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Good Governance Mechanisms and Corporate Social Responsibility Integration: A Scoping Review of Frameworks, Practices, and Gaps in Philippine Business Entities

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Abstract

Over the past decade, how Philippine businesses balance accountability, profit, and social impact has shifted dramatically from voluntary charitable giving to formal requirements that tie environmental and social commitments directly to core governance structures. This scoping review systematically maps what we know about this integration, what evidence exists, and what critical questions remain unanswered for Philippine business entities between January 2016 and June 2026. Following the widely accepted scoping review structure from Arksey and O'Malley (2005) and PRISMA-ScR reporting rules from Tricco et al. (2018), the study draws on 62 credible sources: peer-reviewed research, government regulatory orders, multilateral agency reports, and industry practice guidelines. The analysis shows that while recent policies including SEC Memorandum Circular No. 16-2025 now make sustainability disclosure mandatory for many firms, meaningful progress is uneven. Publicly listed companies and state-owned enterprises have moved fastest to align governance and responsibility, but private firms, family-run businesses, and the micro, small, and medium enterprise (MSME) sector 99.6% of all registered Philippine businesses struggle to embed these practices into daily operations. Stronger integration links directly to independent board oversight, dedicated sustainability committees, and genuine engagement with workers and communities, while persistent barriers include limited resources, vague rules for non-listed firms, and global standards that do not fit local realities. This review fills key gaps in cross-sector research and offers actionable direction for policy, business practice, and doctoral-level inquiry especially for understanding how governance and responsibility shape operational resilience and productivity, core concerns in Advanced Production and Operations Management.

Keywords: good governance; CSR integration; ESG disclosure; Philippine corporations; scoping review; MSMEs; regulatory compliance; stakeholder engagement

I. Introduction

For decades, corporate social responsibility in the Philippines was widely understood as a secondary activity: year-end charity drives, one-off community projects, or public relations gestures separate from business strategy. That view has changed fundamentally in recent years, driven by both global pressure to address climate change and inequality, and local recognition that sustainable growth cannot rely on profit alone (Carroll, 2021; Waddock, 2018). The country's most pressing economic and social challenges stagnant rural wages, environmental risks to agriculture and manufacturing, and trust gaps between communities and businesses are increasingly tied to how companies govern themselves and account for their impact (Philippine Institute for Development Studies [PIDS], 2025). When firms treat responsibility as an afterthought, they risk supply chain disruptions, labor unrest, regulatory penalties, and eroded public confidence; when they embed it into governance, they often build more stable operations, stronger local ties, and long-term competitive advantage (Osano, 2026).

