsohn, 2004).

Automobile and soft drink industries started to use the concept of franchising in the 1890s as an alternative distribution channel. In the 1930s, petroleum producers followed this strategy as well (Hackett, 1976).

### 3.1.2 Second Generation

The second generation started with the development of the first franchised restaurant chain by Howard Johnson in 1935. Afterwards, the franchising concept has been accepted as a part of the marketing strategy for many fast food restaurants, hotels, show business and hire services. There was a boom in the franchising industry during the 1950s and the 1960s in the USA (Hackett, 1976). For instance, Dunkin' Donuts started in 1950, Burger King in 1954, and McDonald's in 1955 (Franchises, 2014).

With the improvements in the franchising market and the initiatives of entrepreneurs the International Franchise Association was founded in 1960 (IFA, 2014). The British Franchise Association was founded in 1978.

Globalization and market liberalization forces the firms to enter different international markets (Preble & Hoffman, 2004). Since franchising is the most flexible form among other entry modes, many firms prefer to expand with franchising strategy. Today, in the USA there are 757,438 establishments in 10 different business lines with 1.3% increase compared to 2012 (IFA, 2013).

### 3.2 Definition of Franchising

The different business views evaluate franchising in distinct ways. Franchising is an organizational type according to the strategic management point of view (Combs & Ketchen, 1999). The economic view sees franchising as an opportunity to better understand the framework of contracts (Lafontaine, 1992). Entrepreneurs define franchising as a medium to set business ownership (Shane & Hoy, 1996). Franchising can be seen as a type of fourth element of marketing mix – distribution channel (Kaufmann & Rangan, 1990).

According to Hollensen (2008) franchising belongs to intermediate market entry mode. Figure 10 illustrates the other intermediate market entry modes as well. Even though, the consumers are confused about the differences between franchising and licensing, in this figure the difference is clear. In licensing, the marketing activities are done in the host country, whereas in the franchise systems the franchisor gives a standardized marketing plan for the use of franchisees in their outlet. In franchising, franchisor gives support for the the business set-up (Mendelsohn, 2004).

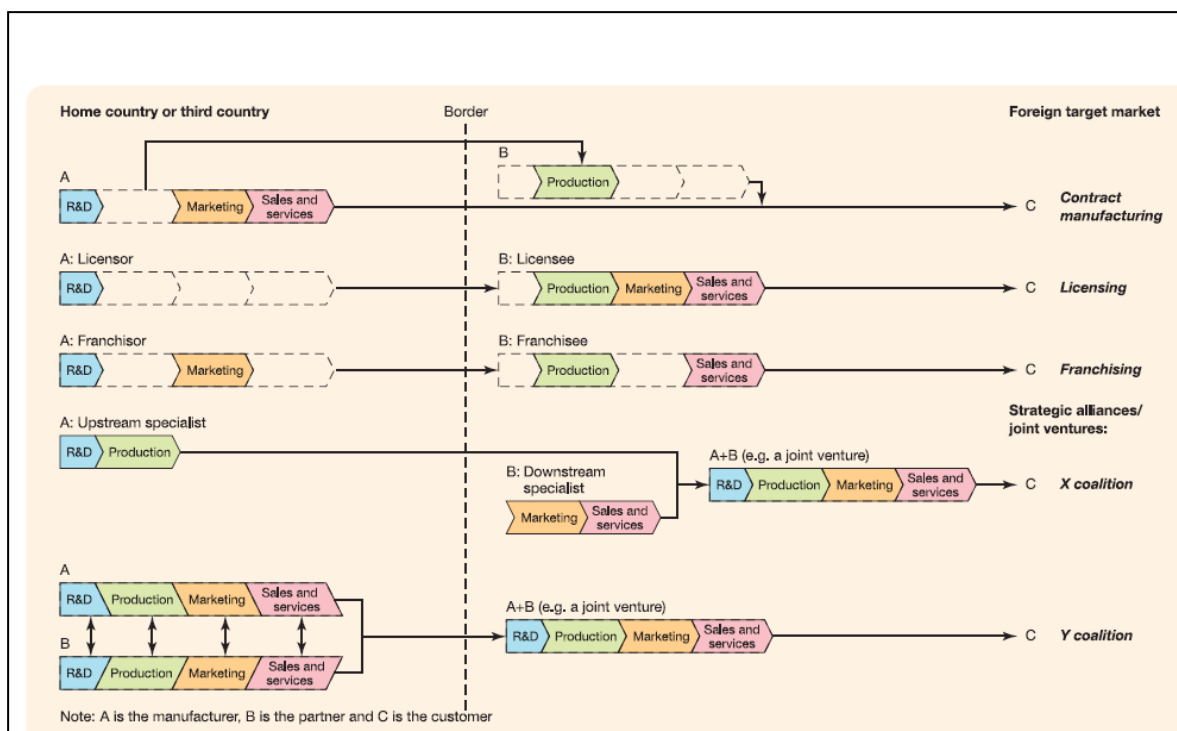


Figure 10: Intermediate Modes (Hollensen, 2011, p. 357)

*“Franchising is a system of marketing goods and/or services and/or technology, which is based upon a close and ongoing collaboration between legally and financially separate and independent undertakings, the Franchisor and its individual Franchisees, whereby the Franchisor grants its individual Franchisee the right, and imposes the obligation, to conduct a business in accordance with the Franchisor’s concept” (EFF, 2003).*

In this definition, the role of the franchisor and franchisee is also explained. The Franchise Agreement draws the lines of legal issues, which are related to the franchisor and franchisee business partnership (Quigley, 1997).

### **3.3 Types of Franchising**

Franchising has two types, which are traditional (or product trade name) franchising and business format franchising. In recent years, a new type of franchising has emerged, which is called social franchising (Franchises, 2014).

#### **3.3.1 Traditional Franchising**

In Traditional Franchising, the franchisor produces the products and the franchisee is responsible for the distribution of these products (Lafontaine & Shaw, 1998). The examples of this kind of franchising include car dealers (Toyota), gasoline stations (Shell), and soft-drink bottlers (Pepsi) (Martín-Herrán, et al., 2011). These systems belong to the first generation of the franchising history.

#### **3.3.2 Business Format Franchising**

In Business Format Franchising, the franchisee is responsible for the whole business system from production to distribution (Lafontaine & Shaw, 1998). Well-known examples of business format franchising are fast food restaurants (McDonald’s, Pizza Hut, Taco Bell), hotels (Marriott Hotels), real estate agents (RE/MAX), and convenience stores (7-Eleven) (Lindblom & Tikkanen, 2010, p. 180). These are known as second-generation franchising systems.

### 3.3.3 Social Franchising

Social franchising is a new type of franchising, whose awareness is rather low in the industry. Traditional and business format franchising can be classified as commercial franchising. Social franchising differs from commercial franchising. Social franchising activities are done only for the achievement of social goals. Nongovernmental organizations can expand their business with social franchising (Sivakumar & Schoormans, 2011).

The European Social Franchising Network (ESFN) is established as a communication platform for the social franchise business; this network aims to create the possibility to share knowledge between social enterprises (Bartillsson, 2012). The most successful social franchise systems in Europe are Le Mat, Villa Vågen ut!, Cap Supermarkets. All these three social enterprises recruit people with learning difficulties (Richardson & Berelowitz, 2012).

## 3.4 Forms of Franchising

There are two forms of franchising, direct and indirect franchising (Figure 11). The direct franchising has the advantage of having a direct access to local resources, whereas indirect franchising has the disadvantage that monitoring and controlling of a franchisee becomes more difficult (Welsh, et al., 2006).

### 3.4.1 Direct Franchising

In the direct franchising, the franchisor is contacted directly by the franchisees. There are two distinct types of direct franchising based on ownership, namely single-unit and multiple-unit franchising. In a franchise relationship, the owner of a single-unit outlet within the franchise system is only allowed to run this single unit and not more (Garg, et al., 2005). Multi-unit franchising is responsible for the operation of more than one outlet. (Kaufmann & Dant, 1996).

### 3.4.2 Indirect Franchising

Master Franchising is a type of indirect franchising, where the franchisor operations are controlled by the master franchisor in a host market. The master franchisor has the right to sell unit franchises in a specific region.



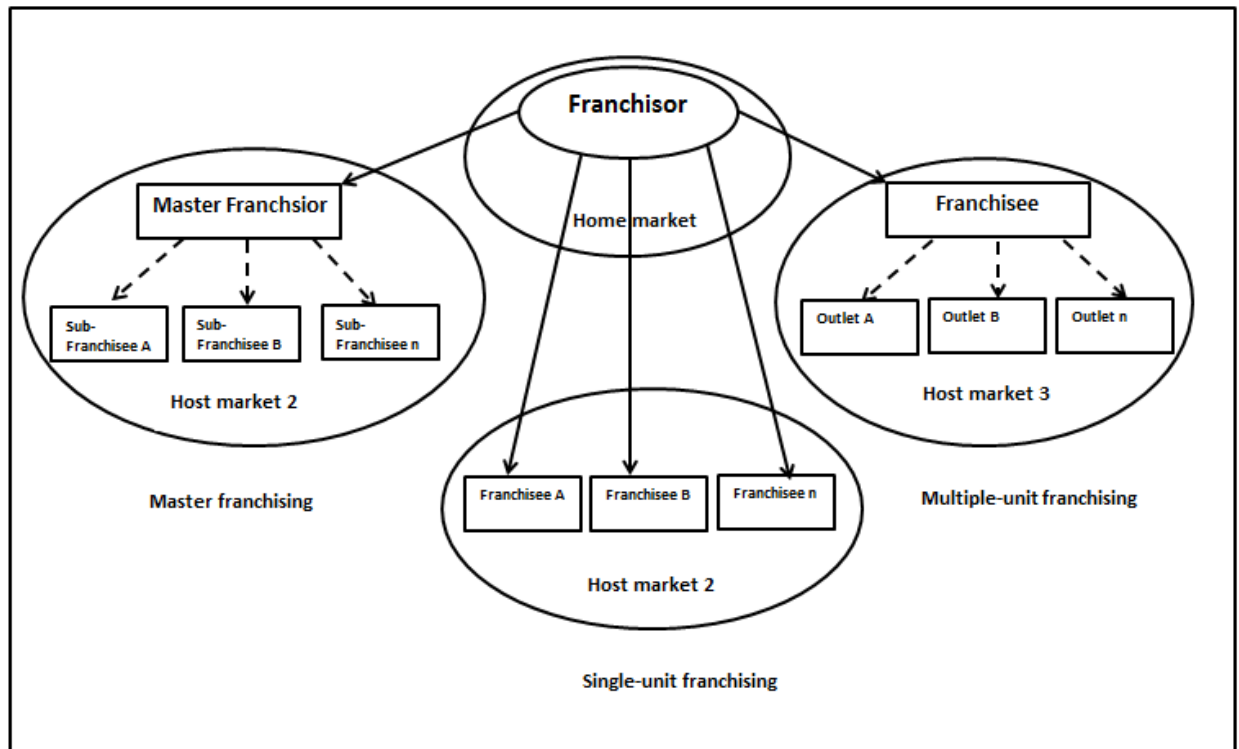


Figure 11: Structure of Direct and Indirect Franchising (Tuunanen, et al., 2011, p. 48)

### 3.5 International Franchising

Before making international expansion strategy, franchisors should take into consideration many factors such as the differences in culture, legal system, governmental issues, look for the proper location, control the quality of production and how the financial system works. After evaluating those factors, a proper strategy can be implemented (Sherman, 2004).

### 3.6 Theories of Franchising

Resource scarcity and agency theory explain the reasons why firms choose franchising.

#### 3.6.1 Resource Scarcity Theory

According to Oxenfeldt and Kelly, firms can expand rapidly with franchise systems by overcoming the financial and managerial resource scarcity problem. In the early phases of the firms, it is difficult to grow with existing firm capital and know-how. As a whole, firms prefer to franchise when it is not possible to achieve economies of scale with their own resources (Oxenfeldt & Kelly, 1968–1969).

Furthermore, Norton argued that the franchisor requires good managers and talented workers, therefore they franchise (Norton, 1988). According to Minkler, to be able to access local market information, the firms need to franchise to hire managers who have local know-how (Minkler, 1990).

The biggest criticism of the Resource Scarcity theory is that companies continue to grow with franchise although they have a lot of resources. The Resource Scarcity Theory is not able to explain additional benefits for the franchisor (Bernardo, 2012). Therefore, it is beneficial to have a look at the second important theory, the Agency Theory.

### 3.6.2 Agency Theory

Advocates of Agency Theory stated that the franchisee's motivation is the most important reason to engage in a franchise contract. According to Brickley, franchising system is a solution to the principal-agent problem. The Principal is the entity, who hires an agent. The Agent acts based on the principal's interest (Work Chron, 2014). In the franchising context, the agent is the franchisee and the principal is the franchisor. However, the principal-agency relationship can have some problems. The agents behave according to their self-interest, therefore principals are not sure if the agents take care of their interests (Eisenhardt, 1989). The problem occurs mostly due to asymmetric information. Therefore, the principal (franchisor) should control the agent's (franchisee's) activities, to make sure that he behaves according to the principal's interest. These controlling task costs time and money for the franchisor. Based on the Agency Theory, these costs could be reduced by the franchising agreement, which provides benefits for both parties (Brickley, et al., 1991).

According to literature, franchising can cause two types of problems, vertical and horizontal.

- Vertical agency problem: There is always a potential for opportunistic behavior for franchisor and franchisees. Franchisor can choose the location of new franchisee near to another franchisee's outlet. On the other hand, franchisees create difficulties, if they are not paying regular

royalties and not obeying the quality requirements (Storholm & Scheuing, 1994). In order to avoid the vertical agency problem, franchisee agreement should provide incentives for both parts and decrease opportunism (Combs, et al., 2004).

