Can Sustainability be a way of doing business?

The case of Cooperative group (UK)

Business Administration

Master’s Thesis

15 ECTS

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Supervisor: Bo Enquist
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>SD</td>
<td>Sustainable Development</td>
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<td>WBSD</td>
<td>World Business Council for Sustainable Development</td>
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<td>KPI</td>
<td>Key Performance Indicators</td>
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Comparison of responses from Managers, Employees and Customers (page.51)
Abstract

This study is about Corporate Social Responsibility (CSR) strategy, sustainable thinking and practices at the Co-operative. The main focus had been the Food store of Co-op. The practices are assessed to see whether Co-op is doing business activities based on the pillars of ethical code of conduct that they have publically reported. The study builds up by presenting an overview of various businesses that are operating ethically under the title of the Cooperative group.

The challenge of Co-op is to be ethical, responsible, and aggressive in delivering value to all the stakeholders namely members and customers. This has to be done for the sustainable competitive advantage and growth of the business. It has been noted that despite being the pioneer in Fair trade products, Co-op food faced problems on customer and employees’ level. There were the cases of employee harassment and unreasonable behaviour of customers in attempting to buy beer and age restricted products. One customer level, they considered Co-op good for daily usage items and expressed their concern product prices, variety and delivery options. The employees had a mix response related to this issue and they mostly responded that Co-op was a better place to shop and had better service. The views of managers and customers coincided on many occasions that reflected the awareness of managers about customers’ behaviour.

The audit of suppliers of grocery products had been the concern as it was revealed that Co-op food sourced them from other countries like Spain. Therefore, suppliers’ audit became vital for behaving responsibly and having sustainable business practices that are profitable without risk of accusations. This is vital as Co-op food has branded itself as one of the green retailers in UK. Moreover, there are traces of green washing and green marketing as observed by us in their reports and website. This practice is considerably as Peter Marks himself said that customer trust is the key to success after economic crunch.
Acknowledgements

We are grateful for the support and assistance provided to us by the members of the CTF Research Center, namely Professor Bo Enquist and Samuel Sebhatu. They supervised and guided us throughout the research study. We are thankful to the employees and managers at the Co-operative stores at UK who provided us the opportunity to enrich our knowledge about practical implications.

Finally and foremost, we are obliged to our families for emotionally and financially supporting us in this whole study period.
Chapter 1

Introduction

The inspiration for this study was the novelty of the topic Corporate Social Responsibility (CSR) and subjects being taught at the Karlstad University. We had studied the theories about CSR, its application and global trends related to it. Co-operative, the selected company, was actually unearthed in an assignment in the subject of “Business in sustainable society”. Later on further research and detailed study of the company and its practices moved us to the decision to select it for the paper.

Our basic understanding of the theory depicted to us that the role and demand of the stakeholders and customers have brought revolutionary changes to the thinking of managers and business owners. Mostly the demands and the roles revolve around three concerns that are social, economic and environmental sustainability (Enquist et al. 2006). This is to have a better future for the next and present generations (WBCSD 2004).

The businesses have been facing challenges with regard to their social responsibility regarding environmental and social issues along with the economic bottom line. There is a growing concern in public about the positive and negative externality of the business organisations (Edvardsson & Enquist 2009).

The intentions of the public can be understood through the support of a survey that was conducted in 23 developed and underdeveloped countries. The results of the developed countries were that, according to the common people, companies should have ethical standards for conducting business that could be helpful in making a better society (Environics International Ltd. 1999).

The response of the public stated by Environics International Ltd. (1999) reflects the promise of better future highlighted by WBSD (2004). Having said that, the development of study leads us to the other factor that deals with what activities can be termed as responsible. World Business Council for Sustainable Development, in its reports, depicts those activities that are based on creating a framework for achievable-goals. Furthermore, the activities are to be
concerned with environmental, social or community and economic uplift which is required for healthy, sustaining and prosperous life (WBSD 2004). These achievable goals have to be a part of the overall corporation’s strategy so that day to day business operations could reflect what, is termed by Vogel (2005) as Doing good to doing Well. It can be called as doing ethical business.

This integration into strategy could also lead to better communication of the responsible actions of the company to the stakeholders which can result in better performance of the company. This means that ethical businesses can be a way to satisfying the stakeholders by taking care of social, environmental and economic responsibilities (Elkington 1998).

There is a concern about clear relationship between CSR and financial performance across industries (Vogel 2005). Grayson, D. & Hodges, A. (2004) explained in their book that is titled as “Corporate social opportunity!: 7 steps to make corporate social responsibility work for your business” the course of action that has to be taken by companies to take advantage of the CSR activities to the extent at which it can behave as the company’s competitive advantage. The steps that are defined in the book depict that the ecology or environment in which the company operates behave as a filter for the management to screen out the CSR activities that not unsustainable and can lead to profitability.

1. Purpose

The aim of this thesis is to analyse and understand the role of sustainability and CSR as a strategy and its contribution into the Co-operative sustainable business thinking/practices. This is done by looking at the initiatives that are taken by the company’s management, their strategies and their future objectives with regards to being a sustainable and responsible company.

The nature of the study demanded deep insight of the situation due to which case study research methodology had been adopted. CSR activities of Cooperative had been analyzed from different perspectives and its relations with company’s performance and achieved goals. This is in order to assess that corporations like Cooperative can be a responsible business.
2. Research Question

1. What is the role of sustainability towards sustainable business and CSR as a strategy?
2. Is Cooperatives’ way of doing business embedded in social and environmental perspectives for sustainable business?

Sub Question:

Does the economic concern of Co-op is being supported by its sustainability thinking and its business operations?

3. Thesis structure:

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<td>Assessment of empirical and interview responses on the basis of present theory and our first-hand understanding of the problem.</td>
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Chapter 2

Research Methodology

The research design is crafted and re-engineered through the logical networking, connection and build up of theory based on the design to assess the suitability of the design. This study is qualitative as it addresses the qualitative issue regarding the acceptability and success of the sustainability concept in the shape of CSR which results in ethical Business cycle\(^1\) on the basis of detailed corporate documents and theoretical development.

1. Qualitative Research

The common understanding of most of the academic community is that qualitative research is focused on the interpretation and analyses of the text and textual structures to gain understanding of the research problem and gain knowledge (Taylor 1976).

Knowledge building is based on understanding of the problem. There are two approaches to start the process of understudying of any situation being studied. One is *inductive approach* that instructs to observe specific and targeted situations and then extract a pattern that is later used to chalk out a generalized theory. The other, named as *deductive approach*, moves from generalized concept to specific logical reasoning. In this approach, top-to-down strategy is adapted in contrast to the previous one. Here, the researchers reasonably decides on a general theory, build study on it, tests his problem statement according to the theory and gets to specific results about the approval or disapproval of the specific concept and line or way of thinking (Trochim 2006).

The qualitative research study is based on the deep analysis of texts and produces understanding and knowledge that provides complex description, having network of logical connections, of the problem being addressed (Strauss & Corbin 1998). This means that the result of this study will result in a conclusion that is to be composed of complex textual blocks despite the limitations of the study.

This study moves from general theories to a specific situation so deductive approach will be applied which will confirm the validity and reliability of the problem being discussed. As it is said before that it is based on words so the situation cannot be understood with the help of

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\(^1\) Business management and creation
mathematical calculations, use of figures and graphs or other calculation tools and techniques (Taylor 1976). The information is only available in the form of words and writing as this is the primary stage of the concept which means that its acceptability and understanding has not reached the level that the concept could be accumulated in tangible terms or can be assigned some definite value which numbers possess.

So the concept of SD in the shape of CSR, being the means to create and manage a business can only be studied in an understandable manner through the corporate documents available and having verbal narrations in the form of stories told by the interested persons who are related to the field and subject of study and have adequate information that could be converted into knowledge by analysing it in the light of relevant theory (Trochim Ghauri et al. 1995). Therefore, it is evidently proved that the advocacy of the research design and methodology are the factors of applicability, practicality and reliability.

He further explained that the understanding is sourced from the consideration of context, apparent text and the true intent of the researcher, writer, documenter or recorder. In this way, the complete meaning and the understanding of the writer can be attained which could enrich the research being done (ibid.).

1.1 Case Study

Case study is defined by Yin (2003) as:

“An empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin 2003, p.13)

Furthermore, Merriam, S. B. (1985) explains about this in a way that the case study method allows to inspect either one or more than one element of a distinctive nature having a critical investigation of its conceptual generalization. The major purpose of the method is to make deep understanding possible (Yin 2003). Case study approach is depicted by Yin (1994) to be effective in sketching boundaries of sustainability and therefore these features of case study method make it appropriate and reliable for research in the area of sustainability (Blaze
Corcoran et al. 2004). The case of this method is further advocated by (Gillham 2000) by saying that it supports to accumulate all sorts of evidence needed in extracting and crafting the best possible answer to the research questions pertaining to a specific problem.

The present study is a result of the philosophical exertion based on the research work of the previous researchers and an exploratory study in which a novel concept is being addressed that is to see that how companies can execute their businesses by practicing CSR and adapting the sustainability concept.

The officially documented corporate information from the corporate website, corporate reports, research articles are mainly used as a source of secondary information. The interviews based on narrations processed with respect to the paradigm of the available theoretical base are the source of primary. Both forms of these data are logically connected and analysed to see the pattern in them to have a conclusive result that be the source of academic understanding as well as knowledge about the research question or problem. All this was possible due to the flexibility and operational effectiveness of case study method in this respect.

In our study, there is one corporation known as the Cooperative Group. It has its business of retail stores and has numerous other businesses along with it. The focus of the study is its responsible activities.

1.2 Data collection

For any study which is research based, the primary steps are data collection approaches, observation of documented practical cases and interpretation of the text within the context of the problem or situation (Silverman 2006).

Merriam (1998) depicted that the qualitative studies based on case approach are authenticated through and depend upon data sourced from various qualitative sources as interviews and company documentation. Qualitative sources have two types: primary and secondary.

Primary Data

The primary source depends on the interviews from the customers, employees and chiefs at the store of the Co-operative. A total of ten stores were selected randomly to avoid any biasness. The customers were asked about their preferences and the reason to choose the
stores of the Co-operative. The business site employees and the store managers were questioned regarding job environment, training and what they believe about the company. The notable thing is that the store managers were interviewed for twenty minutes on average and the table that provides the names, place of the store and duration of interview can be seen in the index at the end of this thesis.

Interviews were done of the knowledgeable and the interested and related people at the company business sites or stores like the manager of the store, people working there and also the customers who are the most affected.

On the other side, two employees and customers from each store were randomly selected on the basis of observation to be most suitable for response. So, twenty employees and customers were interviewed. This brings us to the total of 50 people. The average time with an employee and customer varied from 5 to 10 min each. The vital points of the interview of Peter Marks, CEO of Co-op UK have been coded and categorised. The interview had been made available online by the Co-op group channel programme “Inside View with Peter Marks”.

Talking about the employees and customers and managers, interview questions were ordered according to the interest, knowledge and experience of the interviewee which was revealed in the first phase of the interview on the basis of probing questions. The whole interview process was informal and the objective of the interview was to get the natural response of the interviewee to get as much rich qualitative data as possible that can be used to analyse the real situation in the market with regards to what is said in the reports and literature.

Note: The detail of the interviews with managers, employees and customers was written under Appendix. This also included the detail about the comparison of interviews and comparison tables. The reason and rationality behind this is that only the filtered responses and comparison was packaged in empirical study that led us towards a conclusion.

Secondary Data

The secondary data is based on corporate data and sustainability reports available on the Co-operative website. It provided us information about the achievements, values, aims and future ambitions of the company. The articles written about the company in newspapers and posted on the websites of famous news agencies like “The Guardian” were also used to see the
viewpoint in a critical manner. The research articles, used in the theoretical part were sourced from the University library resource containing the Databases like Emerald, Science Direct and Jstor.

The online thesis, written in the Karlstad University and accessible through the university website proved to be a guideline to know what research and work has been done on this issue previously and what could be the line of study and the structure of the thesis. The dissertations of the two teachers, Mikael Johnson and Samuel Petros Sebhatu (our supervisor) proved to be the most valuable in structuring this thesis.