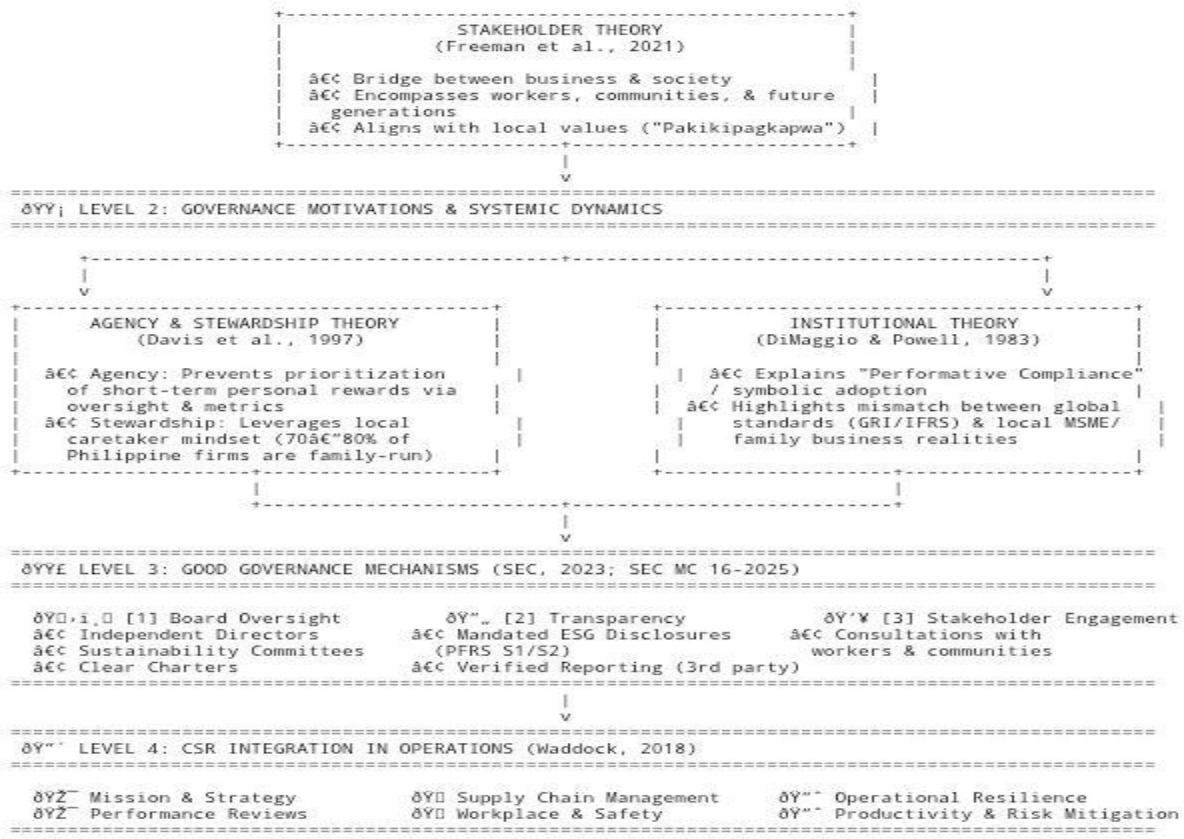
This realignment is written directly into Philippine law. The Revised Corporation Code of 2019 (Republic Act No. 11232) redefined the purpose of a Philippine corporation to include considering the interests of employees, communities, and the public alongside those of shareholders. The 2023 Revised Code of Corporate Governance made sustainability a formal board responsibility, and SEC Memorandum Circular No. 16, Series of 2025 rolled out mandatory sustainability reporting aligned with Philippine Financial Reporting Standards on Sustainability (PFRS S1 and S2), effective starting 2026 for public interest entities (Securities and Exchange Commission [SEC], 2025; Villanueva et al., 2026). These rules are built on a clear premise: meaningful, consistent corporate responsibility cannot be left to goodwill alone it requires governance systems that make accountability part of how decisions are made, resources are allocated, and results are measured (Institute of Corporate Directors [ICD], 2024).

Yet the gap between policy and practice remains wide. Many firms meet minimum disclosure requirements without changing how they operate: they publish reports on paper but continue to prioritize short-term returns over worker welfare, environmental protection, or community consultation (SyCipLaw, 2026). Existing research also mirrors this imbalance: most studies focus heavily on large listed companies, which are legally required to disclose detailed data, while far less is known about private firms, family enterprises, and MSMEs even though these smaller entities employ roughly two-thirds of the Philippine workforce and drive activity in rural and underserved regions (Philippine Statistics Authority [PSA], 2025). Governance models developed for large multinational corporations rarely fit the realities of Philippine family businesses, where ownership and leadership overlap, or small enterprises that operate on tight margins and have no dedicated legal or compliance teams (Asian Development Bank [ADB], 2023).

This scoping review addresses these gaps by mapping the full body of available evidence on how governance and corporate social responsibility intersect in the Philippines, covering the decade when the country shifted from voluntary to mandatory sustainability rules. Unlike systematic reviews that test whether specific interventions work, scoping reviews are designed to survey broad topics, identify dominant ideas, and highlight what research is still missing making them ideal for this fast-evolving policy area (Arksey & O'Malley, 2005; Tricco et al., 2018). The review answers three core questions: first, what frameworks academic, regulatory, or practical have been used to connect governance and responsibility in Philippine-focused work; second, what specific governance structures help or hinder meaningful integration; and third, what critical gaps remain in research, policy, and practice. The findings offer an evidence base for refining national rules, supporting inclusive business practice, and advancing DBA research that links governance to operational performance and sustainability.