- *Horizontal agency*: Another issue is that there is a possibility that franchisee will not ensure the necessary requirements for its outlet. It is required, that in every outlet the product of the same quality is used, which is important for the image of franchise. For instance, every outlet has a minimum requirement regarding cleanliness. When the franchising system benefits from brand reputation, some standards are necessary. Buying low quality products could be another example for horizontal agency problem (Brickley & Dark, 1987).

These two theories have contributed to the franchising literature, but they do not explain all the reasons why the firms franchise (Rondan-Cataluña, et al., 2012).

### **3.7 Reasons for Franchising**

Besides these two theories, there are additional reasons from the franchisor and franchisee's perspective, which help us to understand their motivation for franchise.

#### **3.7.1 Franchisor Perspective**

Sherman summarized the factors to select franchising as a growth strategy. It is a rapid way to penetrate both domestic and global markets (Sherman, 2004).

Compared to the other market entry modes, such as licensing, franchising enables a high degree of control over the franchisee (Hollensen, 2011). Franchisor invests a small amount of money to grow their business, since the franchisee is responsible for the initial investment. By enlarging network with different franchisees, franchisor can increase their market coverage (Mendelsohn, 2004).

It enables economy of scale. By displaying different franchise outlets in many locations you improve the brand awareness in the consumer's mind (Sherman, 2004).

### 3.7.2 Franchisee Perspective

From the franchisee perspective, there is a lower risk of failing by using a proven concept and name. Franchisee can benefit from the reputation of the franchisor in the industry (Baron & Schmidt, 1991). Moreover, franchisor provides support for many activities, which can guarantee the success.

Franchisee can also benefit from the procurement power of the franchisor, because franchisors are usually purchasing for the whole franchisee network, which gives a negotiation power to get discounts, usually not possible for the individual purchaser. Furthermore, the banks offer lower interest rates for the loans, since they are using a successful business plan and therefore incur lower risk. Franchisee can have easier access to the market (Mendelsohn, 2004).

Franchisees can increase their knowledge of the industry by attending trainings from the franchisor (Business Link, 2014).

## 3.8 Problems of Franchising

In every business relationship, firms face some problems. Conflicts can occur between the franchisor and franchisee within their business relationship. There are ten areas from where the conflicts usually arise (Table 4).

<b>Ten Areas of Conflict Between Franchisor and Franchisee</b>
Franchise Recruiting
Site Selection and Territorial Rights
Accounting Practices and Procedures
Misuse of Advertising Funds
Supervision and Support
Quality Control
Unequal Treatment
Transfers by Franchisees
Training for Franchisor's Management and Sales Team
Documentation

**Table 4: Ten Areas of Conflict between Franchisor and Franchisee (Sherman, 2004, pp. 162-169)**

The recruitment of true franchisee is very crucial. They should have enough financial resources and a high level of commitment. The franchisor should support the franchisee in order to select optimum location for a new outlet. If the franchisor is in a rapid growth period, territorial rights help to protect franchisee from the situations that a new outlet will be opened just nearby, which can cause a decrease in the number of customers. The franchisor and franchisee should agree on the financial reporting issues, which give an outlook about the economic performance of the franchisee and also provide control to get the fees paid regularly. Franchisor should check all the reports and warn the franchisee in time, in case the reports are not prepared properly and regularly (Sherman, 2004).

Franchisees mostly pay an advertising fee to franchisors. Sometimes franchisors are using these fees not only for promotion purposes, but also for operating expenses, which cause problems between the two parties. Supervision and continuous support to franchisees improve this commercial relationship, which enables high commitment of franchisees. Insufficient support causes communication problems between the two parties. Franchisor should protect its business format and image by checking the quality of the goods sold by franchisees. Sometimes franchisees could offer some discounts to the customers without any permission of the franchisor. Such unauthorized promotions or low quality products will harm the reputation of the franchisor (Sherman, 2004).

Franchisors should behave in a fair way to all franchisees. Unequal treatment destroys the trust of franchisees and decreases their motivation as well. If the franchisee wants to sell their outlet to a third party, firstly franchisor should approve the purchase by evaluation of the criterias of the third party. Responsible salespeople of the franchisor should get proper training in order to sell in an ethical way and avoid the principal-agent problem. The documentation of all conversations and meetings is important, especially when problems arise. The franchisor can benefit from those recordings to solve the conflicts (Sherman, 2004).

It is advantageous for franchisor and franchisees to solve the conflicts at an early stage, before it becomes a big problem which could lead to litigation (Sherman, 2004).

According to Hollensen (2008), there are two key factors to having a successful partnership in the franchising system. The first one is “the integrity of the whole business system”, which means that the franchisee should integrate the franchisor’s proven business concept and the franchisor should ease the integration process by providing enough support. The second one is “the capacity for renewal of the business system”, which shows the innovation power from franchisees. Since they are in close contact with the customers, they can understand their needs better and suggest product innovations to the franchisor, if there is trust between the franchisor and the franchisee.

### **3.9 CSR in Franchising**

Franchising firms have to gain competitive advantage. According to Porter and Kramer, the firm will gain sufficient advantage when using its resources in social activities (Porter & Kramer, 2006). Nowadays, the firms perform business activities with some concerns about the future. Engaging different corporate social responsibility activities for the entire society helps to reduce these future concerns.

However, CSR in Franchising is not examined by scholars to a great extent. Some groups of scholars evaluated franchising as a utility to society (Elango & Fried, 1997). For instance, the International Franchise Association reported that franchise businesses create job opportunities faster than any other businesses. There is an 1.9% of increase in the number of jobs, which were offered by the new establishments of franchise businesses (IHS Global Insight, 2012).

There are two papers which examine the CSR in Franchising. Kaufmann researched the CSR and Franchising subject in the U.S. (Kaufmann, et al., 2008), and Meiseberg and Ehrmann conducted a study in Germany (Meiseberg & Ehrmann, 2012).

Kaufmann’s findings confirmed that less than 30% of the franchisors engage themselves in CSR. They stated two factors which affect CSR involvement of

franchisors, namely the number of company owned units and total investment (Kaufmann, et al., 2008). Meiseberg and Ehrmann wrote that there are differences in CSR involvement in corporate firms and franchising chains (Meiseberg & Ehrmann, 2012).

The emergence of social franchising can be seen as a step to CSR as well. Even though social franchising is new in the industry, based on the ESNF Report, there are 63 social franchises in 12 countries in Europe, the majority of which (31) are in the UK and 11 in Germany. The activities of social franchisees range from environmental to health and social care area (Bartilsson, 2012). Le Mat Hotel in Italy is a good example for social franchising. Five entrepreneurs opened Le Mat hotel in 1995, with the aim to create jobs for the people, who are excluded from the labor market, such as people with mental problems. Nowadays, they are operating 10 different franchise units in Italy and Sweden (Bartilsson, 2012).

There are many examples of CSR activities of franchising systems in the world. I introduce one practice from the U.S, Germany and Austria.

Subway is among the 10 global franchises in the world. They have 26,600 outlets in the U.S. market only. They involved various CSR activities about nutrition and production process. They reduced the amount of salt in their sandwiches and they also promised to remove harmful chemical stuff from their bread. They are trying to be sustainable with their production process by reducing carbon emissions (Franchise Direct, 2014).

McDonald's is another giant in the franchising sector. It has 1468 outlets in Germany (Mc Donald's, 2014). For more than 27 years, they have been helping ill children and supporting their families with the "Ronald McDonald House" initiative. It offers a place to stay if the child stays in the hospital and aims at a fast recovery for children with the support of their families (The German Heart Centre, 2014).

Allianz is among the best 20 franchisors in Austria. They support the handicapped children in special olympics participation. They also announced a new social engagement project, which supports the production of the first

austrian paralympic song, whose name is “Grenzenlos” (Allianz Global Assistance, 2014).

### 3.10 Franchising in Austria

After international franchise systems entered the Austrian market, the importance of franchise industry increased in Austria. Compared to the U.S. market, the development is rather slow in the Austrian market. At the beginning of the 1990s, there were many local franchise systems in the market already (Tietz & Mathieu, 1979). Due to a rise in the number of systems with local origin, there was a boom in the franchise industry in Austria between 1990 and 2000. Moreover, the European Union membership provides many business opportunities for local and international investors. After 1993, the franchise systems from Germany started to enter the Austrian market, since the language and business culture is similar; the expansion was not so complicated (Glatz & Chan, 1999).

At the end of 2012, there were 445 business systems with 7,150 franchise partners, which operated 8,720 outlets and have 66,000 employees in Austria (AFA, 2013).

The majority of the franchise systems originate in the Austrian market. 29% of all the franchise systems come from Germany. 11% come from other European countries. 6% come from US and only 3% are from other countries. Figure 12 shows the distribution of origin (AFA, 2013).

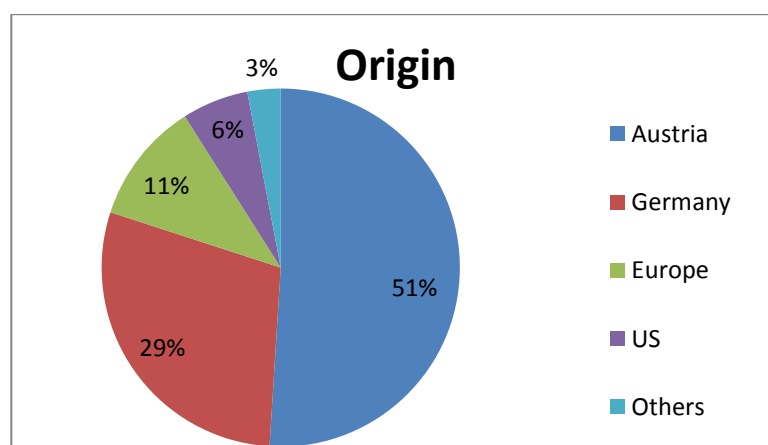
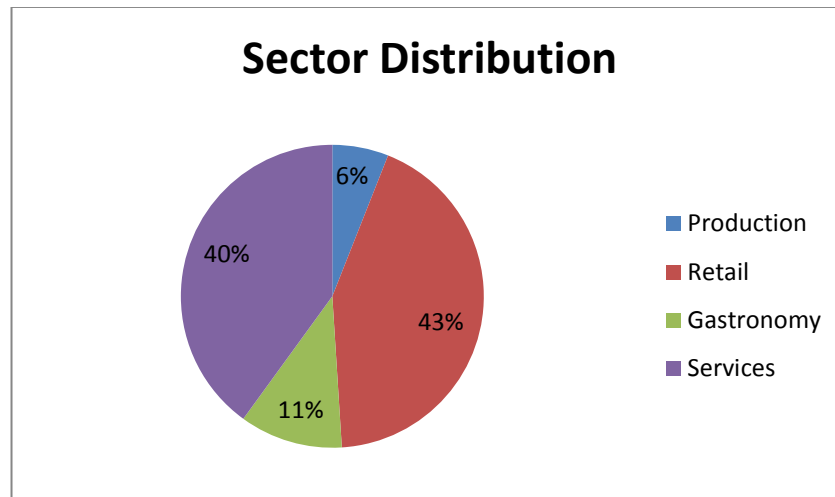


Figure 12: Origin of Franchising Chains in Austria (AFA, 2013)

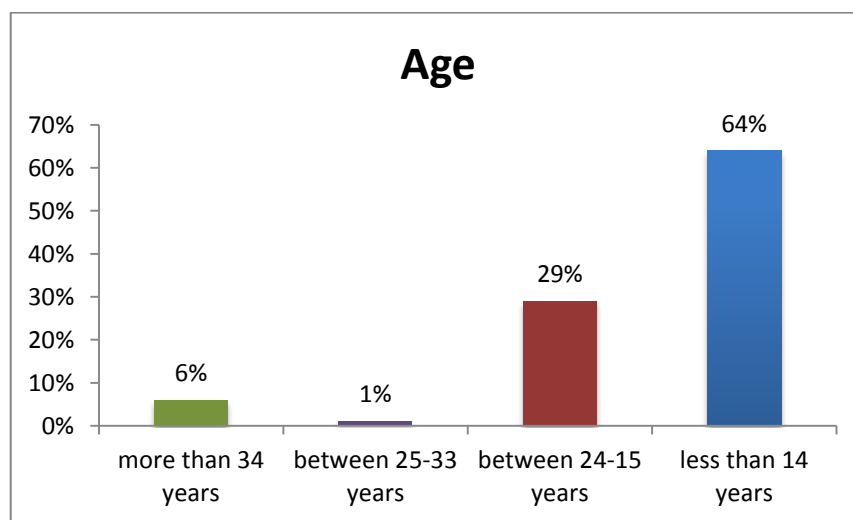


43% of the franchise systems in Austria are in retail sector and 40% of the franchise systems do services business. Gastronomy sector counts 11% of the all systems. Only 6% of the systems are in production industry. Figure 13 shows a graphical illustration (AFA, 2013).