2. Data Interpretation

Data interpretation means to find the logical connection between different bits and pieces of data to develop a relationship and pattern that is meaningful and helps in narrowing the discussion to come to a conclusion. The process involves data collection, data categorization and codification. This form of interpretation is done in case study method where qualitative research is applied. The categorization and coding depends on the research question, the topic of the study and experience of the researchers. In our research the interpretation is done by summarising the responses of store managers, employees and customers. The categorization is done on the basis of the parts of responses related to the different dimensions of the study like society's well-being, environmental concern, Fairtrade products. The codification is done by stating the responses after filtration and modification on the basis of personal observation of the researchers and company official documents (Bryman, A. & Bell, E. 2007, pp. 301-323).

3. Analysis

The summary of the interview was communicated with the interviewee to know if there is any gap between the understandings of the real situation. All this was examined through the filter of Sustainable Development Theory. The research is a qualitative empirical study to have an exhaustive analysis of the cooperative corporation with respect to the implementation of the SD concept in the sense of creating and doing business. Eisenhardt (1989) explains about the case study analysis that it involves the theory sampling and application of triangulation. Triangulation means to source data from several sources or using more than one method for measuring and process responses (ibid.). The induction approach was followed to have a generalized idea from the networking of specific situations and having
focus and overall pattern or behaviour of the elements of study being observed (Bloor, M. & Wood, F. 2006). This approach proved to be effective in order to make hypothesis and do further analysis to see further to have more insight of the situation (Trochim 2006; Strauss & Corbin 1998). Finally the conclusion, when this induction and deduction cycle was completed.

4. Limitation

This research study is based on the in-depth analysis of the Sustainable development concept with respect to its application in business in the form of responsible practices. Moreover, the limitations of this study are that it is based on the case study of a single corporation, on a single concept that is SD implementation mostly having concentration on strategic level without defining the different strategies in detail adapted in different countries where they have businesses and customers. Co-op food business is the main study area of this paper. It will not explain about the adaptability of the concept by other industries giving any rigorous or universal model.

5. Trustworthiness

The factor of trustworthiness is vital to gain confidence of the readers and prove the authenticity of the study to him in a way that is convincing (Gummesson, E. 2000). One way for this matter is to state the researchers which the authors of the paper have followed.

So, our study is based on the case study approach adopted by Enquist, B. et al. (2008) in the paper titled as “Corporate Social Responsibility for Charity or for Service Business?” in the Asian journal on Quality as the work done in the paper is on sustainability and corporate social responsibility. Our paper is also on sustainability and CSR but the scope and research problem is different as it deals with the business potential of sustainability concept. The work of other researchers as Sebhatu, S. P. (2010), Enquist, B. (2008) and, Enquist, B. et al. (2007) and Johnson, Mikael (2002) also served as a guideline for case study method. All these scholars have used case study approach in there qualitative research on various corporate social responsibility and sustainability dimensions. Their work authenticates and strengthens the acceptability of our research methodology and line of study.
The research papers which are used in this study are sourced from Karlstad University Library Database and are mostly directly related to it and every effort is made that are the most recent and up to date. The online and hard copy books and literature which was instructed in the related subjects named as Business in a sustainable society and Corporate Governance being learned before undertaking this research was reliable and supportive in this study.

The Co-operative website has the factor of green washing and one could be easily deviated from the core idea of CSR. The company has customer and public contact facility through which we repeatedly tried to gain access to any responsible person in the company who could tell us about the core of their business and how they can prove their trustworthiness and assure that the concept is being used in the sense of responsibility and not in the sense of advertising, promotion or gaining customer confidence. We were not able to succeed in this objective. Hence, we took the support of research papers and articles in the newspapers to assess the reliability of the data and the status of the company as socially and environmentally responsible. Lastly, the work of CTF scholars at the Karlstad University is used as a guideline that is credible and we believe that all this effort is a mark of authenticity and trustworthiness of this study.

CHAPTER 3
THEORETICAL FRAMEWORK
There are numerous definitions as far as the evolutionary history of Sustainable development is concerned. It has a very strong connection with CSR (Corporate Social Responsibility) and CG (Corporate Governance) which makes it a very rich, complex and debatable topic that has been applied in the UK and across the world with the help of international bodies. The definition and guidelines given by WBCSD (2004) and government regulations at national level were notable supports with regards to implementation. The present era is marked by the study going on the profitability and having a competitive advantage for the companies along with customer acceptance and loyalty issue in connection to sustainable development (SD) (Enquist et al. 2006).
1. Sustainability and Sustainable Business

The revolution in the thinking of the management is the result of the revaluation of businesses with the customers. This is due the customer’s perceived value is currently based on the demands and expectations that have no resemblance to the past with regards to the volume. The shift in customer’s paradigm of demand has created threats as well as opportunities for the businesses as management is thinking about novel practices through which they can obtain a competitive advantage that could be sustainable (Enquist et al. 2006).

These developments resulted in the World Summit on Sustainable Development (WSSD), led by the United Nations in 2002 at Johannesburg is marked by the treaty which was signed by UK along with other countries. The treaty depicts that the member countries have to be concerned about the change in consumption behaviours and hence innovate production techniques for development that is sustainable. So, there is a need to define sustainable development (SD). The Brundtland report states the definition of SD, which is widely accepted, as:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987:43)

The fundamental concern of the WCED committee at the time of defining the concept of sustainability in this manner was not any market oriented issues like the organizational competitive advantage or consumerist approach. The basic building block of the definition was that the present approach of the common people is disastrous for the planet earth and it could lead to survival problems (Kemp 2005). So, the concern of WCED and WSSD matched that highlighted the concern.

Criticism and Present Situation

As far as the definition of sustainability is concerned, there has been criticism on its preciseness and unclear boundaries of operations and the issue of defining the needs by whom and how as explained by Mohanty (2003). The advocacy or argue on this matter is crucial but as it is not under the scope of this thesis so we will define that how this concept could be applied in the various levels of society to address the concern of survival and assured of the same quality of living to the future generations.
It has been said by Lélé (1991) that there is a chance that this concept would be rejected by the opposing forces that are not favoured of radical change as the conceptual boundaries of sustainability are not well defined. For the very sustainability of SD (Sustainable Development), he proposed that a two dimensional development work has to carry out: one, to have more concreteness in its conceptual foundations and second to allow more flexibility and diversity in implementation plans and operations to have a build up of a society that is more environmentally cautious. We also agree to the above statement of development as SD is crucial and there are ways and techniques that it can be promoted throughout all sectors of life. The initial debate on the sustainability concept is categorised by the criticisms made by Jacobs (1999) on the definition put forward by the WCED.

According to our point of view, mostly the criticism and repulsion received by the SD concept is rooted in the fact that different authors have different point of views as they look at the concept having different paradigms. The case of finite resources and reasonable consumption versus economies based on mass production explains much of the foundations of the debate regarding Sustainability. The conclusion is that the sustainability concept invites flexibility while keeping consistence in some basic and fundamental principles for the implementation at a strategic level. The factor of flexibility is there as development in itself is a positive and progressive change. This is the soul that is spread over the whole message presented by WCED (1987).

For the service organizations, as it is in the case of the Co-operative group, we believe that sustainability can be maintained when there are minimum externalities of organisations that could degrade the system or foundation on which the society rests without compromising on the factor of profit. This is depicted by Newton (2003). So, there was a need felt in the business and the global community to develop a definition of sustainability that could serve the businesses worldwide

Sustainable business is the term that is recognised globally as well as institutionalised by the building of the World Business Council on Sustainable Development (WBCSD) that defines this concept and sketches the boundaries of its operational realities. The definition put forward by the WBCSD clarifies and defines the level of importance of this concept as:
“Sustainable development involves the simultaneous pursuit of economic prosperity, environmental quality and social equity. Companies that are aiming for sustainability need to perform not against a single financial bottom line but against the triple bottom line” (WBCSD 2004, p.1).

Now taking the present understanding to a further level, it depicts that the above criteria of WBCSD can be regarded as the guideline for the corporations to define themselves, set boundary, direction and objective of their activities and formulate associated with the environment and political goals. All this could be done in a way that was not the part of the thinking process in the companies. This dictates that, change in the way of thinking of the people regarding responsible businesses is vital for success (Demirag et al. 2005, p. 356 as cited in Sebhatu, S, P. 2010).

Pruzan (1998) and Elkington (2001) depict SD to be a tool for the businesses to become more responsible as well as increase the quality of their product. They further elaborated SD to be a concept that integrates stakeholder value, responsible business and product quality. This way of thinking and doing Well than Good as defined by Vogel, D. (2005) is explained according to the corporate management and their responsibilities by Waddock (2006) as total responsibility management - the shift from shareholder focus to total wellbeing of the society. A need is felt to have a fit between the commonly known pillars of SD (social, environment, economics) while doing business. The business that enables itself in doing this is regarded as successful by three dimensions rather than one (Edvardsson & Enquist 2006). This can be done by having a system, strategy or platform to support the responsible and continuous efforts by the people who are responsible for the management of the business (Waddock 2006).

The work of Waddock (2006), Edvardsson & Enquist (2006), Pruzan (1998) and Elkington (2001) illustrates the path of future development for business organizations as a process of change in thinking and actions led by the advancement from sustainable development to sustainable business. This advancement identifies the scope of the responsibilities of the corporations as they are considered as the part of the society.
2. Corporate Social Responsibility (CSR)

The modern age is marked by the development and growth of processes that support and initiate the activities that laid down the basis for the significant and needed novelty and improvement in the ways that the owners of firms and businesses act and think. The need for change in thinking and actions is desired from the owners of the economic entities as a result of sifting demands and concerns of the stakeholders, advancement in technology and the pressure built by the current economic situation (Brown & Eisenhardt, 1998).

This change of paradigm in thinking and behaviour towards organisations can be considered as the point of emergence of CSR as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Bowen 1953, p. 6).

In recent decade or so, there has been a visible observation of these obligations in the business world triggered by the demands of the customers. Furthermore, the corporate strategy is being modified by the introduction of responsible thinking (environmental and social) into it and businesses are having it as a concern that has the potential to affect business as a whole. All these developments are not just a trend. This situation is backed by the NGOs that have the created gained the tendency to have an impact on the company practices through tracking their externalities in ecological and societal terms. This has made CSR to have deep fix in the corporate strategy (Edvardsson & Enquist, 2006; Waddock 2008).

Vogel (2005) depicted this behaviour in the words that businesses are tending towards making social and environmental responsibilities as the part of their strategic policy for gaining the acceptability from the stakeholders as a responsible company.

This whole process is regarded as a shift which is marked as the move of the businesses from merely the old world of CSR “Doing Good to Do Good”, which only included the conventional scope as philanthropy activities by the corporations, to a much more strategic level which is “Doing Good to Do Well”(ibid.).
So, the CSR concept depicts that organisations are accountable to their shareholders for economic reasons and to other stakeholders and community for environmental and social responsibilities (Enquist et al. 2006).

In some of the research work, as done by Carroll (1979), suggests that the scope of the responsibility is composed of four pillars in which the legal and discretionary issues were novel along with economic and ethical issues. Later on, this concept could not become operational as the researchers mainly had a consensus on three pillars that is regarded as the guideline for corporate social responsibility. (Edvardsson & Enquist 2009; Edvardsson et al. 2006; Enquist et al. 2006)

*The role of Corporate Social Responsibility in tackling Business problems* has remained controversial. The link between CSR of a business organization and societal along with environmental development concerns was not clear as the strict scope of the activities was not defined that could be used as a rule to indicate *what is in CSR and what is not* (Enquist et al. 2007). It was a generally supposed that the things that are recorded and published in the business organization’s reports and listed in their codes of conduct were one part of the responsibility. Furthermore, the total responsibility of the organizations includes all the three areas of stakes namely ecological, economic and societal.

CSR as a term is not new to the business world as the series of debate had started in the last decade of nineteen century on the issue of environmental pollution and its hazards to the society by the corporation’s (Danesi 2007).

The nongovernmental organizations were successful in pressurising the business world through consumers and government regulations. This led to the development of a whole set of activities ranging from sustainable development and fair-trade products to recycling and accountability (ibid.).

It is observed in the historical development of CSR understanding, awareness and recognition that most of the business entities were doing CSR in name of window shopping and eye wash. They considered it to be something by which the corporate reports could be filled and public statements could be marked and reported which have no evidence at the operational level. It doesn’t take seriously and businesses are not seemed to be ready in the way to make it the vital part of their core business strategy. This makes many question marks and critique
on the overall operational success of the CSR concept. This argument is one of the findings of Vogel (2005).

Another misconception about corporate social responsibility is that it is regarded as philanthropy at large and the basic rather fundamental element of social responsibility of corporations is missing which is that the business and society are interconnected. Hence, One cannot be seen separately from another as they have direct as well as indirect impacts on each other (Wood 1991).

