Chapter 21

Sustainable Initiatives and Organizational Reshaping in Food Retailers

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ABSTRACT

This chapter analyses the adoption by large food retailers of corporate social responsibility (CSR) programs targeted at employees and their families. The authors propose an exploratory research. A qualitative approach has been used to examine the emerging redefinition of the organizational approach to improve effectiveness of retail CSR initiatives. The multiple case study analysis is a useful research tool that investigates a contemporary phenomenon in its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. This methodology highlights nine different cases which explain some organizational tools to implement CSR in retail companies that operate in EU. Findings reveal the need for a redefinition of organizational structures and processes for implementing a successful CSR strategy in the retail sector. The selected cases show the importance of closer coordination among the organizational dimensions to implement CSR in retail sector. Some cases show a delay in the implementation of organizational tools and employee engagement.

INTRODUCTION

Recent economic-financial crises and consumer pressure have prompted the development of enterprises’ strategies towards corporate social responsibility (CSR) implemented through sustainable business practices. In doing so, large food retailers are intensifying their efforts to develop CSR initiatives that simultaneously achieve economic, environmental and social objectives.

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Many studies investigate the strategies and activities of large retailers in the upstream and downstream supply chain (Schramm-Klein et al., 2015). Only a few studies have examined how the internal organization of large retailers is reshaping to foster responsible and sustainable activities and to improve corporate reputation and customer satisfaction.

The aim of this paper is to investigate the adoption of CSR internal programs by large food retailers, including the reshaping of their organizational structures and processes.

The paper begins with an overview of socially responsible activities by large food retailers, mainly through the review of sustainable labor strategies and practices in the European Union market. Then, the paper presents nine case studies. In particular, organizational solutions developed by some innovative retailers are discussed. Finally, some conclusions and areas for future research are proposed.

RETAILERS, CSR AND ORGANIZATIONAL RESOURCES

Over the last decades the importance of CSR has grown significantly. In particular, recent economic and financial crises, as well as environmental degradation and serious social imbalances have increased consumer demand for more ethical and responsible corporate behaviours, through their purchasing practices.

The importance of CSR has increased in all economic sectors, including in the retail sector, where large international retailers are investing relevant resources to cope with consumers’ ethical demands (Whysall, 2000; Pepe, 2003; Jones, Comfort, & Eastwood, 2005). Key international retailers have begun to offer ethical products and services, consolidating their approach to CSR through activities related to sustainable development, fairness, and a balanced distribution of value among all stakeholders involved in their activities as well as along their supply chains (Musso & Risso, 2006; Risso, 2012a).

In particular, Anselmsson and Johansson (2007) pointed out that there are three general attitude-based dimensions for CSR positioning of retailers: human responsibility, product responsibility, and environmental responsibility.

The dimension of environmental responsibility means that a company is perceived to produce environmental-friendly, ecological, and non-harmful products. It implies that a clear regime of environmental policies exists and that product packaging is recyclable. Product responsibility means that all products come with a full and complete list of content, that country of origin is stated, that the company will uphold to its declarations of intent and assume liability for its products (Anselmsson & Johansson; 2007).

Human responsibility means that the company deals with suppliers who adhere to principles of natural and good breeding and farming of animals, and also maintains fair and positive working conditions and workplace environments for their own employees.

Jones et al. (2010) studied the sustainability reports of the worlds’ leading retailers. In particular, Jones et al. (2011) show how UK retailers tend to shape their sustainability agenda in a weak and opportunistic manner in order to encourage consumption. Souza-Monteiro and Hooker (2017) examine how socio-economic and institutional factors impact UK food retailers’ CSR strategies, as revealed in corporate communications and product marketing. They argue that CSR strategies are increasingly being used by food businesses not only improve firms’ goodwill and reputation but also as a competitive tool.

Meanwhile, a recent study (Kim et al., 2014) on consumer perception of community and employee oriented CSR program indicates that when retailers are perceived to adhere to social norms through their CSR actions, they gain legitimacy and support from consumers within the community.