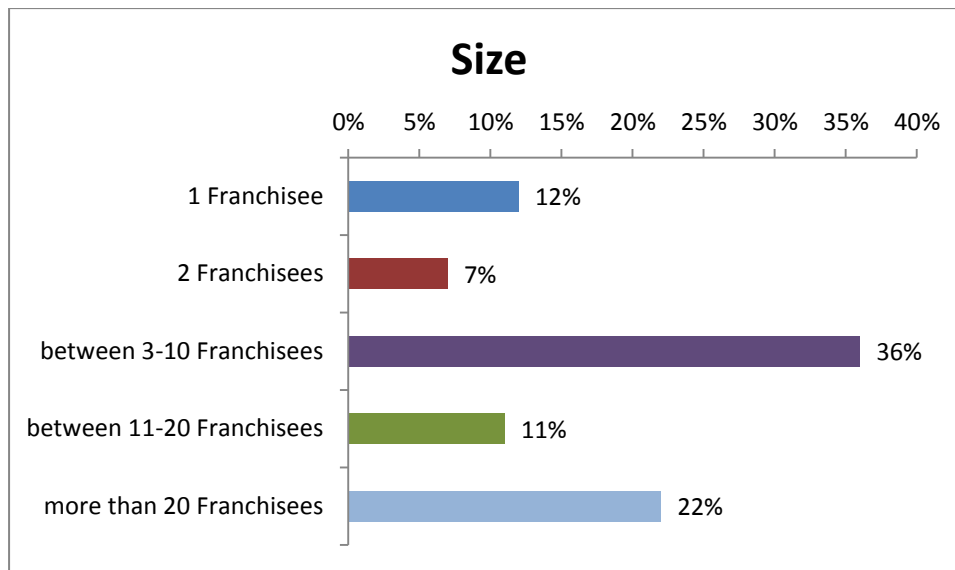
**Figure 13: Sector Distribution of Franchising Chains in Austria (AFA, 2013)**

The majority of the franchising chains started their business after 2000. The detailed age structure of the franchising chains is illustrated in Figure 14.



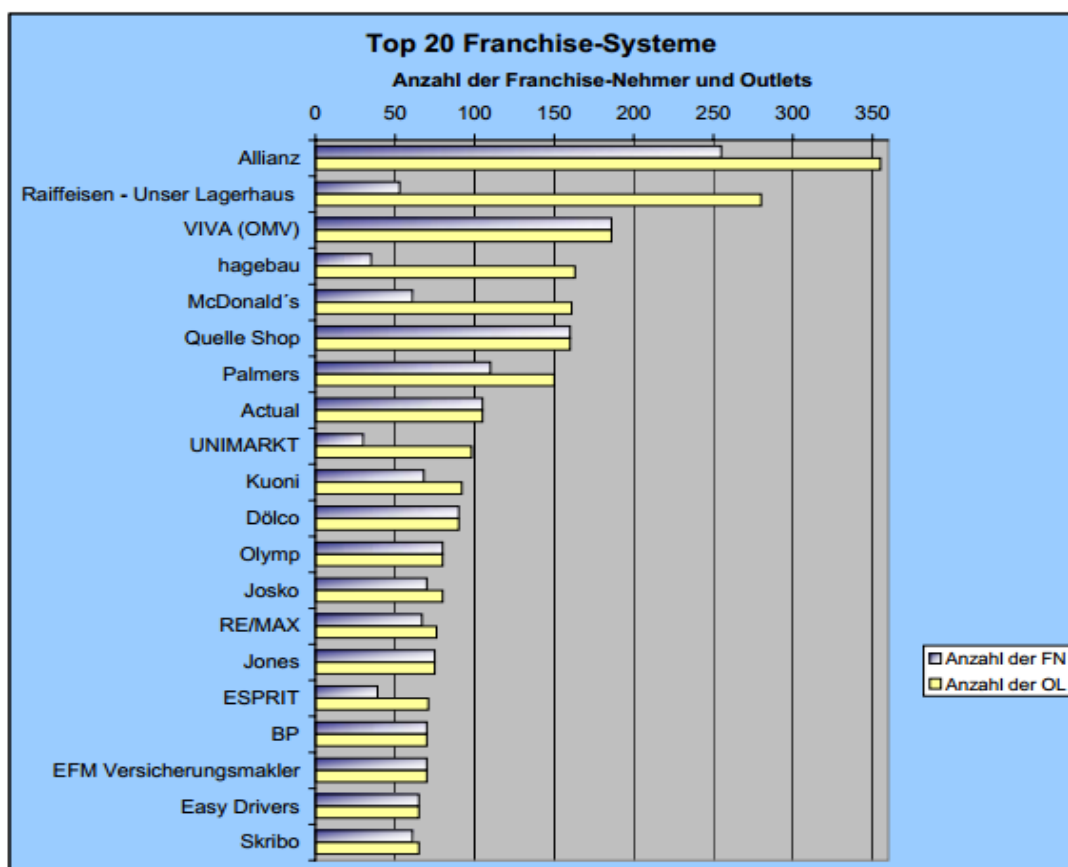
**Figure 14: Age of Franchising Chains in Austria (AFA, 2013)**

There is a different number of franchisee for every system. The detailed graph shows the situation in Austria (Figure 15).



**Figure 15: Number of Franchisee (AFA, 2013)**

The following Figure 16 illustrates the top 20 franchise systems in Austria. The ranking is based on the number of outlets owned by franchise systems.



**Figure 16: Top 20 Franchise Systems in Austria (AFA, 2007)**

### 3.10.1 Austrian Franchise Association

The Austrian Franchise Association (AFA) was established in 1986 as an initiative of the European Franchise Federation (EFF). For 28 years, AFA has been working for the development of franchise business in Austria. The aim of AFA is to provide an information platform for the franchise industry and to create a network between franchisors, franchisees as well as with the experts in legal and consulting areas in franchise industry. AFA has more than 300 members from different sectors (AFA, 2014).

## 4 Methodology

The following part focuses on the empirical framework of the research study. First, there is detailed information about the research design, where the questionnaire, sample and data collection and response rate are explained. Afterwards hypotheses are presented. Measurement of all variables is explained and finally, findings are presented.

### 4.1 Research Design

This is a primary research study, where an online questionnaire is created to test all hypotheses. The questionnaire has been prepared by Prof. Dr. Josef Windsperger and Dr. Christin Keinert-Kisin. During the pre-test phase, opinions of experts have been obtained and afterwards adjustments have been made in the questionnaire based on the outcome from the pre-test.

The questionnaire is created on the Sosci Survey Online Questionnaire Platform<sup>2</sup>. The final version was sent via email to the franchise systems in Austria. The list of the franchise systems was obtained through AFA. 311 contact people from 254 different franchise systems are recorded in the list.

#### 4.1.1 Questionnaire

The questionnaire consists of six parts and it takes approximately thirty minutes to answer the questions. There are open and closed questions in the questionnaire. The Seven Points Likert Scale has been used. In the first part, there are questions about the franchise brand name, knowledge, behavioral and environmental uncertainty, trust and intensity of competition. It is followed by exploration and exploitation capabilities of the franchises (Gorovaia & Windsperger, 2013). In the second part, there are statements about corporate social responsibility drivers and respondents have to answer several items, which refer to distinct categories of CSR drivers. In the third part, the questions are aimed at centralized-decentralized decision-making process of franchises. The fourth part covers the questions about the perceived performance of the franchise firms. The fifth part covers the topics about the franchisor contract. In

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<sup>2</sup> <https://www.soscisurvey.de/>

the final part, all related information such as sector, size, franchiser fee, number of outlets, training days are asked. The questionnaire is available in Appendix 1.

#### 4.1.2 Sample and Data Collection

In total, the link to the questionnaire has been sent to 311 franchisors in Austria via email. The online document of the questionnaire was also available to download for the franchisors on the web page of the International Management Department of University of Vienna.<sup>3</sup>

In order to get a better response rate, we tried different types of follow-up techniques (Zikmund & Babin, 2010). After three weeks, a reminder email was sent to them. After another three weeks, the questionnaire was printed out and sent out by post. Moreover, the firms who did not respond were contacted by phone. The data collection started on 14 February and finished on 14 May 2014.

During phone calls, we realized that 31 franchisors from our sample are not franchisors anymore. Therefore, our true sample size is 280. 47 respondents answered the questionnaire fully. Table 5 summarizes the most important information about research design.

Summary of Research Design	
<b>Research Method</b>	Primary
<b>Data Collection</b>	Quantitative (online, email, paper survey)
<b>Sample</b>	280 franchisor
<b>Response Rate</b>	16,7%
<b>Country</b>	Austria
<b>Time Period</b>	14.02.2014-14.05.2014

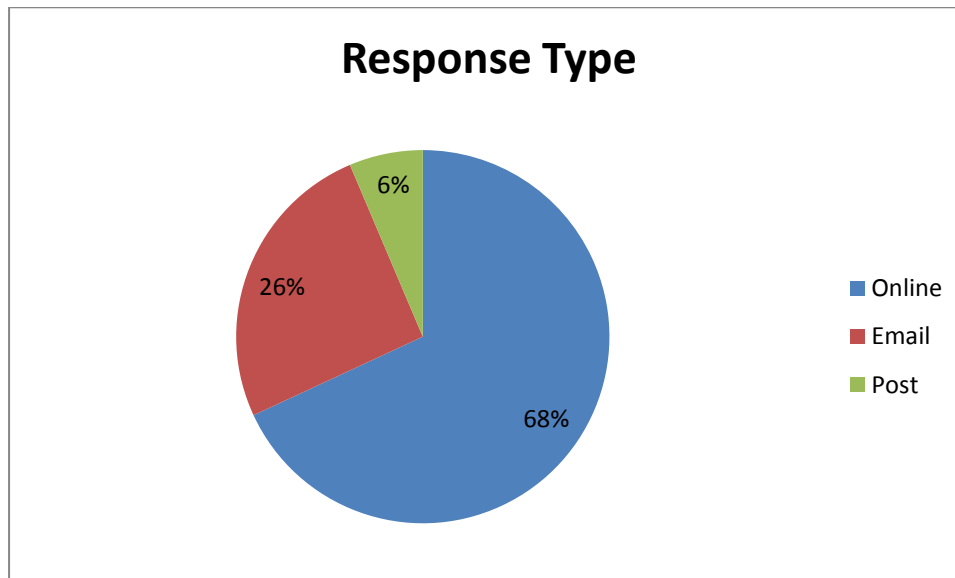
Table 5: Summary of Research Design

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<sup>3</sup> [http://im.univie.ac.at/windsperger/news/?no\\_cache=1](http://im.univie.ac.at/windsperger/news/?no_cache=1)

#### 4.1.3 Response Rate

In the end the response rate was 16.7%. 32 of the questionnaires were completed via an online survey link, 12 of them sent by traditional mail, and 3 of them sent via email (Figure 16). The speed of data collection is faster in the online surveys compared to mail surveys (Zikmund & Babin, 2010).



**Figure 17: Response Type**

There are two types of respondent error in the surveys, non-response error and response bias. In this study, there were issues with non-respondents. "People who are not contacted or who refuse to cooperate are called non-respondents" (Zikmund & Babin, 2010, p. 193). In this study, there were 12 respondents who were not willing to answer the questionnaire due to several reasons (no time, company policy etc.) and 16 respondents on the list were no longer employees of the respective franchise company. Furthermore, the delivery of the mail questionnaire failed in case of 14 addresses (Table 6).

Sample Size=280	Response	Undeliverable	Refusal
Number	47	30	12
Rate	16,7%	10,7%	4,2%

**Table 6: Overview about Responses**

The cover letter in the introduction and support of AFA should raise the response rate (Yammarino, et al., 2011). Furthermore, the option of an online questionnaire enables to get responses faster. Besides response rate, response quality is also important. Response quality is related to the number of non-response items, the unanswered questions and the variety of responses for open-ended questions (Hoonakker & Carayon, 2009). The unanswered items are very rare in this study and respondents gave relatively long answers for the open-ended questions. The possibility to stay anonymous increased our response rate as well, as anonymity is supposed to increase response rate according to the literature (Andreasen, 1970). 8 of the respondents preferred to stay anonymous.

Even though there is a trend of decreasing response rate in organizational research (Baruch & Holtom, 2008), we reached a 16.7% response rate.

## **4.2 Hypotheses**

The effect of the CSR on the firm's performance is evaluated in two ways, namely short-run financial impact and long-term performance effects. The empirical studies, which research relationships on the short run impact on the performance found inconsistent results. A positive relationship is found by Posnikoff, whereas Wright and Ferris reported a negative relationship. Besides, some of the researchers found a positive and others found a negative relationship of CSR on the long-term performance effects (McWilliams & Siegel, 2001).

There is no evidence that social responsibility causes better financial performance or that more financial investments enable one to engage more in social responsibility. The direction of the causality is unknown (Waddock & Graves, 1997).

The main research question is:

**“Do CSR activities have an impact on the Franchisor's performance in Austria?”**

Based on Marrewijk and Werre's 5 ambition levels of CS (Marrewijk, 2003) and Pirsch CSR Continuum, we want to examine if the direction of this relationship differs within the different types of CSR activities. There are two types of CSR activities, namely Promotional and Institutional. Previous studies found out that consumers are able to differentiate between promotional and institutional CSR activities. Institutional CSR activities increase the level of consumer loyalty and intention to purchase. On the other hand, consumer perception of promotional CSR activities is that it is done only for marketing purposes and not necessarily for the well-being of the society (Pirsch, et al., 2007). Therefore, we expected negative relationship with promotional activities and positive relationship with institutional CSR activities.

The first hypothesis:

***H1: Promotional CSR activities are negatively related to franchisors performance.***

The second hypothesis:

***H2: Institutional CSR activities are positively related to franchisors performance.***

### 4.3 Measurement

To test the hypotheses, franchisor's performance was used as a dependent variable. Promotional CSR and Institutional CSR are independent variables. Country of Origin and sector of the franchise systems were used as control variables. The summary of all the measures is available in the Appendix 2.1.

#### 4.3.1 Dependent Variable

**Performance** was measured by the sum of seven items (Table 7).

System growth	Saving in control costs
Reduction in costs	Efficient coordination between headquarter and local outlets
Increase in yields	Better quality of product and services
Saving in coordination	

**Table 7: Measurement for Performance (Gorovaia & Windsperger, 2013, p. 187)**



The first four items show static efficiency and the last three items show dynamic efficiency. The Seven-point Likert Scale has been used, where the range varies from worse than planned (1) to better than planned (7). Respondents asked to evaluate to what extent they reached their aims in the last three years. The three-year period has been chosen in order to see long-term effects. Details of the performance measure are available in the Appendix 2.1.