Furthermore, the core research contribution of Chaudhry & Krishnan (2007) resulted that CSR is not only philanthropy but the combination of economic, social and environmental responsibilities. Philanthropy is a small rather non vital part of corporate social responsibility. The issue of CSR as a concern for businesses is gaining recognition day by day and there is a steady increase in the organizations that are getting aware about its value and future benefits.

Presently, the owners of business entities are seriously thinking and also have initiated up to handsome level about the integration of CSR activities into what they do, their objectives and daily business operations. This has been depicted by Kotler & Lee (2005) as they believed that the business competitive advantage could only be sustainable through corporate social responsibility.

These literary activities have given rise to a term called today as corporate social responsibility that is defined by the many authors in different ways while having a concentration on different dimensions. The conceptual clarity is initiated by the broad definition of Corporate Social Responsibility (CSR) presented by Prieto-Carron et al. (2006) along with fellow researchers that is in the following manner:

“… An umbrella term for a variety of theories and practices, all of which recognize the following:(a) that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals; (b) that companies have a responsibility for the behaviour of others with whom they do business (e.g. within supply chains); and that (c) business needs to manage its relationship with wider society, whether for reasons of commercial viability, or to add value to society”. (Prieto-Carron et al. 2006, p. 978 as cited in Sebhatu, S, P. 2010)
This definition is based on three major parts that shed light on CSR. The businesses are instructed to acknowledge their responsibility without any legal compulsions as it is their moral duty to be responsible for the effects that they have on the environment and societal surrounding. Earlier than Prieto Carron and his fellow researchers, the European Commission also stated in 2001 somewhat the same understanding about the responsibility of the organization by declaring that “...companies decide voluntarily to contribute to a better society and a cleaner environment” (p.5).

The first part means that there are no laws and rules but the pressure comes from the demand from the corporations to hold them responsible for their affects resulted from their operations. The factor of having affected from the corporations is the reason of responsibility. Combining this factor with the definition of Freeman (1984:46) where he defines the stakeholders as “any group or individual who can affect or is affected by the achievement of the organizational objectives”. From this, we come to the focal point that the stakeholders (a) have a stake in the company operations (b) they are affected and also (c) can affect on the corporations. This means that stakeholders the initiators and reason due to which companies need to be responsible.

The second part of the broad definition depicts that the organization is responsible to have relations with other partners and entities like suppliers to have a sustainable relationship with each other that has positive and developmental effects on each other. Thus, the spirit of responsibility is enforced through the supply chain. Hopkins (2006) portrayed that only the survival of the businesses depends on their level of surety that they can put in front of their stakeholders regarding their responsible behaviour. The factor of surety means to be ready to be evaluated on the basis of the organization’s overall operations.

The last part discusses the aspect of value addition in the society that is further refined by Enquith et al. (2008) that the concept of CSR is wide and it involves not only the responsibilities of the organization but also what benefits it can give to the society and create opportunities for growth.

This development of literature and understanding of CSR takes us to the next level where the implications of “Doing Well” in a more practical and logical manner where the structural changes in businesses and their functioning takes place.
The management of the organizations is held responsible to develop a structure or framework for ethical practices and are embedded in the policy of the corporation. It is obviously expected from the organizations today that they are to be voluntarily ready for the change in organizational structure and strategy formulation procedures that are triggered by the business models necessary for managing the dynamic and global challenges for sustainable development. This makes the businesses to have a culture of value-based-thinking, a concept that is regarded as the soul of competitive advantage for the future companies (Edvardsson & Enquist, 2009; Edvardsson et al. 2006; Enquist et al. 2006).

One of the crucial aspects of businesses also deals with this approach, which is known to the business world as quality competence. This means that Corporate Social responsibility doesn’t only means to look after the concerns of the shareholders as well as all the stakeholders but it provides the business with the solid base of sustainable quality mechanism that is supported by three dimensions namely the environment, society and economy (Gummesson 2006; 2008; Edvardsson & Enquist 2009; Edvardsson et al. 2006; Enquist et al. 2006).

The businesses are considered to have a proactive approach as companies are practically stepping in the world of sustainable business thinking (Edvardsson & Enquist 2009). This proactive approach is performing as an agent of change and also a prediction creator of future developmental needs that are imperative for the sustenance of businesses.

Lazlo (2003), in other words, has advocated the concept by presenting that the main idea is to care about all the stakeholders which are the common bases of corporate social responsibility as well as sustainability. Moir (2001) clarified that CSR is a way forward for the organizations to have ethical behaviour in businesses. It can also be expressed in terms of ethics in business or ethical business which is not only a notion but a whole set of practices that are followed to have a positive impact on the overall organization. The NGOs are having their role as business supporters by having an eye on the set of responsible practices being done by the corporations and facilitating positive change (Sjöström, 2008).
3. The role of the external stakeholders: NGOs

Gummesson (1994) is of the view that the emergence of the role of NGOs as external stakeholders is marked by their expansion. NGOs like WWF and Greenpeace had executed as watch dogs and had an eye on the environmental practices of corporations that led the way to policy making for environmental preservation and sustainability practices. The notion of NGOs as watch dogs was highlighted and strengthened from 1970s to 1980s. Edvardsson and Enquist (2009) depicted that currently the corporations are competing for sustainable and long term competitive advantage through creating shared value. This can be done by having NGOs as facilitators and business drivers. In our understanding, NGOs are part of the community and their dialogue as external stakeholders (as coated in Sebhatu, S., P., 2010).

The mechanism for this approach is put forward by Waddock (2008). She explained that NGOs can help organisations in fabricating standards, measurement tools, research and dialogue, and also can question the system of businesses itself. This means that NGOs can work as business partners and watchdogs by creating value along with the corporation and putting a check on its overall operations, thus paving the way for ethical practices.

Laszlo (2008) advocated the explanation put forward by Waddock (2008) by saying that the businesses have to be careful while being responsible. Companies have to compare their organizational ecology with the set of social and environmental practices that they have decided to execute.

This can be done by integrating NOGs and society members as potential partners in making policies and responsible strategies. This view is also reflected by the conclusion of the paper of Vogel (2005) named as “Is There a Market for Virtue? THE BUSINESS CASE FOR CORPORATE SOCIAL RESPONSIBILITY” in which he stressed after giving many practical examples about American corporate history that CSR can be a source of profitability only when the environment in which the company operates is taken into consideration.

4. Ethical Business

The concept of sustainability in business in the form of CSR covers ethical perspectives in a sense portrayed by Carron et al. (2006, pp. 978) which are “sometimes beyond legal compliance” for the sole objective of adding “value to society”. This argument gives us an idea that ethics in business which can, in others as a term, can be called as ethical business is
something that may be beyond the legal responsibilities of the company but the “total responsibilities”. The real problem is now that what can be considered as beyond legal requirements. What things are ethical and what are not. This thinking invites the endeavour to explore the word ethics and business ethics itself.

The definition can be traced from the available theory of ethics and its linkage with other areas of study. The theory of ethics or ethical theory has connections with the areas of management behaviours (Fritz et al. 1984).

Most of the ethical, moral and philosophical theories are encapsulated in forms of theories called the utilitarian theories, theories of justice and rights (Cavanagh et al. 1981). All these classifications of theories have one thing in common that they are written in an abstract manner that is very difficult of for a businessman with little knowledge of philosophical studies and theoretical background of business studies.

A series of studies done by researchers reveal that business ethics is good for business (Banmhart, Raymond C. 1961). The sole objective of business is not to have only profits (Bowman, James S. 1976). There are some studies that define it by highlighting it in a consequence like pressures on middle and lower management to withdraw from their personal standards (Brenner et al. 1977) where as well defined personal code is vital for the promotion of ethical actions on an individual level (Ethics 1979), problems like competition at heights could force the people to neglect ethical codes (Carroll, Archie B. 1978). It is reflected in behaviours and structure of organization by stating that people at the start and maturity of their careers are ethical and there is a higher chance of ethical activities where the boss is ethical (Guth, William D. & Renato, T. 1965; Fulmer, Robert M. 1971).

Continuing the consequential technique, unnecessary pressures from the supervisor are being discouraged by depicting that it could lead to unethical activities (Laczniaik et al., 1979). On the other side, the managers and employees are thought to be behaving more responsibly and ethically when they are educated and trained to be loyal to their companies by encouraging and motivating them to define themselves with their companies like Manager Operations at ABC company (Lewis et al. 1981).

Interestingly, the communication in the organizations also links to ethics as interpersonal activities involve persons and ethics at the individual level (White et al. 1980).
The present situation is marked with the no agreement at the national and international level with reference to putting forward of a definition that is understandable rigorous. The Encyclopedia of Philosophy declares in its 3rd volume that ethics are a pattern or a way of life, a set of codes or rules (Abelson, Raziel & Nielsen Kai 1967).

There is a need to have a clear idea about what the ethical word means and reflects and what are its boundaries. The ethics word itself has been used by many researchers in an abstract manner that its definition has not been decided and crafted yet. It is considered to be a set of moral values that restrain a person or a group of persons to perform any sort of act that could have any serious consequence for any other person or group of persons. A true effort was done that follows this concept by Phillip V. Lewis (1985) that explained and defined ethics in business terms that could have sensed for business managers as

'Business ethics' is moral rules, standards, codes, or principles which provide guidelines for right and truthful behaviour in specific situations (p. 382)

This is one of the earliest definitions that is narrow in a sense to identify the overlapping and conflicting concepts of ethics and fairly broadly to define the boundaries of ethics in business.

It has been stated that the opportunities for doing unethical activities is available at all organizations irrespective of the level of hierarchy. There are a large number of professionals that are unable to define what is ethical and what is not (ibid.). In other words, they don’t have the background to support them to differentiate between right and wrong on an ethical basis. This situation gives the way to the argument that if there are such opportunities then the people working in any organization will be indulged in some sort of unethical practice that are not handled legally. This means that the unethical practices could be done without having any accountability or probability of serious consequence. An employee at any level being involve in unethical practices if unquestioned, can lead to encouragement to do more fraudulent activities that can result in punishment or serious negative effects to the company.

The argument has been visible in the efforts of promoting ethical practices as a way of doing good business that can lead to sustainable profits. This case is obvious now by having major cases of fraudulent practices worldwide as when giant corporations went to the grounds
within no time as a result of share market crashes by the disclosure of “real value” of the companies.

This has been explained by Brenda E. Joyner and Dinah Payne (2002) in their paper called “Evolution and Implementation: A Study of Values, Business Ethics and Corporate Social Responsibility”. A paper published in Journal of Business Ethics. It has been declared that

. . . (W) inning companies first emphasize values – the beliefs and attitudes that . . . the business owner, ha(s) about . . . employees, customers, quality, ethics, integrity, social responsibility, growth, stability, innovation and flexibility. Managing by values – not by profits – is a powerful process that will set . . . (a) business on the path to becoming . . . a “Fortunate 500” company (Blanchard 1998; as sited in Brenda E. Joyner & Dinah Payne 2002).

This concept and principle have been supported by many of the statistical studies which “talk about ethics, values, integrity and responsibility is not only becoming accepted in the business community, it’s practically required (Stodder 1998).”

Stodder (1998) showed through survey backed by polling of responses from the consumers or common people that the consumers and the society at large supports and recognises ethical business. They responded that they would like to buy products or do business with the companies that are behaving responsibly. At least 70 percent of the people had this response. This means that people care about the businesses being responsible. It was interesting to note people gave equal value to price, quality and responsible actions of the company.

In the presence of this factual information, it is proved that the shift in the way of the stakeholders in looking at the companies, their values and ethical practices is a new era of business. It can also be called the corporations that are socially responsible are most likely to have a positive response from the consumers (Brenda E. Joyner & Dinah Payne 2002). There is another issue that needs to be addressed and noted which is the kind of response that the public will give to the company when they found about the fact that they were misled. In other words, the company that they liked is unethical and only responds to minimal legal requirements. It is clear that the company would lose image that is very expensive to make and maintain. It will be extremely difficult for the company to remake its image from scratch. This has been explained by Raiborn and Payne, (1990) in words that:
“Although legality generally stems from what society believes is morally right or wrong, an issue’s legality does not always reflect the totality of its perceived morality. This differentiation reflects the classic distinction between the spirit of the law (morality) and the letter of the law (legality)”

Further development in this situation leads us to the argument that the total performance of the company cannot be measured without taking into consideration the ethical side of the business.