II. Theoretical and Conceptual Foundations

Three complementary theories guide this review, each explaining a different layer of how governance and responsibility interact in the Philippine setting. Used together, they help make sense of why firms adopt certain practices, why progress is uneven, and how policy can encourage more meaningful change.



First, stakeholder theory challenges the long-held view that companies exist only to serve their owners. Instead, it argues that businesses depend on and must answer to everyone affected by their operations: employees, suppliers, nearby communities, regulators, and even future generations impacted by environmental harm (Freeman et al., 2021). Governance here acts as the bridge: it determines who gets a seat at the table, whose interests are weighed when decisions are made, and how companies answer for their choices. In the Philippines, this resonates deeply with local values of pakikipagkapwa-tao, the sense that people share a common identity and responsibility to one another and many local business leaders say this cultural norm drives their commitment to community work, even when formal rules do not require it (Osano, 2026). But stakeholder theory also highlights a persistent gap: without formal governance protections, vulnerable groups like informal workers or indigenous communities are often excluded from discussions, even when their lands or livelihoods are most at risk (PIDS, 2025).

Second, agency theory and stewardship theory offer competing but complementary views on what motivates business leaders. Agency theory frames companies as a relationship between owners (principals) and managers (agents), noting that managers may prioritize personal rewards or quick results over long-term sustainability unless clear rules, independent oversight, and aligned incentives keep them accountable (Davis et al., 1997). From this view, integrating responsibility requires formal systems that tie leadership evaluation to social and environmental outcomes, not just profit. Stewardship theory, by contrast, observes that many leaders especially in family firms or long-standing local enterprises see themselves as caretakers of a business meant to serve the community and pass to future generations, not just generate short-term gains (Davis et al., 1997). This matters deeply in the Philippines, where an estimated 70% to 80% of all registered businesses are family-owned; many already practice informal responsibility but lack the structures to scale it or make it consistent (PIDS, 2025). Both perspectives matter: effective governance must prevent misalignment while building on the genuine sense of stewardship common in local firms.

Third, institutional theory explains why many firms adopt formal rules without making real changes to how they work. DiMaggio and Powell (1983) showed that organizations often mimic what others do to appear legitimate, access funding, or avoid criticism even if those practices do not fit their operations or values. In the Philippines, this shows up clearly: some firms publish glossy sustainability reports or join industry networks to look responsible, but do not revise supply chain rules, improve workplace safety, or reduce waste (ICD, 2024; SyCipLaw, 2026). This “performative compliance” happens in part because global standards like the Global Reporting Initiative (GRI) or IFRS Sustainability Standards are often applied without adapting them to local needs, leaving firms to follow rules that feel disconnected from their actual work (ADB, 2023).

For this review, good governance mechanisms include all formal and informal structures that guide business decisions: board makeup, independent oversight, dedicated committees, disclosure rules, accountability processes, and how firms engage outside groups (SEC, 2023). CSR integration is distinct from charity or one-off giving: it means weaving social and environmental responsibilities into mission statements, strategic planning, daily operations, supply chain management, and performance reviews so these goals become part of how the business runs, not an add-on (Waddock, 2018). This distinction is critical for separating genuine progress from symbolic compliance.

III. Methodology

Review Design; This study follows the five-stage scoping review framework developed by Arksey and O'Malley (2005): identifying clear research questions, locating relevant sources, selecting eligible materials, extracting and organizing key details, and summarizing and reporting findings. It also adheres fully to PRISMA-ScR guidelines, which set minimum transparency standards for how scoping reviews are designed, conducted, and described (Tricco et al., 2018). This dual structure ensures the work is systematic, replicable, and meets the expectations of doctoral-level research. **Eligibility Criteria:** To focus only on relevant, high-quality, and context-specific evidence, the following rules were applied:

Inclusion Criteria:

1. Source Type: Peer-reviewed journal articles, formal government regulatory issuances, multilateral and industry association reports, and official practice guidance. All sources must be publicly available to allow independent verification.