#### 4.3.2 Independent Variables

Even though CSR has been used for a long time as unidimensional measure, many scholars operationalized CSR as a multidimensional measure. In this study, CSR consists of two dimensions (Waddock & Graves, 1997); promotional and institutional CSR.

**Promotional CSR** was measured by fifteen different items with two distinct ambition levels based on Marrewijk and Werre's CS Model (Marrewijk, 2003). The two sub-categories are compliance and profit.

**Institutional CSR** was measured by nine different items with three distinct ambition levels based on Marrewijk and Werre's CS Model (Marrewijk, 2003). The two sub-categories are caring, synergistic and holistic.

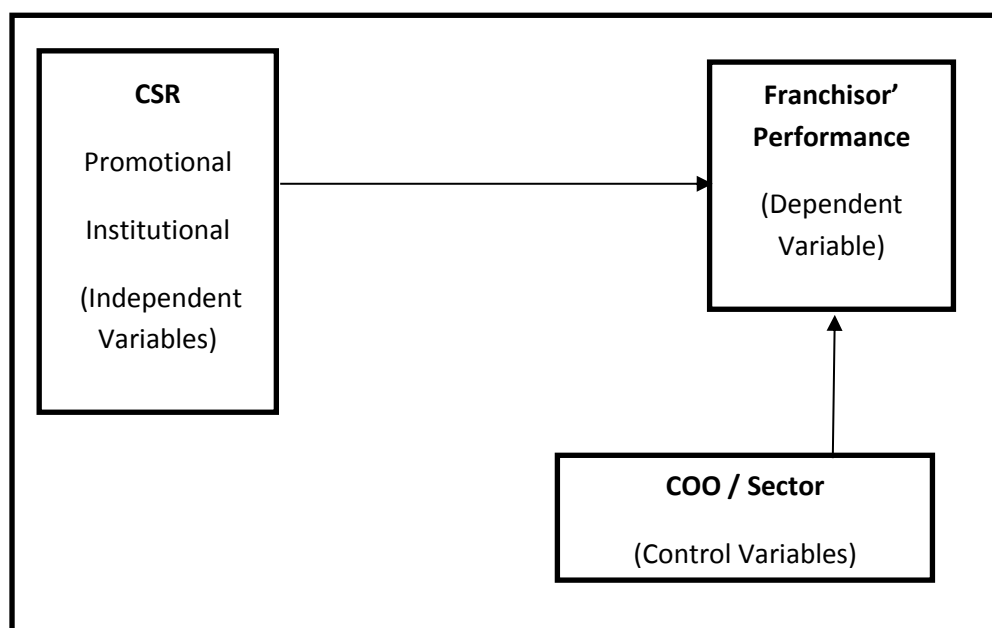
Seven-point Likert Scale has been used, where the range starts with strongly disagree (1) and ends with strongly agree (7). Respondents were required to give answers from the franchisor's perspective. Details of CSR measures are available in the Appendix 2.1.

#### 4.3.3 Control Variables

**Country of Origin** is measured according to the origin of the franchising system, where the firm is operating. Multinational firms can increase their knowledge about the local market by engaging CSR activities (Strike, et al., 2006). These different international origins of the franchisors could make a difference in the performance. Existing literature supports the idea that the firms who have internationalized have better performance, because of international expansion the firm should have enough resources and deliver high performance (Annavarjula & Beldona, 2000).

**Sectors** are classified by product, services, retail and social franchising. Every industry has different environments. The industry type affects the performance of the firm (Elsayed & Paton, 2007). Moreover, recent evidence suggests that the industry as a confounding variable between corporate social and corporate financial performance (van Beurden & Gossling, 2008). Newby and Smith (1999) get contradictory results between two different industries for the organizational action and performance. Details of all control variables are available in Appendix 2.1.

The research framework is illustrated in Figure 18.



**Figure 18: Research Framework**

## 4.4 Results

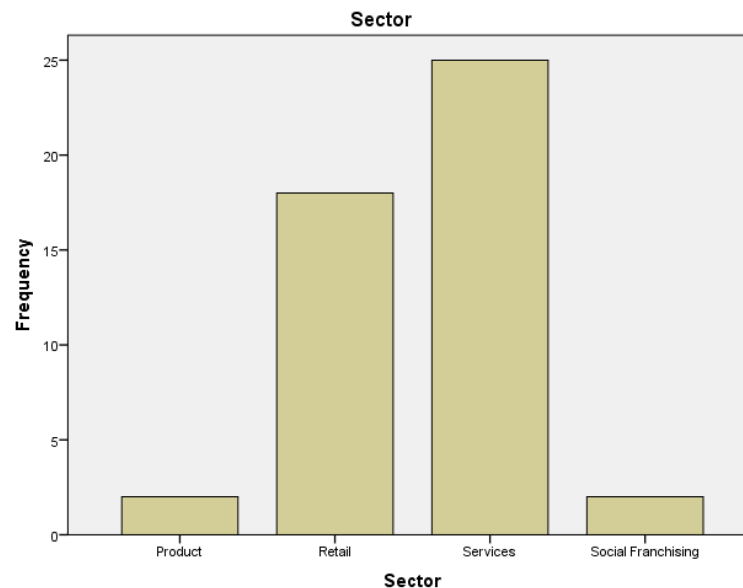
### 4.4.1 Descriptive Statistics

Table 8 shows the output of descriptive statistics. There are 47 franchisors and they have 28 franchisees on average. The average size of the franchisor is 72 outlets, where 17 outlets are owned by the company and 55 outlets are owned by the franchise on average. The average age of the systems is 18 years. Contracts are signed for 6 years. The average number of employees is 42.

Descriptive Statistics			
	N	Mean	Std. Deviation
Number of Franchisee	41	27,71	27,702
Number of company owned outlets	45	16,73	33,061
Number of franchise owned outlets	45	54,76	158,197
Age of the system	41	18,22	16,445
Size of the system	45	71,49	159,868
Initial Investment	16	251625,00	409962,092
Term of contract	39	6,18	3,478
Number of employees	46	41,87	94,896
Valid N (listwise)	12		

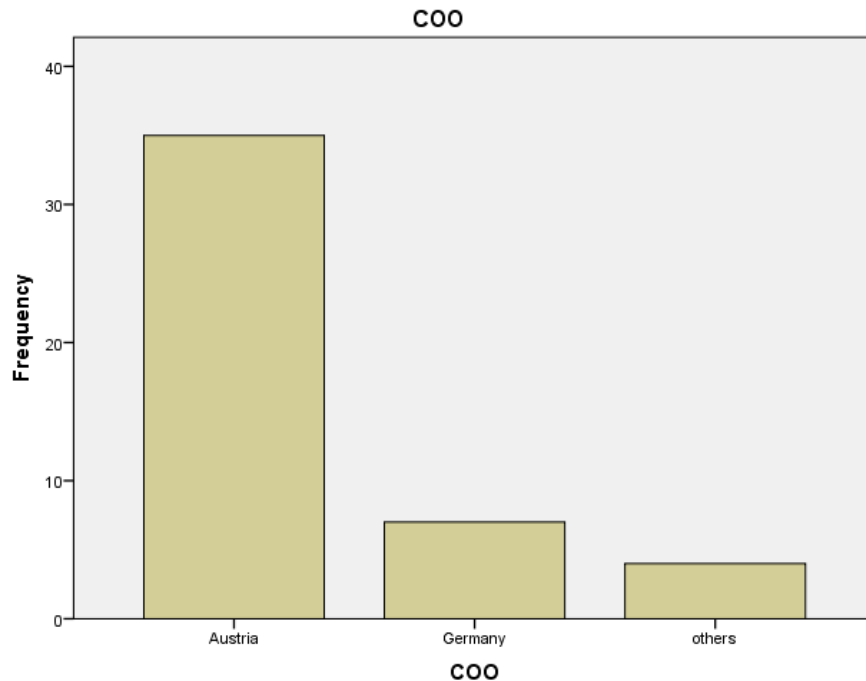
**Table 8: Descriptive Statistics**

53% of the franchise systems are from the services sector, 38% of from retail and the rest from product and social franchising (Figure 19).



**Figure 19: Sector Distribution**

The majority (75%) of the franchise systems are local, which means they come from Austria. 15% of them come from Germany. The rest comes from USA, Bulgaria and Romania (Figure 20).



**Figure 20: Country of Origin**

#### 4.4.2 Reliability Check

Before proceeding to the test hypotheses, we have to check the construct equivalence of the composite measures. It is necessary to create composite measures for promotional CSR, institutional CSR and Performance. First, the internal consistency of composite measures is controlled through Cronbach's correlation coefficient Alpha. The scores should be greater than 0.7, since lower scores indicate that the scale is not reliable (Field, 2013). Table 9 shows the results of the Cronbach's Alpha Test for each variable. All the scores are above 0.7, which means our scale is reliable. Detailed item-statistics are available in Appendix 2.2.

Variable	Cronbach's Alpha	Number of Items
Promotional CSR	0.846	15
Institutional CSR	0.905	9
Performance	0.807	7

**Table 9: Reliability Statistics**

The second step is to run a Factor Analysis, to see if it is possible to combine related items into the composite measures for promotional CSR, institutional CSR and Performance.

A principle component analysis was conducted on the 15 promotional CSR items. The Kaiser-Mayer Olkin Criterion was 0.705 and verified sampling adequacy; the Barlett's Test of sphericity value was significant ( $p < .05$ ), which shows validity. Applying the Kaiser's criterion, 4 factors with Eigenvalues  $> 1$  were retained. Communality means "the proportion of a variable's variance that is common variance" (Field, 2013, p. 872). Communalities should be as close to 1 as possible. There is one item whose communality scores below 0.5. There were two subcategories (compliance and profit) of the promotional CSR. Statistical tests found out four subcategories. Since the reliability check and the results of the validity check are satisfying, we did not extract any items. The output of the Principal Component Analysis for Promotional CSR is available in Appendix 2.2.

A principle component analysis was conducted on the 9 Institutional CSR items. The Kaiser-Mayer Olkin Criterion was 0.863 and verified sampling adequacy; the Barlett's Test of sphericity value was significant ( $p < .05$ ), which shows validity. Applying the Kaiser's criterion, 1 factors with Eigenvalues  $> 1$  were retained. There are three items whose communality scores below 0.5, but with very little difference. There were three subcategories (caring, synergistic and holistic) for this variable, whereas the statistical test found out only one category. We did not extract any item due to a high level of reliability of our measure. The output of the Principal Component Analysis for Institutional CSR is available in Appendix 2.2.

A principle component analysis was conducted on the 7 Performance items. The Kaiser-Mayer Olkin Criterion was 0.731 and verified sampling adequacy; the Barlett's Test of sphericity value was significant ( $p < .05$ ), which shows validity. Applying the Kaiser's criterion, 2 factors with Eigenvalues  $> 1$  were retained. There is one item, whose communality scores below 0.5. The measurement of the performance scale has two subcategories (static and

dynamic efficiency). The output of the Principal Component Analysis for Performance is available in Appendix 2.2.

The results of the Principal Component Analysis showed that composite measures for promotional CSR, institutional CSR and Performance are possible.

#### 4.4.3 Bivariate Correlation

In order to test the first and the second hypothesis, bivariate correlation test run, because we are searching for the relationship between the performance and two types of CSR and they are both metric variables. After checking the reliability of variables, the composite measure for our dependent and independent variables are calculated. Afterwards, the assumptions are controlled. The assumptions for bivariate correlation are the linearity and normality (Field, 2013). We check the normality assumption by using one sample Kolmogorov-Smirnov Test. Based on the results, the assumptions are met and our data is normally distributed. Therefore, we can continue with parametric tests (Appendix 2.2.). We run the Pearson Correlation test and look for test of significance two-tailed. Table 10 shows the output of Pearson's Correlation. The results are not significant ( $p > 0,05$ ). Therefore, we cannot comment on the correlation coefficient.

Correlations		Promotional_C SR	Performance
Promotional_CSR	Pearson Correlation	1	,234
	Sig. (2-tailed)		,117
	N	47	46
Performance	Pearson Correlation	,234	1
	Sig. (2-tailed)	,117	
	N	46	46

Table 10: Correlation Between Promotional CSR and Performance

Second, we looked for the relationship between institutional CSR and Performance. Table 11 shows the outputs of the tests. The output of Pearson Correlation shows significant results. Institutional CSR activities are positively related with Performance ( $r=0.334$ ,  $p<.05$ ). Coefficient is moderate (Field, 2013).

Correlations		Performance	Institutional_CS R
Performance	Pearson Correlation	1	,334 <sup>*</sup>
	Sig. (2-tailed)		,023
	N	46	46
Institutional_CSR	Pearson Correlation	,334 <sup>*</sup>	1
	Sig. (2-tailed)	,023	
	N	46	47

\*. Correlation is significant at the 0.05 level (2-tailed).

**Table 11: Correlation Between Institutional CSR and Performance**

#### 4.4.4 Multiple Regression

We want to continue with the Regression Analysis. To check the effects of control variables, Multiple Regression is necessary, because we have one dependent variable (Performance) and three predictor variables (Promotional/Institutional CSR, COO and Sector) (Field, 2013). COO and Sector are categorical variables. Therefore, it is necessary to create dummy variables for them.