The response by the consumers in the polling survey demands the companies to see themselves as the part of the society and also seek profit. This means that social responsibility and shareholder value should go hand in hand to make it a story of success (Vogel 2005).

Businesses today are striving for achieving their competitive advantage that could guarantee them sustainable profits and growth. This can be done through behaving responsibly and showing the customers is being given a product that is made for them with having minimal negative effects on their environment and society.

This philosophy of doing business and plan of action to achieve the ultimate goal has been explained by Kotler and Lee (2005) in their work. They are of the view that good businesses are the corporations that are responsible ones. Prieto Carron (2001) also talked about the same thing by stating that the companies have to respond voluntarily to the responsibilities that are on them from society and the environment as they are part of them.

So the corporate social responsibility is the way to ethical business that is supported by the sustainable competitive advantage achieved by the company through support and loyalty from the consumers. This implies that good business means better profits (Hopkins 2006; Enquist et al. 2008)
5. Definitions of Ethical Business

The definitions of ethical business provide an overview of how corporations can behave responsibly and ethically:

<table>
<thead>
<tr>
<th>Authors</th>
<th>Definitions</th>
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<tbody>
<tr>
<td>Banmhart, Raymond C. (1961)</td>
<td>Ethical business is good business</td>
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<tr>
<td>Hopkins (2006); Enquist et al. (2008)</td>
<td><em>good business means good profits</em></td>
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<tr>
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<tr>
<td>Raiborn and Payne (1990)</td>
<td>“......the spirit of the law (morality)......”</td>
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Chapter 4 Empirical Study

1. Corporate Profile

The Co-operative Group: The first question that struck the mind is that how can be co-operative defined and the answer to it is that “A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise” (ICA 1995). This definition was presented by the International Co-operative Alliance and is also available at their website.

The Co-operative Group known as the Co-op or the Co-operative has a vast history of society rooted business activities that have made it a novel and exclusive family of businesses (Coop 2011a). The group is own only run but even owned by the common people of the United Kingdom. Currently it has over five million members. It is UK based and operates only there and its registration is done under the industrial and provident Act.

2. Overview of the UK Economy and the Co-operative Model

The economic condition is explained by Will Hutton (2010) in the words as “After nearly two years of financial and economic mayhem, this will be a year of a steadily improving economy”. This means that the year 2010 was the start of the gradual journey towards stable economy but this was not the case a year ago as 2009 was claimed by the BBC as the one of the worst economic periods for the United Kingdom.

The BBC news portrayed the picture of the economy in 2009 by saying that “Business leaders have painted a bleak picture of the UK economy, with a survey suggesting the end of 2008 saw a frightening deterioration”. All the sectors were hit very badly but the food retailers showed minute growth. The survey results by the British Chambers of Commerce (BCC) presented that the situation was one of the most catastrophic since 1989 and one report that was separately documented reports that the sale graph of retail stores was at the lowest level in fourteen years. According to Stephen Robertson, the director general of the BRC, claimed that "Non-food retailers had a torrid December despite a blizzard of promotions and deals, which would have hit margins" and "Many hard-pressed customers couldn't be seduced into spending". One interesting point was that the one of the giants in the retail store business
named Tesco had shown an increase in period of Christmas of about 25%. The growth was limited to a specific category known as like-for-like sales (BBC News 2009).

The outline of the situation was that every sector faced recession. The service sector which is one of the most powerful sectors of the UK economy had reduced around 0.2% (Ashley Seager et al. 2009).

The Cooperative, despite the economic pressures, had managed to get the level of sales to a point of 50% increase and reported to have recorded results from its business operations. In 2010, the profit before tax had been about £545.7 million. The group, as a whole, experienced increase in sales to approximately 10%. The figure of sales of the group in monitory terms was around £13.7bn (BBC 2011).

The Co-op Boss, known as Peter Marks had projected that the economy is not going to improve until the end of the year 2011 as the company profits had gone down to 30%. The company is, according to the business news in The Guardian, in the position to have an influence on the UK economy and can serve as one of the projectors or reflectors of the trends due to its deep spread in the UK society with its food stores, travelling and banking businesses and farms. Its annual sales are known to be about £14bn in the present scenario. The views of Peter Marks about the whole situation of economic and Co-op were that:

"As we expected, 2010 has been challenging so far, and we do not expect to see the signs of recovery until late 2011 at the earliest," and "Our focus is on our members and customers who are feeling the pinch due to the ongoing impact of the recession." (Zoe Wood & Graeme Wearden 2010).

The situation of cooperative food had shown positive signs as depicted by the overall economic situation of the United Kingdom. It had been stated that the food business delivered growth and good value to overall business instead of “difficult economic climate, extremely fierce trading conditions, and challenges presented as a result of the Somerfield integration”. Furthermore, the Chief Executive of the group, Peter Marks,

"Looking ahead, we had hoped to see signs of economic recovery by the start of 2011, but the downturn is clearly biting deeper than we had expected. We now anticipate challenging trading conditions through to the end of this year and into 2012. With consumers feeling the
squeeze on their spending, I know that all of our businesses will have to fight for their market share” (Just-food 2011).

3. Sustainability and Sustainable Business

3.1 Sustainable Development Policy

The Sustainable Development Policy of the Cooperative is based on the successful deliverance of value to its all stakeholders in the best possible manner that guarantees the fulfilment of the codes of social responsibility along with environmental and ecological sustainability. Co-operative has built its sustainability policy that it is adapted by all its business units to manage and grow their businesses in a way that leads to sustainability and sustainable development. One of the lines in the documents posted portrays that:

“...business development that meets the needs of the present without compromising the ability of future generations to meet their own needs...” (Co-op, 2011n, p6)

The Co-operative recognises that the group has to manage and operate business in a manner defined above to be ethical in practice that can be valuable for the customer. Furthermore, the company is seeking to give sustainable and socially responsible methods to their stakeholders. Co-operative is looking to make the business more and more sustainable. The Co-operative seeks to deliver value to its stakeholders in an ecologically sustainable and socially responsible method. The company is looking for transparent and accountable sustainable maturity therefore doing the clear prioritization of activities and goals for their all staff actions.

“The Co-operative seeks to deliver value to its Stakeholders in an ecologically sustainable and socially responsible manner.” (ibid.)
Figure 4: The cooperative operational model

Source: (Co-op, 2011n, p6)

The above figure is based on circles or layers of operations in which the innermost layer is the value delivered and the outermost is sustainability having a focus on ecology. The Corporate Social Responsibility (CSR) or simply Social Responsibility (SR) is the medium that converts the sustainability actions into value delivery mechanisms. Looking it from the resource or material perspective, it has been recognised that there are limits of earth resource usage and production of waste. The minimum requirement of the ecological sustainability is that the waste produced the society should be reduced to a level which is managed by the nature and decrease the toxic material to a level that is not harmful to the earth as a whole (Co-op, 2011n).

The sustainable development stands on the ethical principles that are not part of the legal responsibilities of the businesses but have to be done voluntarily by the management of the business.

3.1.1 Code of conduct

The co-operative is a workshop where the co-op members and employers are making new ideas for their employees to make positive changes in the area and throughout the world. In the company, membership is open for anybody to get a membership and protect the society by playing a valuable role in the society. Following are the underlying values and principles
which influence “The Co-operative Membership” and the way Co-op run all of their businesses:

- Helping people by creating self responsibility and making the answers on it. The company has democracy policy by doing their business. In the company, there are equality and solidarity for the business.
- The co-operative is independent when making a contract from the other organizations and administrations.
- Education information and training the co-operative provide to their members for making well educated staff. The cooperative also works at the national and international level for the societal and environmental developments.
- The company’s ethical values consist of openness, honesty, social responsibility and making others regular fund charities and local community groups from the profits of their businesses. Membership is open for everyone and all of the members have the same power while in making a policy and making rules and regulations.
- The co-operative look forward while making control their members and for their benefits.

(Coop 2011e)

3.2 Sustainability Reporting and Awards

Sustainability reporting and promotion has been one of the primary works of the Co-operative group (2011b). There have been four sustainable reports been published on the company’s corporate website. The 2010 report is yet to come. The data available in this paper are actually from the news and other research mediums followed by the sustainable report in 2009. Some of the major awards are: gained the highest “Accountability Rating” and known to have one of the best Sustainability reports in 2008 and 2009. Additionally, the most sustainable Bank and retailer along with the choice of the people and Business in the “Community’s (BITC) Environmental Leadership Award” are one of the notable awards.
The cooperative issues a detailed sustainability report since 2005 that is, according to our understanding, designed on the following pattern:

![Sustainability Model](image)

**Figure 1: Reporting Model**

### 4. CSR and Co-operative Business

For any company, the core strategies are defined by its vision and mission and the vision carries the notion of continuous improvement. The vision of the Co-op is to become the cooperative in the business world by continuous improvement in every co-op activity. This vision is translated in its mission as to serve the co-op members by transforming the Co-op value into actions.

Tom Bawden (2011) stated in the article titles as “Co-operative Group commits to ambitious ethical operating plan” that the recent developments are that the Co-operative has aimed to reduce its carbon emissions to 35% and raise its investment in having Fairtrade product lines

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2 Made by Authors of thesis (Imran & Sabir) on the basis of their understanding of Co-op reporting scheme.
along with around £1 billion are allocated to be spent on green energy projects. The co-operative has launched its state of the art ethical operating plan that is believed to be a benchmark setting tool for the core operations such as Fairtrade products, carbon cutback and community investment. Currently, the business has 120,000 people as employees and has plans to move its customer base from 6 million to around 20 million. There are aggressive plans for green energy and poverty tackling as the group is investing for poverty alleviation in the surroundings of its stores and business sites. There are plans to invest 5 million for poverty issue each year. Peter Marks publicly declared about the co-operative’s policy of ethical business by saying that "Trust in business has taken a real knock in recent years as the credit crunch has caused people to seriously question the capitalist model". Furthermore, he informed *The Guardian* that:

"*The mutual is an alternative business model which chimes with the times. People want a business they can trust, with a strong sense of social responsibility. This is our DNA.*"

According to a survey done by Co-op, at least 65 percent of the total customers are aware of the ethical policy and practices. Customers know about the carbon footprint and charity for schools. The ethical policy for product refund, disables and children is valued by the customers. The customer response is reflected in the financial position of the store as it survived in the worst financial crisis in the UK. Co-op profit margin and acceptability of Fairtrade products that are slightly costlier than ordinary products tells the story of Co-op customers. The managers also said that all the complaints of the customers are heard and an effort is made to find the remedy.

Twelve out of twenty means that 60% of the employees said that customers support the Co-op environmental and social programs. The remaining employees said that it was a mix of quality, price and ethics. The customers also consider the values with value. Co-op responsible actions are welcome by customers.

These statements from the interviews of managers, employees and customers are landmarks for the understanding of the co-operative’s style of business, their concept of sustainability and is the evidence of the screwing of CSR in its business model that is based on community involvement as this is the basis of social responsibility of the corporations.
Having said this, the responsibility in action is seen in the targets set by the cooperative to reduce its emissions up to 35 percent as compared to present till the year 2017. This target is one of the most highest if compared to giants in the UK, as told by Peter. The packaging used in the cooperative is to be made greener and reduce its effects on the environment. The words of Harriet Lamb strengthen the position of Co-operative with regards to the embedding of CSR in its business model. He stated about Co-op as: "Always a pioneer of Fairtrade, the Co-operative's commitment to ensuring that virtually all primary commodities that can be Fairtrade will be Fairtrade sets the bar anew for the corporate world." (Executive director of Fairtrade Foundation)

Extending this statement by Harriet Lamb, Peter said that we are simply playing with ideas to convert the Co-op as a helping hand towards the society by increasing its involvement in community work.

The commercial director at the Co-op food said that sustainable and responsible activities are a "huge challenge". It is said by Toal that the business strategy is based on the wants of the members and they will assist what to do. The values and principles of the cooperative are directed by members as they are the real boss (Petah Marian 2011).

The matter of value (price) with values (ethics) as one of the factors of “huge challenge” was responded by Peter by depicting that people have a concern about value as they need to buy food and “little luxuries” for life. People didn’t let go the values as the sale of Fairtrade products has increased 25% despite the worst economy (Peter 2011).

The comparison done by customers with other stores revealed that Co-op is giving better service than other market leaders namely Tesco and ASDA as it is in direct competition with them. Out of 20 Employees, only four pointed out that Co-op was facing problems regarding a variety of products, delivery options and price factor. Sixteen employees were of the view that Co-op has cheap products. good service and they themselves also buy from the store.