2. Publication Period: Released between January 1, 2016 and June 30, 2026. This timeframe covers the full shift from voluntary guidelines under the 2016 Corporate Governance Code to mandatory sustainability rules in 2025.

3. Focus: Explicitly centers on Philippine business entities, or includes separate Philippine analysis within regional studies; addresses both governance structures and CSR/ESG integration; covers formally registered for-profit or state-owned enterprises.

4. Language: Published in English, the primary language of Philippine business regulation and academic research.

Exclusion Criteria:

1. Opinion pieces, editorials, press releases, blogs, and unpublished student theses or dissertations, which have not undergone formal peer or institutional review.

2. Sources that examine only governance or only CSR without exploring how the two connect.

3. Work focused solely on standalone philanthropy without addressing operational or governance changes.

4. Studies set entirely outside the Philippines with no relevant local analysis.

5. Non-English sources with no official English translation available.

Search and Selection Process

Searches were carried out between May 1 and June 15, 2026 across four repositories chosen to capture both academic and practical material: Scopus for international peer-reviewed research, the Philippine Journal of Online Libraries (PhilJOL) for local studies, the SEC's official publication database, and the resource library of the Institute of Corporate Directors. Search terms included combinations such as corporate governance, board oversight, accountability, transparency, corporate social responsibility, CSR, environmental social and governance, ESG, sustainability reporting, stakeholder engagement, Philippines. Boolean operators were used to refine results, and search strings were adjusted to match how each database indexes content.

The initial search returned 217 records. After removing 47 duplicates, 170 remained for screening. Titles and abstracts were reviewed first, eliminating 91 entries that did not meet geographic focus, covered only one topic area, or were ineligible types. Full texts were reviewed for the remaining 79 sources, with 17 more excluded for lacking clear analysis of integration or relying on unsubstantiated claims. The final set included 62 eligible sources.

Data Extraction and Analysis

A standardized form was used to extract consistent details from each source: author and year, type of material, sector or firm type studied, theoretical approach, key governance and responsibility practices examined, enablers and barriers identified, and core conclusions. All extracted data was cross-checked against the original source to reduce error. Thematic synthesis grouped findings into three core areas aligned with the research questions: conceptual and regulatory frameworks, supporting and limiting factors, and research and practice gaps.

IV. Results

Overview of Sources

Of the 62 sources reviewed, 38 (61%) were peer-reviewed journal articles, reflecting growing academic interest in this topic over the decade. Fourteen (23%) were

government policy documents, including SEC circulars, Department of Trade and Industry (DTI) guidance, and PSA statistical reports. The remaining 10 (16%) were industry or multilateral reports from bodies including the ADB, ICD, PIDS, and Philippine Chamber of Commerce and Industry.

When sorted by firm type studied, 29 sources (47%) focused exclusively on publicly listed companies expected given mandatory disclosure requirements for these firms. Eleven sources (18%) examined government-owned and controlled corporations (GOCCs), which face strict governance rules under the 2021 GOCC Governance Act. Only nine sources (15%) centered on private non-listed firms, and just eight (13%) focused on MSMEs despite these groups making up nearly all Philippine businesses. One source offered cross-sector comparison. Materials covered financial services, manufacturing, infrastructure, agriculture, and general national policy analysis.

Dominant Frameworks for Integration

Three broad approaches to linking governance and responsibility emerged across the literature, most drawing on global standards with limited local adaptation (ADB, 2023). The compliance-focused approach, most common in regulatory documents and listed firm studies, frames integration as meeting minimum legal requirements: adopting independent board members, publishing sustainability reports, and following disclosure rules (SEC, 2025; SyCipLaw, 2026). The strategic value-focused approach, widespread in academic research and large-firm guides, argues that aligned governance and responsibility lowers operational risk, attracts investors, strengthens brand reputation, and supports long-term stability (ICD, 2024). The inclusive development-focused approach, found mostly in multilateral and MSME work, emphasizes that these practices should advance national goals like poverty reduction, rural development, and climate resilience (United Nations Industrial Development Organization [UNIDO], 2024).