Our first model estimation is:

$$\text{Performance} = \beta_0 + \beta_1 * \text{Promotional CSR} + \beta_2 \text{COO\_Dummy} + \beta_3 \text{Sector\_Dummy}$$

Our second model estimation is:

$$\text{Performance} = \beta_0 + \beta_1 * \text{Institutional CSR} + \beta_2 \text{COO\_Dummy} + \beta_3 \text{Sector\_Dummy}$$

The last estimation is:

$$\text{Performance} = \beta_0 + \beta_1 * \text{Promotional CSR} + \beta_2 * \text{Institutional CSR} + \beta_3 \text{COO\_Dummy} + \beta_4 \text{Sector\_Dummy}$$

For each predictor minimum 15 cases are necessary, since we have three predictor variables (Field, 2013). Our data set enables to run a multiple regression, because we have 47 respondents. Before running the Multiple Regression, we filtered the cases, where the origin of the firm was either Austria or Germany. Because of other countries there is a small number of cases in our data set, we cannot search for the relationship. Secondly, we filtered the cases based on their sector and took into consideration those firms, which are operating in either services or retail franchising. There are few firms, who are in product or social franchising. After filtering cases, we have 37 respondents, still we run Multiple Regression Test for two models by using enter and stepwise method.

The assumptions for Multiple Regression are non-multicollinearity and no autocorrelation. Multicollinearity exists, when the two predictor variables are strongly correlated with each other, which makes it difficult to understand which predictors are important. Autocorrelation exists, if the residual terms of two or more independent variables are correlated. Multicollinearity exists, if the Tolerance smaller than 0.01 and autocorrelation exists, if the Durbin Watson score smaller than one or bigger than three (Field, 2013).

The assumptions concerning multicollinearity and autocorrelation are met for the first hypothesis check (Durbin Watson = 1.905; Tolerance is between = 0.871 and 0.990).

Using the enter method, the results are not significant. Table 12 shows the output of Multiple Regression.



Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.278 <sup>a</sup>	.077	-.007	.87278	1.905

a. Predictors: (Constant), Sector\_Dummy, COO\_Dummy, Promotional\_CSR

b. Dependent Variable: Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,103	3	.701	.920	.442 <sup>b</sup>
	Residual	25,138	33	.762		
	Total	27,241	36			

a. Dependent Variable: Performance

b. Predictors: (Constant), Sector\_Dummy, COO\_Dummy, Promotional\_CSR

**Table 12: Multiple Regression Results-I**

Additionally, the standardized beta coefficients are illustrated in the following Table 13.

Predictor Variables	Standardized beta coefficient	p-value
Promotional CSR	0.268	0.145
COO_Dummy	-0.051	0.780
Sector_Dummy	0.095	0.577

**Table 13: Predictor Variables I**

The other outputs of the Regression Test are available in Appendix 2.2.

We check multicollinearity and autocorrelation for the second hypothesis as well. There is no problem with multicollinearity and autocorrelation (Durbin Watson = 1.461; Tolerance=1). Using the Stepwise method, a significant model is achieved. The outputs of Multiple Regression Test are shown in Table 14. The results indicated that firm performance explained by 14.9% of the variance ( $R^2=.149$ ,  $F(4.068)=56.144$ ,  $p<.05$ .) The results are significant after excluding

two variables. Our model R<sup>2</sup> equals 14.9%, which means that there are other factors which contribute to the firm performance.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,386 <sup>a</sup>	,149	,125	,81369	1,461

a. Predictors: (Constant), Institutional\_CSR  
b. Dependent Variable: Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,068	1	4,068	6,144	,018 <sup>b</sup>
	Residual	23,173	35	,662		
	Total	27,241	36			

a. Dependent Variable: Performance  
b. Predictors: (Constant), Institutional\_CSR

**Table 14: Multiple Regression Results-II**

Table 15 shows the standardized beta coefficients of all variables. Stepwise method removed the two variables, namely country of origin and sector, because their contributions are not significant.

Predictor Variables	Standardized beta coefficient	p-value
Institutional CSR	0.386	0.018

**Table 15: Predictor Variables II**

The other outputs of the Regression Test II are available in the Appendix 2.2.

Therefore, the right equation for the second model is:

$$\text{Performance} = 3.177 + 0.386 * \text{Institutional CSR}$$

Multicollinearity and autocorrelation has been controlled for the last model as well. There is no problem with multicollinearity and autocorrelation (Durbin Watson = 1.518; Tolerance=0.576). Using the Enter method, the output in the Table 16 represents non-significant results.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,408 <sup>a</sup>	,167	,062	,84228	1,518

a. Predictors: (Constant), Sector\_Dummy, Institutional\_CSR, COO\_Dummy, Promotional\_CSR

b. Dependent Variable: Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,539	4	1,135	1,599	,198 <sup>b</sup>
	Residual	22,702	32	,709		
	Total	27,241	36			

**Table 16: Multiple Regression Results-III**

Table 17 shows the figures for standardized beta coefficients for predictor variables. The all output of this regression is available in Appendix 2.2.

Predictor Variables	Standardized beta coefficient	p-value
Promotional CSR	0.038	0.859
Institutional CSR	0.372	0.073
COO_Dummy	0.022	0.899
Sector_Dummy	0.124	0.454

**Table 17: Predictor Variables III**

## 5 Discussion

The results indicated that the first hypothesis is not supported and the second hypothesis is supported, which means that “*Institutional Corporate Social Responsibility activities* are positively related to franchisors performance.”(Table 18).

Number	Hypotheses	Supported/not supported
H1	<i>Promotional Corporate Social Responsibility activities</i> are negatively related to franchisors performance.	Not Supported
H2	<i>Institutional Corporate Social Responsibility activities</i> are positively related to franchisors performance.	Supported

**Table 18: List of Hypotheses**

The insignificant effect of the first hypothesis could suggest that promotional CSR activities have no effect on the franchisor`s performance. The reason behind insignificant results for the first hypothesis could be sample size. For multiple regression, we have a relatively small number of respondents. Bigger sample size could provide validity for this hypothesis.

The significant effect of the institutional CSR activities shows that institutional CSR activities are positively related to the franchisor's performance. The country of origin of the franchisor and the sector of the franchisor are not indicated as control variables. Even though, previous studies found out that the sector is a confounding variable for the relationship between CSR and firm performance in our study, we did not find any support for sector as a control variable (Lee & Park, 2009). We did not find out the country of origin of the franchisor firm as a control variable either. However, the existing literature supports the fact that the internationalized firms show premium performance (Annavarjula & Beldona, 2000).

## **5.1 Limitations**

This study has several limitations. Firstly, subjective indicators have been used for the measurement of performance. The real performance of the franchise could differ from the answers given in the questionnaire (Dess & Robinson, 1984).

Secondly, a formative model has been used for the development of measurement. In the literature, there is a debate between the reflective and the formative model. Between these two models, there are differences from the theoretical and empirical perspective. In terms of the theoretical perspective, in reflective modeling, construct creates the items, In formative modeling, the items create the construct (Rossiter, 2002). From the empirical perspective, reflective modeling requires high intercorrelation between items, whereas in formative modeling, internal consistency is not necessary (Coltman, et al., 2008). Usage of reflective models could make differences in the results.

Thirdly, institutional CSR has an effect on the firm performance; the model could explain only 14.9% variance of the measured performance. This shows that there are other factors, which have an effect on the firm performance.

There was a response rate limitation. The reason behind the unwillingness to participate in this survey could be the length of the questionnaire, which takes thirty minutes to finish on average. This can be tracked from the results of the online survey link, where there were 108 clicks, but only 31 of them answered all the questions. The printed version of the questionnaire was five pages long. Scholars have found out that surveys shorter than four pages get more responses in comparison to the surveys longer than four pages (Yammarino, et al., 2011).

## **5.2 Future Research**

This study presents many opportunities for future research. Firstly, this research is conducted in Austria. Austria is on the 20nd place in the country rankings in the UN Human Development Index (UN, 2013), which means it is a mature country. CSR differs in emerging and mature markets, since the developed countries are concerned more with CSR due to their level of economic and legal

development (Baughn, et al., 2007). Therefore, the same study in an emerging market will provide additional insights to this topic.

Secondly, the size of the franchise companies who participated in this survey varies between small and medium sized enterprises. The same study could be conducted with the companies who ranked in the Forbes Top 500 in Austria. Based on current literature CSR engagement can vary between small, medium and large firms. The sales volume of the company has been used as an indicator for the firm size (Udayasankar, 2008). Previous studies stated that the bigger firms are involved more in CSR (Boatsman & Gupta, 1996). Moreover, due to the scale of economies, the profitability of the larger companies is better, which leads to better performance figures (Barney, 1991).

Thirdly, the age of the franchise firms also differs in the data set. The same study could be conducted by looking for the effect of age. The older firms have additional benefits because of the experience effect and their established brand (Alon, 2001). There is also evidence in the literature stating that the older firms have better productivity, and at the same time younger firms have higher profitability levels (Coad, et al., 2010).

Additionally, a recommendation is to design the measurement of variables by using reflective models in order to avoid construct level measurement error, because formative models for measurement lead to estimation failure (Jarvis, et al., 2003).

Another future research area is to search for other factors, which can impact the firm performance, because the second model explains only 14.9% of the variance. For instance, the training days could have an effect on the overall firm performance. Existing literature suggests that human resources activities could improve the firm performance (Daft, 2009). Research and development activities can enhance the firm performance as well (McWilliams & Siegel, 2001). Future studies can search for the effects of the training days and research and development on the firm performance.

Another point is that the questions are answered by the franchisor. The results could be different from the franchisee's perspective, especially the performance (Mumdziev, 2013).

Another possibility for future research is that this study can be conducted with a bigger sample size. Since the response rate is very crucial in order to generalize the findings, in addition, it would give supporting results for the first model (Hox & deLeeuw, 1994).

### **5.3 Managerial Implications**

This study has essential managerial implications, which can help to improve the franchisor's firm performance.

If the franchisors are engaged in CSR activities, they not only have to concentrate on satisfying their shareholders, but their stakeholders as well.

They should plan and implement CSR activities to take care of their customers, and create synergies between customers and the firms and finally to behave in a socially responsible way for the whole planet. Since the customers can differentiate if the CSR activities are done for marketing purposes or pure ethical considerations, a CSR activity, which provides more profit for a shareholder will not bring any additional effect for the franchisor's long-term performance. Therefore, it is necessary to have long-term plans and implement a strategic CSR program, which fits to firms and its stakeholders. Generic CSR strategies do not bring any long-term profit to the firms (Smith, 2003). Therefore, CSR should be included in the agenda of the management of the franchisor.

## 6 Conclusion

The main objective of this study is to figure out to which extent the CSR activities have an impact on the franchisor's firm performance in Austria. As mentioned earlier, CSR has been used as a multidimensional construct and we looked for the promotional and institutional CSR activities impact on the franchisor firm's performance in the Austrian market.

In the theoretical part, the most important models and theories about CSR are explained, which makes the topic better understandable. Besides, the theories of franchising and also the relationship between franchisee and franchisor were explained in depth. In the same way, there was a closer look at the franchising industry in Austria with different statistics from AFA. We mentioned the complexity to measure the performance.

In the empirical part, data from the sample of Austrian franchisors enable us to measure two hypotheses. The results of the first hypothesis showed insignificant results, the main reason could be the small sample size. The second hypothesis is supported, which shows positive effect of institutional CSR activities on franchisor firm's performance. These results represent managerial implications for the firms. Franchisors should develop and implement strategic CSR programs to enhance their firm performance.

Franchisors shall focus on the well-being of its stakeholders that brings real added value. If they introduce just promotional CSR activities to satisfy their shareholders' wishes, it usually does not bring positive impact on the firm's performance in the long-term.

This study contributes not only to CSR but also franchising literature. Even though there are conflicting results of the effects of CSR on the firm's performance in the literature, our results provide support for institutional CSR, which is a new input for the future researchers. It was the first study to control the effects of CSR in franchising industry and also in Austria.

This master thesis indicates that the institutional CSR is an essential factor of the franchisor firm's performance. Future applications and researchers could



search for the other indicators of the firm's performance and conduct the same study in emerging markets and look for the effects of size and age of franchisor and bigger sample size could be beneficial for the generalizability of the results. Very important would be the franchisee's perspective on the topic. More importantly, a bigger sample size could be beneficial for the generalizability of the results.

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## Appendix 1: Questionnaire



*Bedeutung von compliance für Franchise-Unternehmen  
IN Österreich*

Univ. Prof. Dr. Josef Windsperger  
Universität Wien  
Oskar-Morgenstern-Platz 1, 1090 Wien  
TEL. 0043-1-4277-38180; Fax: 0043-1-4277-38174  
Email: [josef.windsperger@univie.ac.at](mailto:josef.windsperger@univie.ac.at)  
Firmenname und Adresse: (optional!)  
Tel. Nr.

E-Mail:

Sehr geehrte Franchiser!

Am Institut für Betriebswirtschaftslehre der Universität Wien (Fachbereich: Internationale Unternehmensführung) wird unter meiner Leitung - und mit **Unterstützung von Waltraud Martius, Ehrenpräsidentin des Österreichischen Franchiseverbandes** - ein Forschungsprojekt über "Strategische Orientierung von Franchise-Unternehmen" durchgeführt.

Ziel des Projektes ist es, die Relevanz von „Compliance“ im Rahmen der strategischen Ausrichtung von Franchiseunternehmen zu untersuchen. „Compliance“ ist definiert als Handeln in Einklang mit gesetzlichen und internen Vorschriften, zB Richtlinien, Verhaltenskodizes, Franchisevertrag und systemeigene Knowhow-Dokumentation etc.