Most of the managers are of the view that having customers from a developed country means that many of them are aware of the corporate social responsibilities of the company. Customers do mostly know about the practices of the co-op store with regards to Fairtrade products. The Fairtrade tea, banana, coffee and also chocolate are having a positive response
from customers. Customers are being constantly informed of the advertisement and videos uploaded on the website and on YouTube.

In contrast, some of the managers namely Raja Singh at Liverpool store and James Brown at the Warrington store said that customers sometimes come to the store just because it’s near to their facility.

Employees told that customers in a developed country (UK) are aware of most of the activities that Co-op does and value them. Various message cards, boards and fliers are also used aside the product shelves to inform the customers in the possible manner about the health, age and taste factors.

Furthermore, all the employees replied that they had to go basic training for working in the Co-op store. Employees which have relevant trainings and work experience have better chances of promotions. Trainings are important as Co-op is having a competition with big players in the food business market. According to managers, employee trainings raise the service standard and have skilful employees ready to take fill the possible vacant places. NGOs provide assistance in training the employees about Food ethics.

Additionally, Peter Marks, addressing the NGOs and other authorities stated about the new strategy to be novel. He put forward that "People in Africa and India don't stop being hungry. Climate change doesn't stop until the economy improves. There is no bigger responsibility than being good corporate citizens. If we don't consider the future our kids and grand kids will not have one". The crux of Peter’s remaining address was that targets are to be made the focus of the co-operative ethics and CSR is not the business of not only one cooperation but it is to be a collective effort. It is to be noted that the Co-op gives away its 40% profit to its members (Petah Marrian 2011). At this stage, Jonathan Porrit, who is an Environmentalist, stated that the example of the Co-op reflects that companies can generate more than one gain by merely having monetary profit to social and environmental gains (ibid.).

5. External stakeholders: NGOs

Fairtrade and Ethical Business

Harriet Lamb who is the Executive Director of Fairtrade Foundation told the Guardian that Co-op is the pioneer of Fairtrade products and an example for the corporate world (Tom Bawden 2011). The Co-operative has announced to covert 90 percent of its products to
Fairtrade that are mainly sourced from the developing world. This target is for 2020. This means that in the next nine years or so, the Co-op has to provide with fair salaries, employment conditions and opportunities and community development to 90% of the community where it has its businesses which will require a stone tough standing on CSR initiatives and policy to strive for being an Ethical Business (ibid.).

Co-op joined the Fairtrade movement when it was launched in 1994 in the UK. The commitment of Co-op has transferred benefits to more than 2,00,000 people who were involved in co-op food business (Co-op 2011n, p. 23).

**RSPCA and Freedom Food accreditation**

**Royal Society for the Prevention of Cruelty to Animals** (RSPCA) looking after animal welfare since 1824 (RSPCA 2011). Freedom Food is a RSPCA’s scheme for Farm assurance along with Food labelling (RSPCA 2011b, p. 11). Co-op in partnership with the RSPCA in their mission got accreditation and support for its higher welfare products that valued £204m at 2010. Co-op has planned to increase its higher welfare products so it is clear from the comparison of 2007 to 2009 total food product sales (Co-op 2011n, pop. 33-34).

**Co-op and One Foundation**

One foundation is working voluntarily for the poor people in Africa for the provision of basic needs of life. Co-op stores are selling ethical products from which a portion of revenue is provided to one foundation. For example:

- **Fairbourne springs:** It is the first Ethical water in UK. It funds the projects like providing water access to one million people.
- **One condoms:** the year 2010 is marked with Hiv protection and treatment for over 1400 people in Africa.
- **One soap and Toilet Tissue:** Supported sanitation facilities for 670 children in Malawi.
- **One Big idea:** A competition in which a plaster product was made to support the provision of medical kits in Malawi to communities. (Co-op 2011n, p. 28)

**Forest Stewardship Council (FSC)**

FSC is one of the most reliable and responsible nongovernmental forest protection organisations. FSC certified products that are sold at Co-operative Food stores are:
➢ Barbecue charcoal
➢ Wooden kitchenware
➢ Household paper
➢ Wrapping paper (Co-op 2011n, pop. 77)

6. Ethical Business

The way the business operations are carried out at the Co-operative shows its commitment towards ethical business in terms of practices and evolving of strategies which range from funeral to farm and bank to Fairtrade products.

The Co-operative Bank, in 1992, put forward its Ethical Policy which was customer based, as a novel concept, that was not practised by any bank before. This event gave the opportunity to a handsome amount of people to choose a bank that did not indulge in the nay unethical business practice of has a business connection with any unethical business organization. The credit card of the cooperative bank, launched in cooperation with Greenpeace in 1997, is known to be the earliest recyclable bank card. From this point, SMILE is graded as the pioneer in completely internet-based banking system introduced Co-op Bank in UK. The 20th century is starting if the Cooperative to become the cooperative group, a business that has activities form funerals to farms to fork. Being the co-operative having strong socially responsible and ethical practices in the past, a Braille form of labels was introduced firstly in 2001 by the Co-op on its own brands of medicines, alcoholic drinks like the co-op whisky and vodka. In 2003, an extra one million pounds were given to the farmers of coffee in the underdeveloped economies around the globe when the all the co-op coffee brand was converted into Fairtrade products. The whole main building of Co-operative Insurance Society was covered with solar panels on three sides that could generate energy that is enough for one thousand personal computers to operate for a whole year in 2005. As compared to Tesco, Marks & Spencer, John Lewis and The Body Shop; the cooperative was declared as the trusted retailer amongst most of consumers in the UK. The International Institute Accountability and the National Consumer Council were the authorities that unearthed this status of the Co-op in 2006. If there are a handful of companies in the UK that are at the forefront of combating global climate change, The co-operative in amongst them as
it is a company having lots of programmes for energy and also have schemes to make the world climate alterations.

The co-operative has 5000 branches of renewable energy system and all of the branches give feedback about the energy utilization and carbon emissions. Here are the following models of action for climate change (Coop 2011f):

- Installing photovoltaic panels at schools across the UK,
- Building the UK’s largest solar panel project,
- Supporting the construction of six new wind turbines, and
- Building the largest in-house office waste-recycling centre in the UK (Coop 2011f).

Having clear operational and financial objectives, the company also made social and sustainability ambitions as well as targets according to the Co-op pioneer ethical plans. The co-operative also is the biggest supporter of fair business by 200 product lines; therefore they are proud to be at the top and one of the leaders in ethical supermarket in the UK (Coop 2011g). Co-op did the leading ethical and social responsible health care services in the society by releasing advice, medicines, health screening and testing system in a manner that had care and ethical code of conduct as its base of operations. It is the third largest chain in pharmacy services in the UK (Coop 2011g). The company Engagement Policy means the Co-op Investments is the only UK fund manager to analyse social, environmental and other company management policies along with the performance across all the funds that they manage (ibid.). The co-operative recycling centre is in Manchester which is one of the biggest recycling centres in the UK and having the promise of environmental care to the surroundings\(^3\). The waste of co-op is recycled to make tissue paper that is again used in the offices.

Following statement can be regarded as the mission and vision of Co-op as far as Ethical Business is the concerned and its connection to ethical business that leads to sustainable success and competitive advantage. “Our customers’ views have shaped our work; we have improved our value through investment in pricing, we’ve stepped up our ambition of being ‘good with food’ through innovative new product development and ranging, we continue to

\(^3\) (ibid.)
lead the way in ethical sourcing and we’ve spearheaded all of this with a new TV campaign which is already driving our brand” (Coop 2011i, p. 15).

The Fairtrade mark, one of the Ethical business instruments of CSR strategy, has been adapted by the cooperative since its inception at UK in 1994 to safeguard the rights of the poor employees at the different developing and poor countries were multinationals and business owners in the developing world go for to avail cheap labour. The Fairtrade authority makes it sure that the products that have Fairtrade make should be sourced deprived and disadvantageous workers by offering fair payments to them that assist them in becoming self independent. The cooperative website has a separate page for the details of its products which have Fairtrade mark. Instead, Co-op is the pioneer in first Fairtrade tea, banana and chocolate brand (2011a).

**Figure 2: Co-op Ethical Business highlights**

Source: (Co-op, 2011n, p2) 

The significance of this figure posted above is that it provides an overall view at a glance of the result and affects of the strategies and the direction as well as the future of the Co-operative. The deliverance of value backed by solid activities that reflect that corporate social responsibility is converted into action along with ecological sustainability is reported by the

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4 Blue = Business merger/acquisition, yellow = Social responsibility, light brown = Ecological sustainability, brown = Delivering value
cooperative in this graph. Moreover, the voice of the Chief Executive echoed in the UK retail business world and it was that:

“Despite the background of the worst recession in over 60 years, we have continued our rigorous pursuit of sustainability and maintained our support for the many groups and individuals made even more vulnerable by the economic climate.” (Coop 2011a, p. 2)

In 2009, the embedding of the two business entities named as Somerfield and Britannia into the cooperative business group is known to be one of the most remarkable positive changes. The food business of the co-operative built it the fifth ranked food merchant in the whole UK. The Financial Services and Britannia produced more efficient and caring financial services solution that has received acceptability from the customers remarkably. Due to these factors, the gross sales grow to 31% to £13.7bn. The co-operative Business focus was on the sustainable development policy. In 2009 and 2010, Co-operative got honoured amongst the different retail business chains and was awarded as the most sustainable bank of the year.

“There is indeed a tide in the affairs of men, and that tide is running strongly, right now, in favour of increased corporate accountability, transparency and sustainability.”

Co-operative has recognized more projects for the help to make the advancement and expansion to produced new co-operatives in the United Kingdom and internationally. They created 93 co-operative schools awake in the UK and rising fast ideas of bigger option of the parents and for the society. Now a day’s more discussions are going on the topics that the co-operative has more trust not only in the playing field of financial services but in the area of consumers and society.

**Figure 3: Co-op Ethical Business highlights**
Source: (Co-op, 2011n, p3)
6.1 Democratic structure and Ethical business operations

Democracy is at the heart of the strategies of the Co-op as the ordinary people of the United Kingdom are the members and eventually the owners of the business. The members inform and guide the C-op management about what should be the next moves and what had been done wrong or right so far. The management listens to them, as it is repeatedly said in the different corporate reports under various headings, and acts on it thereby reflecting true democracy. It is said in the corporate social responsibility report that “...we provide members and customers with what they really want from our businesses, and help local communities to help themselves....” this means that customers and owners are on the same level. Helping the local to gain the capability of helping themselves is one of the basic elements of Co-op democratic activities globally (Coop 2011c).

6.1.1 Co-op Members

The strategy of managing the business from the root to shoot is done by having people from the communities as their representatives that can give the Co-op suggestions about the respective area. This hierarchy works as such that the area committee is based on representatives from different localities. Going above this, as a whole, there are eight regions and every region has a board of whose members are selected by the related area managers. The members of the regional board assist the management in issues that comprise of strategy formulation; improvement aspects of stress and studying the places where more storage is
needed. Finally the vision and the corporate strategy are made by the Group of Board that is composed of business owners and the members of the regional board (Coop 2011c).

The executives and managers at the co-operative have made it sure that all the sustainable development business processes are made as transparent as possible and independent auditing is employed to have a clear idea about targets and achievements (Coop 2011a, p. 6). This will empower the socially responsible behaviour and activities and have an aspect of surety regarding the implementation of the ethical business plan of the Co-op.

6.2 Focus on Ethical values and principles

The formulation of the principles was completed in the beginning of the Co-operative business or any activity as it is the prime concern that the code of ethics are followed. Now a days, Co-operative boom those values and principles stoutly with thoughts of corporate responsibility. Taking these problems then the organization is responsible for the stakeholders, especially customer and members. For community they make different kind of policies which toil sustainable development for communities. Some of the works under this program area:

- Inspiring young people: For the younger generation, the co-operative is making efforts to highlight as well as provide the youth with opportunities regarding their positive role in the society.

- Tackling global poverty: Co-operative is helping in the developing countries by making progress and enhanced provisions of the water and cleanliness facilities.

- Combating climate change: the Co-operative is also working in the climate and technology to make renewable energy.

6.3 Co-op food stores and Ethical challenges

Co-op is the pioneer of Fairtrade products in the UK retail Food market and its Model has been adapted by the major food store chains which cements its proactive thinking. Recently Somerfield and Britannia are acquired by the group to have access to more range of
customers by reaching deeper into the societal fabric. Co-op has become the UK’s fifth largest food retailer (Coop 2011d).