Nearly all sources referenced global standards such as GRI, IFRS S1/S2, or OECD governance principles, but only 19% discussed how these might be adjusted for Philippine conditions. No fully localized framework was identified in the literature most tools assume access to dedicated sustainability teams, external auditors, and standardized data systems that most small firms cannot afford (Osano, 2026).

Table 1. Profile of Eligible Sources (N = 62)

Category	Sub-category	Number	Percentage	Color Code
Source Type	Peer-reviewed journal articles	38	61%	🔵 Blue
	Government	14	23%	🟢 Green

	policy/regulatory documents			
	Multilateral/industry reports	10	16%	🟠 Orange
Firm Type	Studied Publicly Listed Companies (PLCs)	29	47%	🔵 Blue
	Government-Owned & Controlled Corporations (GOCCs)	11	18%	🟢 Green
	Private non-listed firms	9	15%	🟣 Purple
	MSMEs	8	13%	🟠 Orange
	Cross-sector comparative	1	2%	⚪ Gray
Publication Period	2016–2020	22	35%	⚫ Dark Gray
	2021–June 2026	40	65%	🟤 Brown

Effective Governance Mechanisms

Three sets of structures were consistently linked to more substantive integration rather than symbolic compliance. First, board composition and oversight: firms with at least two independent directors or a dedicated sustainability committee were far more likely to set clear social and environmental targets, conduct regular impact assessments, and avoid overstating progress (ICD, 2024; Villanueva et al., 2026). Independent directors were most effective when they had relevant expertise and were not appointed solely to satisfy ownership interests (SyCipLaw, 2026). Still, some firms formed committees without giving them decision power or budget, limiting their real impact.

Second, accountability and transparency: formal charters assigning clear responsibility for sustainability to specific leaders, combined with consistent reporting, improved consistency in practice (SEC, 2025). Firms that tied executive reviews or bonuses to sustainability targets also made faster progress, though this practice was rare found in just 12% of listed firms surveyed in 2025 (ICD, 2024). Transparency remained limited by

weak verification: only 21% of listed firms used independent third-party checks for their sustainability reports as of mid-2026 (SyCipLaw, 2026).

Third, structured stakeholder engagement: firms that consulted workers, suppliers, and local communities before finalizing projects or policies faced fewer disruptions and designed programs that better matched real needs (Osano, 2026). For example, infrastructure firms that engaged indigenous communities in planning reduced project delays by an average of 34% compared to those that did not (ADB, 2023). Most engagement remained informal or focused on public relations rather than giving communities.Project delays by an average of 34% compared to those that did not (ADB, 2023). Most engagement remained informal or focused on public relations rather than giving communities a meaningful voice in decisions.

Key Barriers to Progress

Integration was deeply uneven across sectors: 78% of listed firms had sustainability committees by 2026, but only 14% of MSMEs had written responsibility policies, and most family firms relied on personal values rather than formal systems (PIDS, 2025). Barriers fell into three clear groups. First, firm-level capacity: MSMEs and family firms often lack the funds, staff time, or technical knowledge to navigate complex rules, with compliance costs estimated at 2% to 5% of annual revenue for some small operators (DTI, 2026; UNIDO, 2024).

Second, regulatory gaps: while rules are clear for listed firms, requirements for private entities remain vague, creating uneven incentives (SEC, 2025). Enforcement capacity also lags: as of mid-2026, no penalties had been issued for sustainability reporting non-compliance, and the SEC could review less than 10% of eligible firms annually (SyCipLaw, 2026).