Die Untersuchung wird mit Hilfe eines Fragebogens durchgeführt, der allen Franchisegebern übermittelt wird. Die erfolgreiche Durchführung der Fragebogenuntersuchung setzt eine enge Zusammenarbeit zwischen Unternehmenspraxis und Wissenschaft voraus. Die wissenschaftliche Verwertbarkeit der Ergebnisse ist nur dann sichergestellt, wenn eine große Anzahl von Franchisegebern den Fragebogen ausfüllen. Frau Martius und ich ersuchen Sie daher höflichst, uns bei dieser wissenschaftlichen Untersuchung zu unterstützen und den Fragebogen auszufüllen.

Sie finden den Fragebogen auch unter folgendem Link:  
[http://im.univie.ac.at/windsperger/news/?no\\_cache=1](http://im.univie.ac.at/windsperger/news/?no_cache=1).

Grundsätzlich sind nach Möglichkeit alle gestellten Fragen zu beantworten. Sollten Sie



auf eine Frage keine Antwort wissen, so versuchen Sie bitte die bestmögliche Antwort zu finden. Für etwaige Probleme beim Ausfüllen des Fragebogens stehe ich Ihnen gerne persönlich zur Verfügung (Email: josef.windsperger@univie.ac.at oder 00431427738180).

Wir möchten uns für Ihre freundliche Unterstützung recht herzlich bedanken.

Im Folgenden nehmen Sie zu Aussagen über verschiedene Bereiche Ihrer Unternehmung Stellung. Bitte kreuzen Sie jenes Feld an, das aus Ihrer Sicht (als Franchisegeber) der Unternehmenssituation am besten entspricht.

Hier ist ein BEISPIEL:	Trifft überhaupt nicht zu	Trifft teilweise zu	Trifft vollständig zu
Unser Markenname ist sehr wichtig für den Systemerfolg.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>	4 <input type="checkbox"/> 5 <input type="checkbox"/>	6 <input type="checkbox"/> 7 <input type="checkbox"/>

Wenn Sie der Meinung sind, dass der Markenname sehr wichtig für den Erfolg ist, dann kreuzen/klicken Sie das ganz rechte Feld „7“ (*Trifft vollständig zu*) an. Umkehrt ist das ganz linke Feld „1“ (*Trifft überhaupt nicht zu*) anzukreuzen, wenn Sie der Auffassung sind, dass der Markenname nicht wichtig für den Erfolg ist.

A. Nehmen Sie bitte zu folgenden Fragen als Franchisegeber Stellung:	Trifft überhaupt nicht zu	Trifft teilweise zu	Trifft vollständig zu
Unsere Marke ist sehr stark im Vergleich zu unseren Systemwettbewerbern.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Die Qualität unseres Franchisesystems ist sehr gut im Vergleich zu unseren Systemwettbewerbern.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Unser Franchisesystem ist sehr anerkannt im Vergleich zu unseren Systemwettbewerbern.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Unser Markenname ist sehr wichtig, um einen Wettbewerbsvorteil zu erzielen.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Als Franchisegeber fühle ich mich sicherer, wenn ich mit einem Franchisepartner zusammenarbeite, den ich gut kenne, als mit einem Partner, den ich nicht kenne.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Die Franchisepartner, denen ich vertraue, sind jene, mit denen ich eine langjährige Beziehung habe.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Allgemein kann gesagt werden, dass ein Partner, mit dem ich eine längere Beziehung habe, mich eher unterstützen wird, wenn ich Hilfe benötige.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Ich vertraue einer Person mehr, die ich nicht kenne, als einer Person, die ich gut kenne.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Die meisten Menschen vertrauen den Anderen.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Die meisten Menschen sind vertrauenswürdig.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Die meisten Menschen verhalten sich kooperativ, wenn man ihnen vertraut.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Die Beziehung zu den Franchisepartnern basiert auf gegenseitigem Vertrauen.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Die Aufgabenbereiche zwischen uns und den Franchisenehmern sind im Vertrag und in der Knowhow-Dokumentation sehr detailliert geregelt.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Es ist sehr schwierig, die Kompetenzen und Fähigkeiten des Franchisenehmers zu ermitteln.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Die Absatzmenge auf den lokalen Franchisestandorten ist starken Schwankungen unterworfen.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Es ist sehr schwierig, die Marktentwicklung auf den lokalen Franchisestandorten zu prognostizieren.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Es ist sehr schwierig, das Verhalten des Franchisenehmers zu kontrollieren.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Es ist sehr schwierig, die Leistungen des Franchisenehmers zu messen.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Das wirtschaftliche Umfeld auf den lokalen Märkten ändert sich rasch.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		



Die Wettbewerbssituation auf den lokalen Märkten ändert sich rasch.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Die Wettbewerbsintensität auf den lokalen Märkten ist sehr groß.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Die Anzahl der Wettbewerber auf den lokalen Märkten ist sehr groß.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
<b>Worin sehen Sie als FRANCHISEGEBER die Vorteile von Franchisenehmer-Standorten im Vergleich zu eigenen Filialbetrieben?</b>	<b>1 – kein Vorteil</b> <b>7 – sehr großer Vorteil durch Franchising</b>
Größeres lokales Marktwissen	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Bessere Qualitätskontrolle	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Mehr Innovationen	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Effizienteres Human Resources Management	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Größere administrative Fähigkeiten	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>

<b>B. Nehmen Sie bitte auch zu folgenden Fragen als Franchisegeber Stellung:</b>	<b>Trifft überhaupt nicht zu</b>	<b>Trifft teilweise zu</b>	<b>Trifft vollständig zu</b>
Compliance (Regeltreue) in Bezug auf Gesetze und sonstige Regulierungen in sämtlichen Rechtsordnungen, in denen unser Franchisesystem operiert, stellt eine Notwendigkeit dar.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Compliance mit geltenden Gesetzen ist ein Muss unabhängig von staatlicher Sanktionierung des Verhaltens.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Soziale und Umweltfragen beeinflussen unternehmerisches Handeln ausschließlich im Rahmen der Gesetze.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Zur Sicherstellung der Beachtung geltender Gesetze hat unser Franchisesystem ein Compliance-System implementiert.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Unser Franchisesystem hält Grundwerte hoch, die in Ethik-, Verhaltenskodizes oder ähnlichen Dokumenten definiert sind.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Compliance der Franchisenehmer in tätigen Märkten sicherzustellen, ist eine große Herausforderung.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Es wird von Franchisenehmern erwartet, sich definierten Grundwerten des Systems gemäß zu verhalten.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Wohlverhalten von Franchisenehmern in Einklang mit	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		

Systemwerten wird in unserem Franchisesystem überprüft.	<input type="checkbox"/>
Wohlverhalten von Franchisenehmern in Einklang mit Gesetzen wird in unserem Franchisesystem überprüft.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Verstöße von Franchisenehmern gegen Systemwerte werden innerhalb unseres Franchisesystems sanktioniert.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Verstöße von Franchisenehmern gegen Gesetze werden innerhalb unseres Franchisesystems sanktioniert.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Ein Franchisesystem soll eine proaktive Stellung gegenüber sozialen und Umweltstandards einnehmen und über das gesetzliche Mindestmaß hinausgehen.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Gesellschaftliche Interessen über das gesetzliche Mindestmaß hinaus sollen in Einklang mit sonstigen wirtschaftlichen Interessen verfolgt werden.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Ein Franchisesystem sollte seine Positionierung und sein Engagement in sozialen und Umweltfragen öffentlich kommunizieren.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Die Reputation unseres Franchisesystems wird durch ausgewiesenes Engagement in sozialen und Umweltfragen befördert.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Franchisegeber mit ausgewiesenem Engagement in sozialen und Umweltfragen stellen bevorzugte Vertragspartner dar.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Franchisenehmer mit ausgewiesenem Engagement in sozialen und Umweltfragen stellen bevorzugte Vertragspartner dar.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Gemeinsame Werte können in Franchise-Beziehungen vertrauensbildend wirken.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Engagement in sozialen und Umweltstandards über das gesetzlich Notwendige hinaus soll sich auch an gesellschaftlichen Bedürfnissen orientieren.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Die Integration von sozialen und Umweltinteressen in die Unternehmensstrategie sehen wir als Verpflichtung eines Corporate Citizen („Unternehmensbürgers“).	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Als Corporate Citizen („Unternehmensbürger“) sehen wir Engagement für gesellschaftliche Anliegen als Selbstzweck, unabhängig von wirtschaftlichen Interessen.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>
Sollten sich ökonomische und soziale Ziele in unserer Geschäftstätigkeit widersprechen, versuchen wir, eine Balance zwischen beiden herzustellen.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>



Die Einbindung von Umwelt- und sozialen Interessen in unsere Unternehmensstrategie erfolgt aus der Motivation, das Richtige zu tun.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Durch nachhaltiges Wirtschaften schaffen wir Fortschritt für die gesamte Gesellschaft.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Unser Franchise-System strebt danach, sowohl wirtschaftlichen, als auch sozialen und ökologischen Mehrwert durch die Geschäftstätigkeit zu schaffen.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Soziale und Umweltinteressen sind in sämtliche Prozesse und Entscheidungen unseres Franchise-Systems integriert.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Wirtschaftliche, soziale und ökologische Überlegungen stehen einander gleichberechtigt gegenüber.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
<p>Wenn Sie ein Kontingent von <b>100 Punkten</b> zur Verteilung auf die genannten Themenschwerpunkte haben, wie verteilen Sie dieses?</p> <p>Wirtschaftlicher Erfolg ..... Punkte</p> <p>Rechtliche Compliance ..... Punkte</p> <p>Ethisches Wirtschaften ..... Punkte</p> <p>Philanthropie (Wohltätigkeit und gemeinnützige Aktivitäten) ..... Punkte</p>																																		
<b>In welchem Ausmaß entscheidet der Franchisenehmer über folgende Bereiche?</b>	<table border="1"> <thead> <tr> <th>Überhaupt nicht</th> <th>teilweise</th> <th>In sehr großem Ausmaß</th> </tr> </thead> <tbody> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> <tr> <td>1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/></td> <td></td> <td></td> </tr> </tbody> </table>	Überhaupt nicht	teilweise	In sehr großem Ausmaß	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>			1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>			1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>			1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>			1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>			1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>			1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>			1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>			1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>			1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
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Durchführung von Investitionsprojekten am lokalen Standort	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Finanzierung von lokalen Investitionsprojekten	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Auswahl von Lieferanten	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Anstellung von Mitarbeitern am lokalen Standort	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Ausbildung der Mitarbeiter am lokalen Standort	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Produkt- bzw. Dienstleistungsangebot am lokalen Markt	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Verkaufspreise am lokalen Standort	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Einsatz von Werbe- und Verkaufsförderungsmaßnahmen	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Einführung neuer Produkte am lokalen Markt	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	
Einsatz des Controlling-Systems am lokalen Standort	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>																																	

In welchem Ausmaß haben Sie als Franchisegeber in den letzten drei Jahren die folgenden Ziele realisiert?	1-Viel schlechter als geplant	4-ca. gleich wie geplant	7-Viel besser als geplant
Systemwachstum	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Effizientere Koordination zwischen Zentrale und lokalen Standorten	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Verringerung der Kosten des Systems	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Steigerung der Erträge des Systems	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Einsparungen bei den Koordinations- und Kontrollkosten	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Gewinnwachstum	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Höhere Qualität der angebotenen Produkte und Dienstleistungen	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Der Vertrag enthält sehr detaillierte Regelungen in Bezug auf folgende Bereiche:	Trifft überhaupt vollständig nicht zu		Trifft teilweise zu
Auswahl von Lieferanten	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Anstellung von Mitarbeitern am lokalen Standort	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Ausbildung von Mitarbeitern am lokalen Standort	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Zusammensetzung des Produkt- und Dienstleistungsangebotes am lokalen Standort	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Einsatz von Controlling- und Benchmarking-Maßnahmen	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Einsatz von Werbe- und Verkaufsförderungsmaßnahmen	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Einführung neuer Produkte am lokalen Markt	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		
Durchführung von Investitionsprojekten am lokalen Standort	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/>		

<b>C. Bitte machen Sie folgende Angaben zu Ihrem Unternehmen:</b>			
Welche Art von Franchising betreibt Ihr Unternehmen?			
<input type="checkbox"/> Produktion	<input type="checkbox"/> Vertrieb	<input type="checkbox"/> Dienstleistung	<input type="checkbox"/>
Social Franchising			



Wie groß ist die <b>Anzahl der Franchisenehmer</b> in Österreich Ende 2013? Anzahl: _____	
Wie groß ist die Anzahl der <b>firmeneigenen Filialstandorte</b> in Österreich Ende 2013? Anzahl: _____	
Wie groß ist die Anzahl der <b>Franchisenehmer-Standorte</b> in Österreich Ende 2013? Anzahl: _____	
In welchem Land wurde das Franchisesystem gegründet? Land: _____	
Wann wurde der erste Franchisebetrieb in Österreich eröffnet? Jahr: _____	
Wie viele Mitarbeiter sind in der Systemzentrale beschäftigt?	Anzahl: _____
Wie hoch ist die <b>fixe Einstiegsgebühr</b> des Franchisenehmers zu Beginn der Vertragsbeziehung (in EUR)? Betrag in EUR: _____	
Wovon hängt die laufende variable Gebühr ab? <input type="checkbox"/> Umsatz <input type="checkbox"/> Gewinn <input type="checkbox"/> Andere Größen: Welche? _____	
Wie hoch ist diese laufende variable Gebühr (inkl. Werbegebühr)? Prozentsatz: _____ oder Betrag _____	
Wie hoch sind die <b>durchschnittlichen Investitionskosten (ohne Einstiegsgebühr)</b> des Franchisenehmers am Beginn der Vertragsbeziehung? Betrag: _____	
Wie lange ist die vertragliche <b>Laufzeit</b> des Franchisevertrages? Anzahl der Jahre: _____	
<b>Grundschulung:</b> Wie viele Tage dauert die Grundausbildung und praktische Schulung des Franchisenehmers vor Eröffnung eines Franchisebetriebes? Anzahl der Tage: _____	
<b>Laufende Schulung:</b> An wie vielen Tagen pro Jahr wird der Franchisenehmer vom Franchisegeber geschult? Anzahl der Tage: _____	
An wie vielen Tagen pro Jahr werden die Mitarbeiter des Franchisenehmers geschult? Anzahl der Tage: _____	
Für den Fall, dass der Franchisenehmer (bzw. Mitarbeiter des Franchisenehmers) in Compliance-Fragen angeleitet, eingeführt oder geschult werden, in welcher Form geschieht	

dies?