The issue of pricing compared to other big names in Food store business is a challenge by being the in fifth position in the retail food market. This is replied by Peter in the words that “We operate on the different business model to Morrisons and Tesco and ASDA and that we operate in a neighbourhood store that is smaller and more costly to run so our prices on the whole are in many ways competitive with other local retailers”. Adding to this he said that the operational savings from Somerfield are being reinvested in the business to have cheaper products “for instance, in the Christmas we invested 200 million pounds into better prices and promotions”. We have promotions from day to day basis in stores and our offers change in three weeks regularly. Many of the offers are priced actually cheaper than Tesco but not all products can be priced like the big four.

Customers said that people come to Co-op for shopping as it is a convenience store with some variety under one roof in the neighbourhood and is near to the residents. It is cheaper to buy the daily use products as the store is near to the residence so the customers can save travel time and fuel or travel cost. In this way, Co-op is a cheaper option for daily usage products. The problems that the customers noted were less varied, no delivery options and increase in prices as compared to super stores.

Additionally, locally produced potatoes, fish and other fruits made it successfully to the Co-op shelves under the program of increasing local British products. The locally produced products in some stores in the East of England had supported the local community, has satisfied the customers and found a successful fit with a shopping environment of the Co-op store (Co-op 2011j).

The request and demand of local sourcing had come from many customers and in response Peter told the public that they are gradually increasing the share of locally produced goods like fruits and vegetables. The biggest challenge in this regard is the concern of price from the customers as every locally sourced product is not at the level to promise to meet this demand. So, for better prices, products have to be sourced from anywhere as a reasonable option to survive in the market where is a “price war”. Peter stated “no other retailer can do that” by saying that Co-op has its own potato farms and they are grown, packaged and
delivered to the store by Co-op employees. Co-op has become the Britain biggest farmer (Peter Marks 2011).

On the other hand, Co-op initiated the challenge 25 as increase in business brought increase in responsibility. This program, under the ethical policy of Co-op store is related to age restricted products like alcohol, cigarette, medicines and other products that can be hazardous if possessed by an appropriate age group. Challenge 25 means that the Co-op employee at the counter can ask for any identity document if the customer doesn’t seem to be 25. Training is given for this purpose before being deployed on the counter (Co-op Challenge 25 2011).

Moreover, according to the store managers, the comparison of the Co-op store with other stores gave multidimensional responses that covered economics, social and environmental responsibility and Fairtrade products. Niel bald and Maxin ramsmith from Oldahm and Chethamhill stores said that the profit margin of Co-op is better than market leaders like Tecso. Mark edeloson from Dewsbury store insisted on having Fairtrade products and same and fix price in all stores being promised to the customers.

Darren holred, Raja Singh, James brown, Lee buckley, Mark jones, Ken hand and Bola abimbola had mixed responses regarding the comparison with other stores. Their responses included charity, recycling, green energy, Fairtrade products, fix price and no availability of home delivery options like big retailers.

Manager believed that Co-op Uniqueness is that it has better workplace environment and customer service than Tesco even its number one in the UK and a big retailer internationally. Employees responded it as Fairtrade products and convenient shopping experience under one roof in the neighbourhood is the uniqueness. The response of customers was similar to employees.

Following are the other challenges that were revealed during the interview process:

_Somerfield_

The matter of competition was raised in the inside view session 2 in which Peter said that Co-op has moved to a point where it is considered by the “Big four” and for facing the competition Co-op has to give “best prices, best products and best shopping experience to STOP TESCO from getting into one of our neighbours” (ibid.).
Customer Satisfaction

Peter said regarding customer employee relation that “The employees have to tackle with long hours, tough customers and this sometimes is reflected in loss in attention to the customer” but “a vast majority of the 120000 employees are doing a remarkable job”. He furthermore stated that training exercises are being done by the employees in which customer service is emphasised to improve the service in stores (ibid.). According to employees, one of their responsibilities is to guide the customer to buy what they want along with ensuring the availability of products on shelves.

Variety of products

There is a concern for the customers that there is an absence of variety in stores as compared to super stores. This question from the customers was responded by Peter that as there stores are small and they are pushed to concentrate on the demand of the majority. Moreover, the objective of Co-op is to put those products on the shelves that bring them profit (ibid.).

Business performance

Co-op is working on 25 % in the late 1960s and 70s and Co-op aims to come back in the premiership. Peter said that “Our food business is the fifth largest business in UK” and “we are back in the premiership both from a size point of view but also from a brand point of view” (ibid.).

Workplace environment

The workplace environment is empowering and friendly. It is done, despite of work pressures, so that the employees are made mentally ready to invest their energies when it is demanded the most in peak times like Christmas and other seasonal peak times. They are considered as marketers or image builders of the store. There is some level of discrimination in employees present regarding their nationality, race and work but the managers say that this part of all businesses and stores. There will always be room for improvement.

In comparison, employees reflected that there are issues of discrimination in the process of hiring and work activities but the policy of Co-op is helpful in controlling the environment. There are hidden issues regarding religion, culture and race that are the concern of the
employees. The policy of test buying has created fear in staff as sometimes the customers look above 21 but they are not and once they buy alcohol or any other restricted product, the next thing was that the police comes in the store and sacks the employee that allowed the boy or girl alcohol. The police fined 80 pounds that is a lot for a store employee (Co-op 2011k).

**Responsible Employees**

When talking about responsible employees, there are challenges like young customers pushing the employees to buy alcohol and age restricted products. Many times, the employees are insulted by the young customers. These types of issues have been managed by the challenge 25 program by Co-op in which there are clear messages hanging in the stores that the employees have the legal right to check the identity to confirm age for age restricted products. Sometimes, the customers come at the very last minutes and demand to have service even after the closing time as they have managed to enter the store two to three minutes earlier to closing. This is a common problem as the environment gets tense when customers demand unreasonable service. In social hours, sometimes the customers do not understand that there are other customers that have to be dealt with along with the smooth supply of products at the shelves.

**Table 1: Comparison of responses from Managers, Employees and Customers**

<table>
<thead>
<tr>
<th>Response Categories</th>
<th>Managers</th>
<th>Employees</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Trainings/Behaviour</strong></td>
<td>Yes, must for promotion</td>
<td>Same</td>
<td>Friendly, supportive</td>
</tr>
<tr>
<td><strong>Workplace /Store environment</strong></td>
<td>Stress, challenging</td>
<td>Challenging, discrimination, customer misbehave</td>
<td>Daily usage buying, small local store</td>
</tr>
<tr>
<td><strong>Customer awareness/ Behaviour</strong></td>
<td>Yes</td>
<td>Same, misbehave of youth</td>
<td>Aware</td>
</tr>
<tr>
<td><strong>Comparison with other stores</strong></td>
<td>Price, variety, delivery</td>
<td>Good, satisfactory</td>
<td>Price and product variety problems,</td>
</tr>
<tr>
<td></td>
<td>Managers</td>
<td>Employees</td>
<td>Customers</td>
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<td>-----------</td>
</tr>
<tr>
<td>Employee Trainings/Behaviour</td>
<td>Must, necessary for promotion + same + friendly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workplace /Store environment</td>
<td>Stress + same, customer misbehave + local store for daily usage products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer awareness/Behaviour</td>
<td>Yes +same, misbehave + aware</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comparison with other stores</td>
<td>price, product and delivery problems+ good service+ same as managers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-op Uniqueness</td>
<td>Ethics + Ethics + Ethics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibilities</td>
<td>Supervision + product availability, customer care+ N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer response to ethical practices</td>
<td>Positive+ same+ same</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUSTAINABILITY**

<table>
<thead>
<tr>
<th><strong>Co-op Uniqueness</strong></th>
<th><strong>Responsibilities</strong></th>
<th><strong>Customer response to ethical practices</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics</td>
<td>Shelf scanning, supervising</td>
<td>Positive</td>
</tr>
<tr>
<td>Same</td>
<td>Product availability, customer care</td>
<td>Same</td>
</tr>
<tr>
<td>Same</td>
<td>n/a</td>
<td>Same</td>
</tr>
</tbody>
</table>

**Preferred for daily usage products:**
Critical Observation

The critical analysis is based on comparing of coding and categorised of interviews, store observation and our understanding of the cooperative model of doing business on mutualisation concept.

1. Suppliers, Responsibility and Carbon footprint

According to our observation, most of the interviews available on Cooperative Group's Channel on YouTube and manager’s responses at the stores regarding the ethical practices regarding food were silent about the issue of a code of conduct, audits or checks on suppliers across borders.

The issue was highlighted from the interview of Peter Marks (CEO) in which he said that the price concern of the customers can be met in present conditions only when Co-op can source products from where it finds cheap. There he didn’t mention about the related carbon footprint, energy consumption, environmental issues and above all, the supplier’s audit.

The article “Describe the ethical concerns facing the communities in which the Cooperative Group operates” clearly supported this critic by putting up to the level of cooperatives functioning in the UK that there are concerns about carbon foot attached to products supplied from less developed countries (ukessays 2011).

The interview of Neil Moorcroft who is the Category Buyer at The Co-operative Food clearly reflects that the Co-op sources its salad from countries like Italy and Spain. The salad products supply stock is planned for 52 weeks. This is because the climate of the UK isn’t favourable to have locally sourced salad products the whole year (Co-op 20111). Now, this
means that they are not going to have a significant amount of locally sourced food products despite the efforts being done by Co-op. The present situation clarifies the need to have public message regarding the Co-op carbon footprint and audit of suppliers that is absent in the current moment.

2. Workplace Issues

The workers are constantly pushed and harassed by younger customers when they are asked for identity while buying age restricted products. In addition to this, social hours, discrimination and thought customers are also to be dealt with. When this stress is reflected by the employee in terms of lack of attention to the customer then the employee has to face complaints. There has been an incident in which a test buying that was done just two to three minutes before the store was being closed which resulted in 80 pounds fine to the employee (Co-op 2011k). These incidents created fear and stress among the store staff.

Other issues with Co-op Food stores according to the customers and local community were:

- Wiping of ordinary local stores run by local dwellers
- Music at the store(s)
- Low variety of products
- Some incidents of price variations

They are the pioneers of Fairtrade products and yet they were accused by the industry of selling its own branded beer on unreasonably low price that just triggered inflow of luring customers (Co-op 2011m). According to the article in the Guardian online news post of the 13th of Sep 2009, Co-op was also criticised for “demanding 'unreasonable' terms from farmers”. This lead to intervention of National Farmers’ Union (NFU) and the Office of Fair Trading (OFT) that dealt with the situation. It was interesting for us to note that the spokesman of Co-op while saying that we are not imposing the terms accepted that the negotiations were “confidential” (Guardian-UK 2011). This produces a gap between what is said on the website and cooperative documents.
Chapter 5

Discussion and Analysis

The connection of society and business are the basis of the sustainable business concept as it is explained by Enquist et al. (2006) in their work that businesses have the responsibility of taking care of society because the activities of the corporations have direct and indirect impact on the environment surrounding the society and directly the society as well.

Most of the customers had been concerned about the ecological practices and Fairtrade products. There was little deviation in responses as the managers, employees and customers agreed that eco friendly products are welcomed and supported by the community at large.

This concept of society-business connection has been recognized by the Cooperative in their official corporate report that they recognize the effect that their operations have on the society and also are doing practical work rather just having an eye wash by merely writing a report and posting on their website.

Furthermore, the Co-op makes and positions itself in the market by depicting that its one of the co-operations that are proud to have businesses that are deeply rooted in the social fabric of the society and have a definite role in the uplifting of the societal and environmental sustainability standards to have better chances for the future generations that they could enjoy the same level of the earthly resources and have livelihood as it is being visible and available at present (Coop 2011a).

The Co-operative is one of the earliest members of the Fairtrade product movement and now have been awarded several awards with regards to consumer health, environment conservative programs, farm to folk program, an awareness and inspirational programs for the youth. Co-op is committed to provide better opportunities of work along with handsome pay for the workers at their business sites like the farms (Coop 2011a; Coop 2011b Coop 2011c).

The managers are of the view that the uniqueness of Co-op lied in being the pioneer and trend setter of Fairtrade products in the UK food retail market. The same message was given by Peter Marks (2011) when he said that he is delighted to be the Fairtrade pioneer, a way of
doing business that has been quickly followed by the big four. None the less, the retail giants 
now have more Fairtrade certified products than Co-op as they have access to a larger 
proportion of the population.