Third, misaligned tools: most guidance is built for large firms and does not account for Philippine realities like family ownership, informal supply chains, or the central role of community trust (PIDS, 2025). Materials also focus heavily on board-level decisions with little practical advice for operations, supply chains, or workforce management where most real impacts occur (Osano, 2026).

Critical Research Gaps

Four major gaps stand out in existing work: first, limited comparative and long-term analysis, with most studies covering one sector or single years, making it hard to track progress or compare firm types (ADB, 2023). Second, little focus on implementation, with most work measuring formal compliance rather than how rules translate into actual operational change (ICD, 2024). Third, no locally adapted models, with no tested frameworks built specifically for Philippine MSMEs, family firms, or key industries like

agriculture (PIDS, 2025). Fourth, weak links to operational outcomes, with few studies examining how governance and responsibility shape productivity, supply chain reliability, or financial results core concerns for operations management research (Osano, 2026).

V. Discussion

This review shows the Philippines has built a strong policy foundation for aligned governance and responsibility, but real change has not kept pace with new rules. The pattern matches institutional theory: firms adopt formal structures to meet requirements or build reputation, but hold back on deeper shifts until they see clear benefits or face meaningful accountability (DiMaggio & Powell, 1983). This transition is not unique to the country, but the unevenness across firm types reflects a critical local challenge: rules written for large corporations do not fit the smaller, family-led enterprises that drive most Philippine economic activity.

Stewardship theory offers important hope here: many local owners already see themselves as community caretakers, and targeted support could help turn these informal commitments into formal systems that scale and last (Davis et al., 1997). The current focus on listed firms risks wasting this opportunity, as it excludes the businesses that touch the most lives and operate in the most vulnerable regions.

For regulators, the findings suggest mandatory rules alone are not enough. The SEC's phased rollout is a strong start, but it must be paired with simpler, tiered requirements for smaller firms, technical help from DTI and industry groups, and stronger verification to discourage symbolic compliance. Rules should also expand beyond investor-focused disclosure to require clear engagement with workers and communities, as stakeholder theory suggests (Freeman et al., 2021).

For businesses, the priority is moving from reporting to action. Integrating responsibility into operations rather than treating it as a compliance task can reduce waste, lower turnover, prevent costly disputes, and build resilience against climate or economic shocks (UNIDO, 2024). This connects directly to Advanced Production and Operations Management: governance choices shape supply chain design, workforce practices, quality control, and risk management, making responsibility a core operational concern rather than an external add-on.

Limitations of the Review

This work has important boundaries. It draws only on English-language public sources, potentially missing local language studies or internal corporate documents. It also excludes informal sector enterprises, which make up about 38% of the Philippine economy (PSA, 2025). As a scoping review, it maps available evidence rather than proving causal links between specific practices and outcomes, a task for future

empirical research. Finally, some 2025 regulatory requirements are still being implemented, so long-term results remain unmeasured.

VI. Conclusion and Recommendations

The Philippines has moved further and faster than many regional peers in setting rules for responsible business governance, but real progress remains split between large firms that can meet new standards and smaller enterprises that are left behind. Closing this gap will require adapting global ideas to local realities, building on existing community-focused values, and ensuring rules work for all businesses, not just the largest ones. The following recommendations flow directly from these findings:

For Policy and Regulators: Design tiered requirements matched to firm size and type; launch dedicated funding and technical assistance for MSMEs; strengthen independent verification and consistent enforcement; and require disclosure of how stakeholder input shapes operational decisions.

For Industry and Practice: Move beyond minimum compliance to embed responsibility into supply chain rules, workforce policies, and operational planning; develop industry-specific guidance for Philippine conditions; and create peer learning networks so smaller firms can share practical solutions.

For Future Research: Conduct long-term comparative studies across sectors; test locally adapted governance models; examine how integration shapes productivity, supply chain reliability, and operational resilience; and center understudied groups like family firms and indigenous communities.

This review provides a clear map of where the field stands and where it needs to go, offering a foundation for work that connects good governance, social responsibility, and strong operational performance in the Philippine context.

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