Werden Mitarbeiter des Franchisegebers in Compliance-Fragen – rechtliche Compliance bzw. Compliance mit internen Regelwerken wie Verhaltens- oder Ethikkodizes – angeleitet, eingeführt oder geschult?  
Wenn ja, in welcher Form?

Gibt es einen BEIRAT, der sich mit Compliance-Fragen befasst?

JA ☐

NEIN ☐

Bitte übermitteln Sie den ausgefüllten Fragebogen an:

Univ. Prof. Dr. Josef Windsperger (Universität Wien)

Oskar-Morgenstern-Platz 1, 1090 Wien

TEL. 0043-1-4277-38180;

Fax:

0043-1-4277-38174;

E-Mail:

[josef.windsperger@univie.ac.at](mailto:josef.windsperger@univie.ac.at)



## Appendix 2: Empirical Analysis

### Appendix 2.1: Summary of Measures

Variable	Items
<b>Performance (7 Items)</b>	<b>In welchem Ausmaß haben Sie als Franchisegeber in den letzten drei Jahren die folgenden Ziele realisiert?</b>  (1-Viel schlechter als geplant; 4-circa gleich wie geplant; 7-viel besser als geplant)
Performance1	Systemwachstum
Performance2	Effizientere Koordination zwischen Zentrale und lokalen Standorten
Performance3	Verringerung der Kosten des Systems
Performance4	Steigerung der Erträge des Systems
Performance5	Einsparungen bei den Koordinations- und Kontrollkosten
Performance6	Gewinnwachstum
Performance7	Höhere Qualität der angebotenen Produkte und Dienstleistungen
<b>CSR (27 Items)</b>	<b>Nehmen Sie bitte auch zu folgenden Fragen als Franchisegeber Stellung:</b>  (1-Trifft überhaupt nicht zu; 4-Trifft teilweise zu; 7-Trifft vollständig zu)
<b>Promotional CSR</b>	<b>(15 Items)</b>
<b>CSR_ Compliance</b>	<b>(8 Items)</b>
(2-1)	Compliance (Regeltreue) in Bezug auf Gesetze und sonstige Regulierungen in sämtlichen Rechtsordnungen, in denen unser Franchisesystem operiert, stellt eine Notwendigkeit dar.
(2-2)	Compliance mit geltenden Gesetzen ist ein Muss unabhängig von staatlicher Sanktionierung des Verhaltens.
(2-3)	Soziale und Umweltfragen beeinflussen unternehmerisches Handeln ausschließlich im Rahmen der Gesetze.
(2-4)	Es wird von Franchisenehmern erwartet, sich definierten Grundwerten des Systems gemäß zu verhalten.
(2-5)	Wohlverhalten von Franchisenehmern in Einklang mit Systemwerten wird in unserem Franchisesystem überprüft.
(2-6)	Wohlverhalten von Franchisenehmern in Einklang mit Gesetzen wird in unserem Franchisesystem überprüft.
(2-7)	Verstöße von Franchisenehmern gegen Systemwerte werden innerhalb unseres Franchisesystems sanktioniert.
(2-8)	Verstöße von Franchisenehmern gegen Gesetze werden innerhalb unseres Franchisesystems sanktioniert.
<b>CSR_Profit</b>	<b>(7 Items)</b>
(2-9)	Ein Franchisesystem soll eine proaktive Stellung gegenüber sozialen und

	Umweltstandards einnehmen und über das gesetzliche Mindestmaß hinausgehen.
(2-10)	Gesellschaftliche Interessen über das gesetzliche Mindestmaß hinaus sollen in Einklang mit sonstigen wirtschaftlichen Interessen verfolgt werden.
(2-11)	Ein Franchisesystem sollte seine Positionierung und sein Engagement in sozialen und Umweltfragen öffentlich kommunizieren.
(2-12)	Die Reputation unseres Franchisesystems wird durch ausgewiesenes Engagement in sozialen und Umweltfragen befördert.
(2-13)	Franchisegeber mit ausgewiesenem Engagement in sozialen und Umweltfragen stellen bevorzugte Vertragspartner dar.
(2-14)	Franchisenehmer mit ausgewiesenem Engagement in sozialen und Umweltfragen stellen bevorzugte Vertragspartner dar.
(2-15)	Gemeinsame Werte können in Franchise-Beziehungen vertrauensbildend wirken.
<b>Institutional CSR</b>	<b>(9 Items)</b>
<b>CSR_Caring</b>	<b>(4 Items)</b>
(2-16)	Engagement in sozialen und Umweltstandards über das gesetzlich Notwendige hinaus soll sich auch an gesellschaftlichen Bedürfnissen orientieren.
(2-17)	Die Integration von sozialen und Umweltinteressen in die Unternehmensstrategie sehen wir als Verpflichtung eines Corporate Citizen („Unternehmensbürgers“).
(2-18)	Als Corporate Citizen („Unternehmensbürger“) sehen wir Engagement für gesellschaftliche Anliegen als Selbstzweck, unabhängig von wirtschaftlichen Interessen.
(2-19)	Sollten sich ökonomische und soziale Ziele in unserer Geschäftstätigkeit widersprechen, versuchen wir, eine Balance zwischen beiden herzustellen.
<b>CSR_Synergistic</b>	<b>( 3 Items)</b>
(2-20)	Die Einbindung von Umwelt- und sozialen Interessen in unsere Unternehmensstrategie erfolgt aus der Motivation, das Richtige zu tun.
(2-21)	Durch nachhaltiges Wirtschaften schaffen wir Fortschritt für die gesamte Gesellschaft.
(2-22)	Unser Franchise-System strebt danach, sowohl wirtschaftlichen, als auch sozialen und ökologischen Mehrwert durch die Geschäftstätigkeit zu schaffen.
<b>CSR_Holistic</b>	<b>(2 Items)</b>
(2-23)	Soziale und Umweltinteressen sind in sämtliche Prozesse und Entscheidungen unseres Franchise-Systems integriert.
(2-24)	Wirtschaftliche, soziale und ökologische Überlegungen stehen einander gleichberechtigt gegenüber.
<b>CSR_Others</b>	<b>(3 Items)</b>
(2-25)	Zur Sicherstellung der Beachtung geltender Gesetze hat unser Franchisesystem ein Compliance-System implementiert.
(2-26)	Unser Franchisesystem hält Grundwerte hoch, die in Ethik-, Verhaltenskodizes oder ähnlichen Dokumenten definiert sind.
(2-27)	Compliance der Franchisenehmer in tätigen Märkten sicherzustellen, ist eine große Herausforderung.
<b>Origin</b>	In welchem Land wurde das Franchisesystem gegründet?
<b>Sector</b>	Welche Art von Franchising betreibt Ihr Unternehmen? Product, Services, Retail, Social Franchising

## Appendix 2.2:Output of Tests

### Reliability Check

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
PromotionalCSR1_Compliance	68,53	172,863	,372	,842
PromotionalCSR2_Compliance	69,06	164,931	,358	,846
PromotionalCSR3_Compliance	71,36	185,758	-,037	,867
PromotionalCSR4_Compliance	68,38	180,720	,284	,846
PromotionalCSR5_Compliance	69,49	167,212	,424	,840
PromotionalCSR6_Compliance	70,17	152,710	,678	,824
PromotionalCSR7_Compliance	69,64	168,236	,422	,840
PromotionalCSR8_Compliance	70,21	152,258	,623	,827
PromotionalCSR9_Profit	69,62	160,459	,574	,831
PromotionalCSR10_Profit	69,30	164,040	,596	,831
PromotionalCSR11_Profit	69,02	169,891	,511	,836
PromotionalCSR12_Profit	70,13	149,722	,670	,823
PromotionalCSR13_Profit	70,79	152,345	,713	,821
PromotionalCSR14_Profit	70,89	152,880	,665	,824
PromotionalCSR15_Profit	68,34	178,273	,333	,844

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
InstitutionalCSR1_Caring	40,32	91,918	,629	,898
InstitutionalCSR2_Caring	40,64	85,540	,794	,886
InstitutionalCSR3_Caring	40,87	87,288	,723	,891
InstitutionalCSR4_Caring	40,32	86,179	,684	,894
InstitutionalCSR5_Synergistic	40,23	85,705	,617	,900
InstitutionalCSR6_Synergistic	39,57	94,772	,627	,900
InstitutionalCSR7_Synergistic	39,85	88,782	,624	,898
InstitutionalCSR8_Holistic	41,04	79,563	,769	,888
InstitutionalCSR9_Holistic	41,23	84,531	,709	,892

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Performance1	27,96	29,598	,611	,769
Performance2	28,02	29,222	,657	,760
Performance3	28,04	32,843	,486	,791
Performance4	27,80	30,605	,522	,785
Performance5	28,37	32,683	,448	,797
Performance6	28,17	28,280	,610	,769
Performance7	27,41	32,026	,456	,796

**One-Sample Kolmogorov-Smirnov Test**

		Promotional_C SR	Institutional_CS R	Performance
N		47	47	46
Normal Parameters <sup>a,b</sup>	Mean	4,9759	5,0566	4,6614
	Std. Deviation	,91202	1,15990	,90974
	Absolute	,116	,083	,117
Most Extreme Differences	Positive	,116	,083	,117
	Negative	-,054	-,072	-,081
Kolmogorov-Smirnov Z		,792	,570	,791
Asymp. Sig. (2-tailed)		,557	,901	,558

a. Test distribution is Normal.

b. Calculated from data.

## Output of Factor Analysis

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,705
Approx. Chi-Square		364,008
Bartlett's Test of Sphericity	df	105
	Sig.	,000

**Communalities**

	Initial	Extraction
PromotionalCSR1_Compliance	1,000	,764
PromotionalCSR2_Compliance	1,000	,787
PromotionalCSR3_Compliance	1,000	,644
PromotionalCSR4_Compliance	1,000	,454
PromotionalCSR5_Compliance	1,000	,582
PromotionalCSR6_Compliance	1,000	,733
PromotionalCSR7_Compliance	1,000	,782
PromotionalCSR8_Compliance	1,000	,725
PromotionalCSR9_Profit	1,000	,527
PromotionalCSR10_Profit	1,000	,834
PromotionalCSR11_Profit	1,000	,574
PromotionalCSR12_Profit	1,000	,679
PromotionalCSR13_Profit	1,000	,825
PromotionalCSR14_Profit	1,000	,816
PromotionalCSR15_Profit	1,000	,605

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5,324	35,494	35,494	5,324	35,494	35,494
2	2,027	13,514	49,007	2,027	13,514	49,007
3	1,657	11,047	60,054	1,657	11,047	60,054
4	1,321	8,809	68,864	1,321	8,809	68,864
5	,848	5,656	74,519			
6	,766	5,110	79,629			
7	,680	4,534	84,163			
8	,545	3,633	87,796			
9	,498	3,318	91,114			
10	,379	2,524	93,638			
11	,346	2,305	95,943			
12	,233	1,554	97,498			
13	,190	1,267	98,765			
14	,132	,878	99,643			
15	,054	,357	100,000			

Extraction Method: Principal Component Analysis.



**Component Matrix<sup>a</sup>**

	Component			
	1	2	3	4
PromotionalCSR1_Compliance	,445	,576	,260	,409
PromotionalCSR2_Compliance	,404	,072	,424	,662
PromotionalCSR3_Compliance	-,054	-,194	-,495	,599
PromotionalCSR4_Compliance	,377	,502	,245	-,004
PromotionalCSR5_Compliance	,546	-,026	,299	-,440
PromotionalCSR6_Compliance	,759	-,271	,264	-,114
PromotionalCSR7_Compliance	,463	-,469	,574	,137
PromotionalCSR8_Compliance	,695	-,433	,221	-,077
PromotionalCSR9_Profit	,683	,202	-,139	-,005
PromotionalCSR10_Profit	,731	,535	-,010	-,115
PromotionalCSR11_Profit	,607	,144	-,427	,054
PromotionalCSR12_Profit	,719	-,157	-,298	,219
PromotionalCSR13_Profit	,792	-,234	-,362	-,115
PromotionalCSR14_Profit	,732	-,427	-,311	-,019
PromotionalCSR15_Profit	,444	,557	-,224	-,219

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,863
Approx. Chi-Square		226,473
Bartlett's Test of Sphericity	df	36
	Sig.	,000

**Communalities**

	Initial	Extraction
InstitutionalCSR1_Caring	1,000	,513
InstitutionalCSR2_Caring	1,000	,721
InstitutionalCSR3_Caring	1,000	,628
InstitutionalCSR4_Caring	1,000	,586
InstitutionalCSR5_Synergistic	1,000	,476
InstitutionalCSR6_Synergistic	1,000	,493
InstitutionalCSR7_Synergistic	1,000	,498
InstitutionalCSR8_Holistic	1,000	,691
InstitutionalCSR9_Holistic	1,000	,604

Extraction Method: Principal Component Analysis.