This is illustrated by Enquist et al. (2006), Kemp (2005) and at the World Council for 
Economic Development WCED (1987) in the wordings that sustainability has become vital 
for the survival of the human being on this planet and business organizations that are 
practicing social responsibility for economic, social and societal sustainability and 
development are to be encouraged and awareness is to be created amongst the employees that 
they value the corporation's activities that are directed towards sustainability. The notions of 
ethical business, being only heard at the environmental forums are being now converting the 
voice of the environmental conscious communities.

According to the official reports, the objectives of the Co-operative (Coop 2011b) are also 
reflected to be aligned with the notion that “… meets the needs of the present without 
compromising the ability of future generations to meet their own needs” (WCED 1987:43). 
We were astonished to note that the critical analyses showed a different picture when Co-op 
was found to be accused of malpractices regarding negotiations with farmers, suppliers’ audit 
and drop in own branded beer’s price.

The factor of green marketing and green washing was apparent when the above findings were 
compared to the awards, target achievements and managers' responses. Interestingly, our 
interview responses from customers didn’t match the results of the largest customer survey in 
the food retail business being done by Co-op. Customers, according to our interview results 
considered Co-op good for daily usage products as a local neighbourhood store. They did not 
accept a Co-op store to be a better option when considering product variety, prices and 
delivery options. This was admitted to some extent by Peter (2011) as well but he said that 
the Co-op customers’ do not neglect values against value.

The above development can be tracked into the definition put forward by WCED (1987:43) 
in which insisted that the present practices of the people will decline the possibilities for the 
future even the present generation. From this discussion, it is clarified that better change is 
important for minimizing externalities of businesses that affect the stakeholders. 
Gummesson (1994) considered the role of NGOs as being the external stakeholders to have a 
check on the operations of the companies. This dialogue was expanded from having a check
to becoming a facilitator by Waddock (2008). She explained that voluntary nongovernmental organisations can support in crafting standards, measuring scales, benchmarks and future initiatives as they are closely in contact with the society and more integrated into the social fabric. The companies do not possess this capability as their main concern is to develop business and beyond that they have limited operations. The reason behind this is that not all the externalities come under legal framework and the companies have to voluntarily show responsibility. This is depicted by Raiborn and Payne, (1990) as “......The spirit of the law (morality)......” and by Carron et al., (2006, p. 978) as “sometimes beyond legal compliance”.

The Co-op has proved to be worthy in this regard as its structure is based on mutualism. This means that anyone from the community can be their member in the business. According to Peter (2011), Co-op has five million members. The framework the membership has been illustrated in detail in the annual report. In this way the local community have representation in the business gains of Co-op and influence its decisions. This is one of the major structural evidence that Peter along with other executives depict in the report for Co-op being responsible. The Co-op members from the local community have the right to suggest Co-op management about any externalities of future or present activities.

According to our point of view, the mutual membership structure of Co-op is supportive for its survival and growth as Co-op. This is because Co-op is based on a business model of being mainly a chain of small neighbourhood local stores. The business of Co-op will face massive challenges if the opinions and responses of the local community are not communicated to the management for proactive planning. So, the present setup in which the local community in a group behaves as an external stakeholder similar to NGOs with the exception of having a share of profit on the basis of investment as being members.

Having a business under the mutual concept and making efforts respectively for behaving responsibly suits the business ecology of Co-op in which it operates. This is one of the reasons of Co-op having survived the economically worst conditions. This view is also reflected by the conclusion of the paper of Vogel (2005). He stressed that the positive impact can be sourced by businesses through their responsible actions if they are integrated into the ecology in which the business operates.

Co-op has been observed to have concerns over renewable energy as the 5000 branches of the cooperative have system for the energy renewability and give report about the energy usage
and carbon production is the best answer or reply that any cooperative can give. The Co-op also has an action plan for combating climate change and environmental conservations like:

- Establishment of the biggest office waste recycling plant
- Encouraging the building of wind turbines for alternate source of energy
- Installation of solar panels at schools across UK
- Initiating the UK’s leading project of solar panel (Coop 2011f)

Responsible management is the core of any corporate social responsibility activities and for that the sustainability policy and its management is vital that is enthusiastically expressed by Co-op as “.... we provide members and customers with what they really want from our businesses, and help local communities to help themselves....” (Coop 2011c).

This statement is supported by the work of Co-op up to some extent as most of the chiefs and managers at the Co-op stores told us that the Co-op employees are given training about ethics in business. Employees have been lectured by the superiors about the Co-op style and vision of working in a sustainable way.

Regarding efficiency of the employees, most of them are of the view that it depends on the personality of the employees like the more they have caring and social attributes in their personality, the better performance they can and will give and that is not hard for them as it comes naturally. There were signs of discrimination indicated by employees, the problem of harassment by young customers on attempts to buy beer and age restricted products, test buying but they were not depressed as the ethical policy was supporting them in this regard and they were not completely left alone.

The recent economic crunch has forced the Co-op to do as much as it can lower the prices of the products as customer focus is on price due to their buying power decrease. This situation was also told by BBC News (2009). Peter Marks (2011), also said that the utmost aim of people is to buy food and little luxuries for their family at cheapest rates. He also included that this does not mean that they will stop buying Fairtrade products as the ratio of buying did increase in economic crunch as well. Tom Bawden (2011) depicted about Co-op in one of his articles in “The Guardian” that Co-op is committed to have Fairtrade products on its shelves and has plans to increase the profit ratio coming from these products.
The following diagram that has been made after the analyses and discussion of the working of Co-op shows the conceptual factors or drivers of doing business with integration of ethical concerns into operations to endeavour for being responsible:

**Figure 5: Conceptual Co-operative Model**

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**Chapter 6**

**Conclusion**

The thesis contributes to understanding that the sustainable business activities can have a positive impact on the of food retailer's business when they are in accordance with the environment and ecology in which the businesses are operating. The case of Co-op provided an insight about how food retailers are able to survive in price wars by keeping a balance in values and value.

The accusations on Co-op, interview of stakeholders (employees and customers) and the official reports depicted that care is needed when projecting company’s responsible activities. The projection can fall under the definition of green washing and green marketing if it is not
satisfied by grassroots level operations. It is obvious from the employees’ responses about harassment and discrimination, the customers’ responses about product prices, variety and delivery option problems that moderation is needed in the projection of Co-op as a *Green Retailer*.

The business performance and continuous rise in the sales figures of Fairtrade products reveals that the people support the social and environmental activities of the business even in an economic crunch. This is proved by the statement of Peter Marks (2011) when he said that he and the Co-op staff are proud to be the part of Co-op as being the pioneer of Fairtrade products. He further revealed that the concept of Fairtrade products is adapted by the biggest names in the food storage business and they have now even more variety of Fairtrade products than Co-op.

The issue of food suppliers’ audit was the most highlighted issues as Neil Moorchcroft, the Category Buyer manager didn’t mentioned about their audits and the annual report was also silent in this regard. Moreover, an online article has also directed attention to this issue as well. Our understanding of CSR tells us that the suppliers are to be bound to business ethics for making the whole business responsible in particle terms. Further efforts are needed in this regard. On the other hand, customers are demanding locally produce grocery whereas Co-op had demanded unreasonably in 2009 from a local farmer due to which the Office of Fair Trading had to intervene. The negotiations were not made public. These things are future concerns of Co-op business for the sake of sustainable ethical business.
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(2 of 6) http://www.youtube.com/watch?v=bXecDQNFcGl [2011-12-02]

(3 of 6) http://www.youtube.com/watch?v=6GA7ddkhbrI [2011-12-02]

(4 of 6) http://www.youtube.com/watch?v=QVkcLXFlfoQ [2011-12-02]

(5 of 6) http://www.youtube.com/watch?v=X2xc9GmbtV [2011-12-02]

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Appendix:

**Interviews**

Introduction

The interviews were conducted from the managers, employees and customers through the help of a semi structured questionnaire. The interview responses have been grouped in three namely employees, managers and customers. The summary of the responses has been crafted on the principles of qualitative research methodology and triangulation technique that has been explained in the research methodology chapter. An effort has been made to write the statements of the managers that were essential for the authenticity of the research as they were told.

1. Managers’ Interview

The responses of the managers have been coded and grouped in the following categories:

*Employee Trainings*

All the employees are given basic training about ethical practices and company policy as Cooperative is having a competition with Tesco and other stores. Employees are motivated to have trainings by them with better chances of promotion. This is done to raise the service standard and have skilful employees ready to take fill the possible vacant places.

*Workplace environment*

The workplace environment is empowering and friendly. It is done, despite of work pressures, so that the employees are made mentally ready to invest their energies when it is demanded the most in peak times like Christmas and other seasonal peak times. They are considered as marketers or image builders of the store.

There is some level of discrimination in employees present regarding their nationality, race and work but the managers say that this part of all businesses and stores. There will always be room for improvement.
Customer awareness

Most of the managers are of the view that having customers from a developed country means that many of them are aware of the corporate social responsibilities of the company. Customers do mostly know about the practices of the co-op store with regards to Fairtrade products. The Fairtrade tea, banana, coffee and also chocolate are having a positive response from customers. Customers are being constantly informed of the advertisement and videos uploaded on the website and on YouTube.

Some of the managers namely Raja Singh at Liverpool store and James brown at the Warrington store said that customers sometimes come to the store just because it’s near to their facility.

Comparison with other stores

The comparison of the Co-op store with other stores gave multidimensional responses that covered economics, social and environmental responsibility and Fairtrade products. Niel bald and Maxin roommate from Oldahm and Chethamhill stores said that the profit margin of Co-op is better than market leaders like Tecso. Mark edeloson from Dewsbury store insisted on having Fairtrade products and same and fix price in all stores being promised to the customers.

Darren holred, Raja singh, James brown, Lee buckley, Mark jones, Ken hand and Bola abimbola had mixed responses regarding the comparison with other stores. Their responses included charity, recycling, green energy, Fairtrade products, fix price and no availability of home delivery options like big retailers.

Co-op Uniqueness

Co-op unique in the sense that it has better workplace environment and customer service than Tesco even its number one in the UK and a big retailer internationally.

Responsibility as store manager

Most part of the responsibility revolves around two factors that are: customer service and having product available. Raja singh, Lee buckley and James brown added the factors of being a team player, pressure handler and problem solver in the factor list.
Customer response to ethical practices

According to a survey done by Co-op, at least 65 percent of the total customers are aware of the ethical policy and practices. Customers know about the carbon footprint and charity for schools. The ethical policy for product refund, disables and children is valued by the customers. The customer response is reflected in the financial position of the store as it survived in the worst financial crisis in the UK. Co-op profit margin and acceptability of Fairtrade products that are slightly costlier than ordinary products tells the story of Co-op customers. The managers also said that all the complaints of the customers are heard and an effort is made to find the remedy.

Table 1: Managers’ Interview Profile

<table>
<thead>
<tr>
<th>No.</th>
<th>Manager Name</th>
<th>Place of the store</th>
<th>Interview duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Niel bald</td>
<td>Oldahm</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Maxin ramsmith</td>
<td>Chethamhill</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Mark edeloson</td>
<td>Dewsbury</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>Darren holred</td>
<td>Manchester picadilly</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>Raja singh</td>
<td>Liverpool</td>
<td>18</td>
</tr>
<tr>
<td>6</td>
<td>James brown</td>
<td>Warrington</td>
<td>19</td>
</tr>
<tr>
<td>7</td>
<td>Lee buckley</td>
<td>Derbishire</td>
<td>24</td>
</tr>
<tr>
<td>8</td>
<td>Mark jones</td>
<td>Rochadale</td>
<td>22</td>
</tr>
<tr>
<td>9</td>
<td>Ken hand</td>
<td>Walkden</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Bola abimbola</td>
<td>Eccles</td>
<td>17</td>
</tr>
</tbody>
</table>
2. Interview of Chief Executive Officer (CEO)

Peter Marks

Peter Marks (2011), at the inside view session 1 said that the year 2009 was remarkable for the 1, 20, 000 employees and 5 million business partners as Co-op survived. Co-op had merger with Britannia and Summerfield despite the historically worse economic situations and the credit crunch market of 2007.

The *matter of value* (price) with values (ethics) was responded by Peter by depicting that people have a concern about value as they need to buy food and “little luxuries” for life. People didn’t let go the values as the sale of Fairtrade products has increased 25% despite the worst economy.

Somerfield

The *matter of competition* was raised in session 2 in which Peter said that Co-op has moved to a point where it is considered by the “Big four” and for facing the competition Co-op has to give “best prices, best products and best shopping experience to STOP TESCO from getting into one of our neighbours”

Britannia

Peter said that neither Britannia nor Co-op could compete without having *economies of scale*” and mergers of strong businesses to make bigger businesses is the key to compete in future.