□

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5,210	57,888	57,888	5,210	57,888	57,888
2	,833	9,256	67,143			
3	,706	7,849	74,992			
4	,637	7,073	82,065			
5	,544	6,048	88,113			
6	,359	3,984	92,097			
7	,299	3,327	95,423			
8	,246	2,738	98,161			
9	,165	1,839	100,000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component
	1
InstitutionalCSR1_Caring	,716
InstitutionalCSR2_Caring	,849
InstitutionalCSR3_Caring	,792
InstitutionalCSR4_Caring	,765
InstitutionalCSR5_Synergistic	,690
InstitutionalCSR6_Synergistic	,702
InstitutionalCSR7_Synergistic	,706
InstitutionalCSR8_Holistic	,831
InstitutionalCSR9_Holistic	,777

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

□

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	,731
Approx. Chi-Square	107,136
Bartlett's Test of Sphericity df	21
Sig.	,000

#### Communalities

	Initial	Extraction
Performance1	1,000	,757
Performance2	1,000	,644
Performance3	1,000	,834
Performance4	1,000	,444
Performance5	1,000	,680
Performance6	1,000	,630
Performance7	1,000	,583

Extraction Method: Principal Component Analysis.

#### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3,262	46,599	46,599	3,262	46,599	46,599
2	1,310	18,710	65,309	1,310	18,710	65,309
3	,758	10,833	76,142			
4	,561	8,015	84,157			
5	,552	7,882	92,039			
6	,304	4,340	96,379			
7	,253	3,621	100,000			

Extraction Method: Principal Component Analysis.

#### Component Matrix<sup>a</sup>

	Component	
	1	2
Performance1	,738	-,461
Performance2	,788	,156
Performance3	,634	,658
Performance4	,663	-,062
Performance5	,596	,569
Performance6	,739	-,288
Performance7	,595	-,479

Extraction Method: Principal Component Analysis.

a. 2 components extracted.



## Output of Correlation Tests

Correlations		
		Promotional_CSR
		Performance
Promotional_CSR	Pearson Correlation	1
	Sig. (2-tailed)	,234
	N	46
Performance	Pearson Correlation	,234
	Sig. (2-tailed)	,117
	N	46

Correlations		
		Performance
		Institutional_CSR
Performance	Pearson Correlation	1
	Sig. (2-tailed)	,334*
	N	46
Institutional_CSR	Pearson Correlation	,334*
	Sig. (2-tailed)	,023
	N	47

\*. Correlation is significant at the 0.05 level (2-tailed).

Correlations		
Control Variables		
		Performance
		Promotional_CSR
COO	Correlation	1,000
	Performance	,234
	Significance (2-tailed)	,126
	df	42
	Correlation	,234
	Promotional_CSR	1,000
	Significance (2-tailed)	,126
	df	42

Correlations		
Control Variables		
		Performance
		Institutional_CSR
COO	Correlation	1,000
	Performance	,337
	Significance (2-tailed)	,025
	df	42
	Correlation	,337
	Institutional_CSR	1,000
	Significance (2-tailed)	,025
	df	42

## Output of Regression Tests

		Correlations			
		Performance	Promotional_CSR	COO_Dummy	Sector_Dummy
Pearson Correlation	Performance	1,000	,256	,038	,114
	Promotional_CSR	,256	1,000	,350	,060
	COO_Dummy	,038	,350	1,000	-,056
	Sector_Dummy	,114	,060	-,056	1,000
Sig. (1-tailed)	Performance	.	,063	,412	,252
	Promotional_CSR	,063	.	,017	,362
	COO_Dummy	,412	,017	.	,371
	Sector_Dummy	,252	,362	,371	.
N	Performance	37	37	37	37
	Promotional_CSR	37	37	37	37
	COO_Dummy	37	37	37	37
	Sector_Dummy	37	37	37	37



**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Sector_Dummy, COO_Dummy, Promotional_CSR <sup>b</sup>	.	Enter

a. Dependent Variable: Performance

b. All requested variables entered.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,278 <sup>a</sup>	,077	-,007	,87278	1,905

a. Predictors: (Constant), Sector\_Dummy, COO\_Dummy, Promotional\_CSR

b. Dependent Variable: Performance

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,103	3	,701	,920	,442 <sup>b</sup>
	Residual	25,138	33	,762		
	Total	27,241	36			

a. Dependent Variable: Performance

b. Predictors: (Constant), Sector\_Dummy, COO\_Dummy, Promotional\_CSR

□

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3,284	,836	3,926	,000		
	Promotional_CSR	,263	,176	,268	,145	,871	1,148
	COO_Dummy	-,111	,392	-,051	,780	,871	1,148
	Sector_Dummy	,163	,289	,095	,577	,990	1,010

a. Dependent Variable: Performance

Coefficient Correlations<sup>a</sup>

Model		Sector_Dummy	COO_Dummy	Promotional_CSR
1	Correlations	Sector_Dummy	1,000	,082
		COO_Dummy	,082	1,000
		Promotional_CSR	-,085	-,355
	Covariances	Sector_Dummy	,083	,009
		COO_Dummy	,009	,154
		Promotional_CSR	-,004	-,025

a. Dependent Variable: Performance

Collinearity Diagnostics<sup>a</sup>

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Promotional_CSR	COO_Dummy	Sector_Dummy
1	1	2,852	1,000	,00	,00	,03	,04
	2	,772	1,922	,00	,00	,74	,11
	3	,361	2,810	,01	,01	,13	,85
	4	,015	14,021	,98	,98	,10	,00

a. Dependent Variable: Performance

Residuals Statistics<sup>a</sup>

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	4,1783	5,2178	4,6062	,24171	37
Residual	-1,92253	1,78220	,00000	,83563	37
Std. Predicted Value	-1,770	2,530	,000	1,000	37
Std. Residual	-2,203	2,042	,000	,957	37

a. Dependent Variable: Performance

Correlations

		Performance	Institutional_CSR	COO_Dummy	Sector_Dummy
Pearson Correlation	Performance	1,000	,386	,038	,114
	Institutional_CSR	,386	1,000	,145	-,036
	COO_Dummy	,038	,145	1,000	-,056
	Sector_Dummy	,114	-,036	-,056	1,000
Sig. (1-tailed)	Performance	.	,009	,412	,252
	Institutional_CSR	,009	.	,197	,415
	COO_Dummy	,412	,197	.	,371
	Sector_Dummy	,252	,415	,371	.
N	Performance	37	37	37	37
	Institutional_CSR	37	37	37	37
	COO_Dummy	37	37	37	37
	Sector_Dummy	37	37	37	37

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Institutional_CSR		Stepwise (Criteria: Probability-of-F-to-enter <= ,050, Probability-of-F-to-remove >= ,100).

a. Dependent Variable: Performance

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,386 <sup>a</sup>	,149	,125	,81369	1,461

a. Predictors: (Constant), Institutional\_CSR

b. Dependent Variable: Performance

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,068	1	4,068	6,144	,018 <sup>b</sup>
	Residual	23,173	35	,662		
	Total	27,241	36			

a. Dependent Variable: Performance

b. Predictors: (Constant), Institutional\_CSR



Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95,0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	3,177	,592		5,368	,000	1,976	4,379		
Institutional_CSR	,291	,117	,386	2,479	,018	,053	,529	1,000	1,000

a. Dependent Variable: Performance

Excluded Variables<sup>a</sup>

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
					Tolerance	VIF	Minimum Tolerance
1 COO_Dummy	-,018 <sup>o</sup>	-,115	,909	-,020	,979	1,021	,979
Sector_Dummy	,128 <sup>o</sup>	,816	,420	,139	,999	1,001	,999

a. Dependent Variable: Performance

b. Predictors in the Model: (Constant), Institutional\_CSR

Collinearity Diagnostics<sup>a</sup>

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	Institutional_CSR
1	1	1,974	1,000	,01	,01
	2	,026	8,734	,99	,99

a. Dependent Variable: Performance

Residuals Statistics<sup>a</sup>

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3,8558	5,2133	4,6062	,33616	37
Residual	-1,67224	1,91600	,00000	,80231	37
Std. Predicted Value	-2,232	1,806	,000	1,000	37
Std. Residual	-2,055	2,355	,000	,986	37

a. Dependent Variable: Performance

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Sector_Dummy, Institutional_CSR, COO_Dummy, Promotional_CSR <sup>b</sup>		Enter

a. Dependent Variable: Performance

b. All requested variables entered.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,408 <sup>a</sup>	,167	,062	,84228	1,518

a. Predictors: (Constant), Sector\_Dummy, Institutional\_CSR, COO\_Dummy, Promotional\_CSR

b. Dependent Variable: Performance

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,539	4	1,135	1,599	,198 <sup>b</sup>
	Residual	22,702	32	,709		
	Total	27,241	36			

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2,957	,826		3,580	,001		
Promotional_CSR	,037	,209	,038	,179	,859	,576	1,738
Institutional_CSR	,280	,151	,372	1,853	,073	,646	1,547
COO_Dummy	-,049	,380	-,022	-,128	,899	,865	1,157
Sector_Dummy	,212	,280	,124	,759	,454	,981	1,020

a. Dependent Variable: Performance

Collinearity Diagnostics<sup>a</sup>

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	Promotional_CSR	Institutional_CSR	COO_Dummy	Sector_Dummy
1	1	3,773	1,000	,00	,00	,00	,02	,02
	2	,778	2,202	,00	,00	,00	,77	,08
	3	,412	3,027	,00	,00	,01	,11	,87
	4	,025	12,214	,49	,01	,71	,00	,02
	5	,012	17,394	,50	,99	,28	,11	,01

a. Dependent Variable: Performance

Residuals Statistics<sup>a</sup>

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3,9398	5,3010	4,6062	,35508	37
Residual	-1,58667	1,74381	,00000	,79411	37
Std. Predicted Value	-1,877	1,957	,000	1,000	37
Std. Residual	-1,884	2,070	,000	,943	37

a. Dependent Variable: Performance

□





# Curriculum Vitae

## PERSONAL DETAILS

Name and Surname

E-Mail

Place of Birth

## EDUCATION

• Time

• Time

• Time

## WORK EXPERIENCES

• Time

• Job provider

•Department / Position

• Time

• Job provider

•Department / Position

• Time

• Job provider

•Department / Position

• Time

• Job provider

•Department / Position

## LANGUAGES

## COMPUTERSKILLS

## AWARDS

**Deniz Cantutan**

[denizcantutan@yahoo.com](mailto:denizcantutan@yahoo.com)

ISTANBUL - TURKEY

**March 2012 – June 2014**

**University of Vienna / Master Degree**

International Business / *Specialization: International Marketing*

**2005 - 2010**

**Marmara University / Bachelor Degree**

Business Administration /*Specialization:Marketing and Product Management*

**Springsemester 2008-Erasmus**

**Münster University of Applied Sciences, Germany -Exchange Program**

**from 01.03.2014**

**A1 Telekom Austria AG, Austria**

Wholesale / International Account Manager

**01.07.2013 – 30.09.2013**

**T-Mobile, Austria**

Customer & Market Insights / Intern

**11.07.2012 – 17.09.2012**

**Unilever, Turkey**

Marketing – Brand Building / Project Intern

12.07.2010 – 29.02.2012

**Turkcell, Turkey**

Internal Communication / Specialist

**GERMAN & ENGLISH –FLUENT; TURKISH – MOTHER LANGUAGE**

MS Office Programs, SPSS, Sony Vegas Video Edit (Advanced)

Adobe Photoshop, Prezi, HTML, mysql, PHP (Basic)

Accenture Campus Innovation Challenge, 1.st Place, 2013

Mobile Tycoon 3.rd Place , Tele.ring, 2012, Austria

3. Place in Company Volleyball League , 2011, Turkey

Unilever Ideatrophie (Marketing Competition) 2010, Finalist, 2010, Turkey

DAAD Scholarship-International Summer Course for German Language and Culture,

2009, Heidelberg, Germany

Erasmus Scholarship, Münster University of Applied Sciences Germany, 2008

## **Abstract (German Version)**

Corporate Social Responsibility (CSR) befindet sich seit langen in der Agenda von vielen Unternehmen. Obwohl die Bedeutung von CSR zwischen den Unternehmen erhöht hat, gibt es immer noch langdauernde Debatten über die Auswirkungen von CSR auf die Leistung des Unternehmens. Franchising als Expansionkonzept für Unternehmen gewinnt immer mehr an Bedeutung. Die Leistung der Franchise hängt von verschiedenen Faktoren ab.

In dieser Masterarbeit untersuche ich, ob die CSR-Aktivitäten die Leistung des Franchisegebers in Österreich beeinflussen. Diese Studie unterscheidet sich zwischen promotionalen und institutionellen CSR-Aktivitäten und analysiert die Auswirkungen von zwei verschiedenen Arten des CSR, rücksicht auf die Kontrollergebnisse der Wirkungen auf Basis, Herkunftsland und Sektor.

Der Nachweis ist durch eine empirische Studie bewiesen worden. Ein Fragebogen wurde an die Unternehmen in der österreichischen Franchise-Industrie verschickt. Die Ergebnisse dieser Studie unterstützen die Tatsache der positiven Auswirkungen der institutionellen CSR-Aktivitäten auf der Leistung des Franchisegebers.

Laut verfügbaren Quellen, ist diese Reschersche, die erste Forschung was über die Wirkung von CSR auf Franchise-Branche ist. Darüber hinaus ist es auch die erste empirische Auswertung, um die österreichische Franchise-Wirtschaft zu verstehen.

Diese Studie soll an bestehende Literatur von CSR, Franchising und Leistung anknüpfen. Wichtigste Schlussfolgerungen wurden geschrieben um Einschränkungen zu präsentieren und potenzielle Bereiche für die weitere Forschung anzubieten.

**Schlüsselwörter:** Corporate Social Responsibility, Franchising, Performance