Customer Satisfaction

Peter said regarding customer employee relation that “The employees have to tackle with long hours, tough customers and this sometimes is reflected in loss in attention to the customer” and there has been a clear message communicated throughout Co-op stores but “ a vast majority of the 120000 employees are doing a remarkable job”. He furthermore stated that training exercises are being done by the employees in which customer service is emphasised.
On response to the question of prices compared to other big names in Food store business. Peter told that “We operate on the different business model to Morrisons and Tesco and ASDA and that we operate in a neighbourhood store that is smaller and more costly to run so our prices on the whole are in many ways competitive with other local retailers”. Adding to this he said that the operational savings from Somerfield are being reinvested in the business to have cheaper products “for instance, in Christmas we invested 200 million pounds into better prices and promotions”. We have promotions from day to day basis in stores and our offers change in three weeks regularly. Many of the offers are priced actually cheaper than Tesco but not all products can be priced like the big four.

Local sourcing

The request and demand of local sourcing had came from many customers and in response Peter told the public that they are gradually increasing the share of locally produced goods like fruits and vegetables. The biggest challenge in this regard is the concern of price from the customers as every locally sourced product is not on the level to promise to meet this demand. So, for better prices, products have to be sourced from anywhere as a reasonable option to survive in the market where is a “price war”.

Peter stated “no other retailer can do that” by saying that Co-op has its own potato farms and they are grown, packaged and delivered to the store by Co-op employees. Co-op has become the Britain biggest farmer.

Variety of products

There is a concern for the customers that there is an absence of variety in stores as compared to super stores. This question from the customers was responded by Peter that as there stores are small and they are pushed to concentrate on the demand of the majority. Moreover, Co-op is aimed to put those products on the shelves that bring them profit.

Wiping the small stores

The fierce competition that Co-op has given to the local ordinary stores and small post office is on the same free market basis that Co-op has received from the Big four. In contrast, Co-op has been supportive in keeping the local customers to shop locally by having a Co-op
neighbourhood store and thereby raising the standards of local shopping experience (Peter, 2011).

Uniqueness of Co-op

The uniqueness of Co-op doesn’t lie in responsible and ethical business having social goals. It is not in being the pioneer of Fairtrade products. It is rather in the democratic structure based on mutualism which is the base of Co-op business model.

Business performance

Co-op is working on 25% in the late 1960s and 70s and Co-op aims to come back in the premiership. Peter said that “Our food business is the fifth largest business in UK” and “we are back in the premiership both from a size point of view but also from a brand point of view”.

3. Employee’s Interview

The employees’ interviews were filtered by comparing them with the observations and experiences at the stores, the response of the managers and the documents as well as videos available on The Cooperative Group's Channel on YouTube.

Employee Trainings

All the employees replied that they had to go basic training for working in the Co-op store. Employees which have relevant trainings and work experience have better chances of promotions. Trainings are important as Co-op is having a competition with big players in the food business market.

Workplace environment
There are issues of discrimination in the process of hiring and work activities but the policy of Co-op is helpful in controlling the environment. There are issues regarding religion, culture and race that are the concern of the employees but the management is aware of the situation. The employees feel that they are heard. The policy of test buying has created fear in staff as sometimes the customers look above 21 but they are not and once they buy alcohol or any other restricted product, the next thing is that the police comes in the store and sacks the employee that allowed the boy or girl alcohol. The police fined 80 pounds that is a lot for a store employee (Co-op, 2011k).

Customer awareness

Customers in a developed country (UK) are aware of most of the activities that Co-op does and value them. Various message cards, boards and fliers are also used aside the product shelves to inform the customers in the possible manner about the health, age and taste factors.

Customer Behaviour

Customers are mostly fair to deal with but many young customers push the employees to buy alcohol and age restricted products. Many times, the employees are insulted by younger customers. This issue has been managed to an extent with the challenge 25 program in which there are clear messages hanging in the stores that the employees have the legal right to check the identity to confirm age for age restricted products. Sometimes, the customers come at the very last minutes and demand to have service even after the closing time as they have managed to enter the store two to three minutes earlier to closing. This is a common problem as the environment gets tense when customers demand unreasonable service. In social hours, sometimes the customers do not understand that there are other customers that have to be dealt with along with the smooth supply of products at the shelves.

Comparison with other stores

Co-op is giving better service than other market leaders namely Tesco and ASDA as we are direct competition with them. Out of 20 Employees, only four pointed out that Co-op was facing problems regarding a variety of products, delivery options and price factor. Sixteen employees were of the view that Co-op has cheap products, good service and they themselves also buy from the store.
Co-op Uniqueness

The Fairtrade products and convenience shopping experience under one roof in the neighbourhood is the uniqueness.

Responsibility as an employee

Employees’ is responsible for a continuous supply of products on the shelves from the store’s warehouse. Guiding and supporting the customers is buying what they really want.

Customer response to ethical practices

Twelve out of twenty means that 60 % of the employees said that customers support the Co-op environmental and social programs. The remaining employees said that it was a mix of quality, price and ethics.

4. Customers’ Interview

Employee Behaviour

Sixty percent of employees said that the employees were friendly. Thirty percent said that they were just fine and ten percent told that they cannot have any clear idea as it was hard for them to judge as they had experience of shopping in many stores.

Store environment

People come to Co-op for shopping as it is a convenience store with some variety under one roof in the neighbourhood and is near to the residents.

Comparison with other stores

It is cheaper to buy the daily use products as the store is near to the residence so the customers can save travel time and fuel or travel cost. In this way, Co-op is a cheaper option for daily usage products. The problems that the customers noted were less varied, no delivery options and increase in prices as compared to super stores.

Co-op (good for everyone)
Mostly the customers said no as Co-op is good as far as daily usage products are concerned and the response under the category of *Comparison with other stores* gives the detail and reasoning why the customers think that Co-op isn’t good for everyone.

*Ethical practices*

The customers consider the values with value. Co-op responsible actions are welcome by customers.

### 5. Detail of the comparison of interviews with managers, employees and customers

There were clear marks of ethical business as being if not the most vital factor but one of the most important factors. Most of the employees said that the experience of the customers varies with their age because most of them liked the store as prices were kept compatible with the competitor stores. The availability of good quality products at reasonable price and under one roof was also one of the reasons.

Some of the employees who were educated and young said that the corporate social responsibility activities and ethical practices have a positive effect on the consumer buying pattern. The healthy labelling of the products with clear details about the sugar, fat and oil contents as well as indications of group of people to whom the product suited best was welcomed.

The results from the customers gave more clear directions as many children, young and old people regardless of gender said that the store provides them with good environment, reasonable prices and quality product with a sense that they are playing their part in keeping the society and environment clean.

The managers and chiefs told us about the things that were mostly indicated in the CSR and ethical reporting posted by Co-operative on its corporate website. One of the important things they revealed was that businesses were not ready to do ethical and socially responsible activities at all levels and fully as there were constraints.

The constraints reflected by the managers were typically the same as seen in CSR, stakeholder and shareholder theories and research like losing control on price increase and
narrowing the gap between cost and profit. However, one thing was sure that ethics in business and sustainability concepts were considered as a tool for making or creating business. There were traces in responses from the chiefs that CSR and ethical activities were being, not totally, but partially being used as a marketing tool to attract the customers by saying that *we are good for everyone so everyone should come towards us to do good business.*

**Table 2: Comparison of responses from Managers and Employees**

<table>
<thead>
<tr>
<th>Response Categories</th>
<th>Managers</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Trainings</strong></td>
<td>Yes, must for promotion</td>
<td>Same</td>
</tr>
<tr>
<td><strong>Workplace environment</strong></td>
<td>Stress, challenging</td>
<td>Challenging, discrimination, customer misbehave</td>
</tr>
<tr>
<td><strong>Customer awareness</strong></td>
<td>Yes</td>
<td>Same</td>
</tr>
<tr>
<td><strong>Comparison with other stores</strong></td>
<td>Price, variety, delivery</td>
<td>Good, satisfactory</td>
</tr>
<tr>
<td><strong>Co-op Uniqueness</strong></td>
<td>Ethics</td>
<td>Same</td>
</tr>
<tr>
<td><strong>Responsibilities</strong></td>
<td>Shelf scanning, supervising</td>
<td>Product availability, customer care</td>
</tr>
<tr>
<td><strong>Customer response to ethical practices</strong></td>
<td>Positive</td>
<td>Same</td>
</tr>
</tbody>
</table>

**Notables**

The difference in the workplace environment, comparison with other stores and responsibilities shows the overall response direction of employees and managers.

**Table 3: Comparison of responses from Managers and Customers**

<table>
<thead>
<tr>
<th>Response Categories</th>
<th>Managers</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Training/Behaviour</strong></td>
<td>Yes, must for promotion, customer first</td>
<td>Friendly, supportive</td>
</tr>
<tr>
<td><strong>Workplace environment/Store</strong></td>
<td>Challenging, small local store</td>
<td>Daily usage buying, small local store</td>
</tr>
<tr>
<td><strong>Customer awareness</strong></td>
<td>Yes</td>
<td>Same</td>
</tr>
</tbody>
</table>
### Comparison with other stores

<table>
<thead>
<tr>
<th>Co-op Uniqueness</th>
<th>Price, variety, delivery</th>
<th>Same, preferred for daily usage products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer response to ethical practices</td>
<td>Positive</td>
<td>Same</td>
</tr>
</tbody>
</table>

**Notables**

The difference in training, workplace/store and comparison with other stores responses leads to the experiences that employees and customers possessed.

**Table 4: Comparison of responses from Employees and Customers**

<table>
<thead>
<tr>
<th>Response Categories</th>
<th>Employees</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Training/Behaviour</strong></td>
<td>Yes, must for promotion, customer first</td>
<td>Friendly, supportive</td>
</tr>
<tr>
<td><strong>Workplace environment/Store</strong></td>
<td>Challenging, small local store, good shopping</td>
<td>Daily usage buying, small local store</td>
</tr>
<tr>
<td><strong>Customer awareness/Behaviour</strong></td>
<td>Award, misbehave of youth</td>
<td>Award</td>
</tr>
<tr>
<td><strong>Comparison with other stores</strong></td>
<td>Good in service and price</td>
<td>Price and product variety problems</td>
</tr>
<tr>
<td><strong>Co-op Uniqueness</strong></td>
<td>Ethics</td>
<td>Local convenience store</td>
</tr>
<tr>
<td><strong>Customer response to ethical practices</strong></td>
<td>Positive</td>
<td>Same</td>
</tr>
</tbody>
</table>

**Notables**

The variation in store environment, customer awareness, comparison with other stores and co-op uniquely tell the story of both sides.
6. QUESTIONNAIRE

To Managers:
1. What about the awareness of CSR and ethics in employees?
2. Do employees are involved in store improvement process?
3. What is the most valuable thing for customers or there No.1 preference?
4. How much do customers know about the CSR and ethics?
5. What do you know about ethical business?
6. Do you value and are proud of what Co-op is doing?
7. Are you satisfied with your job?
8. How will you compare this store with Tesco?
9. What is the uniqueness of Co-op which any other store doesn’t have?
10. What do you think about ethics in business?
11. Do customers value ethical practices?
12. What is the most important thing that you have struggled to show to your customers by your advertising and way of doing business?
13. How do you define responsible activities at Co operative store?

To Employees:
1. What is your experience of working at Co-op?
2. How do you define Co-op?
3. What are the values on which Co-op stands?
4. What is your education?
5. How this store is different from other stores?
6. What is the thing in the customer’s mind that they value most when buying any product?

7. Has there been any survey of customers in this store?

8. How often the chief visits this store?

9. Why do people come to this store?

10. Are you encouraged to put forward your opinion about *How to improve the quality of service of the store*?

11. Does chief ask about your suggestion on store business improvement?

12. What do you like about this store?

13. Do you shop from this store?

**To Customers:**

1. How do you define Co-op?

2. Why do you buy products from this store?

3. Do you think that socially and environmentally responsible practices are important?

4. Are there any differences in prices as compared to other store?

5. What do you like at this store?

6. Have you visited other Co-op stores?

7. How often do you visit the Co-op store?

8. Have you advised other people to buy from this store?

9. What do you mostly buy from this store?

10. What do you think about Fairtrade products like Fairtrade Coffee or Bananas?

11. If Co-op has same prices and product quality but not responsible, what would have been your response?

12. Do you think that Co-op is good for everyone?