Investigating the Application of Social Sustainability: A Case Study in the Egyptian Retailing Sector

Lobna Hafez, Eman Elakkad

Abstract—Sustainability is no longer a choice for firms. To achieve sustainable supply chain, all three dimensions of sustainability should be considered. Unlike the economic and environmental aspects, social sustainability has been rarely given attention. The problem surrounding social sustainability and employees' welfare in Egypt is complex and remains unsolved. The aim of this study is to qualitatively assess the current level of application of social sustainability in the retailing sector in Egypt through using the social sustainability indicators identified in the literature. The purpose of this investigation is to gain knowledge about the complexity of the system involved. A case study is conducted on one of the largest retailers in Egypt. Data were collected through semi-structured interviews with managers and employees to determine the level of application and identify the major obstacles affecting the social sustainability in the retailing context. The work developed gives insights about the details and complexities of the application of social sustainability in developing countries, from the retailing perspective. The outcomes of this study will help managers to understand the enablers of social sustainability and will direct them to methods of sound implementation.

Keywords—Egypt, retailing sector, social sustainability, sustainability.

I. INTRODUCTION

IN recent years, the topic of sustainability has gained greater importance in many business areas. It became a key element for retailers who want to gain economic benefits while being committed to sustainable development principles.

Retailers are located in the middle of the supply chain connecting between the upstream and the downstream, therefore adopting sustainable practices might be challenging as they need to find the balance between both sides. Retailers now are been placed under pressure as customer are demanding sustainable products, which force retailers to manage their suppliers in more sustainable way.

Retailers can gain competitive advantages by incorporating sustainability issues [1] as well as greater respectability and credibility [2]. Along with many benefits and reasons for retailers of implementing sustainable commercial practices, some are related to the function of the retailers; such as energy and water cost savings, capital cost savings, and others are related to their image such as improving their reputation, improving their market reach, increasing their customer base through attracting new segments and increasing the commitment of staff to sustainable development [3].

In order to assess the level of sustainable development,

Lobna A. Hafez and Eman M. Elakkad are with the Arab Academy for Science and Technology and Maritime Transport, Alexandria, Egypt (e-mail: lobna.hafez@aast.edu, emanelakkad@aast.edu).

retailers need indicators to measure the sustainability of their behavior. This research sheds the light on the indicators of social sustainability and then a case study will be assessed to determine the level of application of social sustainability and define the challenges faced by retailers to implement social sustainability practices.

II. LITERATURE REVIEW

A. Sustainabilty

The concept of sustainable development have attracted more attention in the past two decades, sustainable development encompasses economic development, social justice, environmental science and business management [4] which could be described with triple bottom line (TBL) theoretical framework. The idea behind the triple bottom approach is to satisfy the three aspect of sustainability simultaneously and to consider the environmental and social aspect when measuring companies' performance not just the economic aspect [5].

The environmental excellence implementation by the industries is an obligation in order to greet the society expectations concerning the environmental interests. The environmental or the ecological performance is observed as the organizations ability to participate in minimizing air and water pollution, solid wastes, utilization of harmful/toxic materials and the rate of environmental accidents [6]. There are several indicators that can help in measuring the environmental sustainability performance like; energy and materials utilized level of air and water pollution and waste level. The less the level of these factors the more environment sustainable is the organization [7].

Economic Sustainability can be achieved through positive or negative economic practices. The positive economic practices are such as reduction in obtaining material cost, saving energy consumption, waste treatment cost and reduction of discharge cost and environmental risk management cost. While the negative economic practices are mainly concerning the implementation cost of sustainable system which includes investment cost and environmentally friendly material costs [8]. The implementation of sustainable system may seem costly and has negative economic effect in the short time, but it contributes in the improvement in the long term.

The social pillar is important to be taken into consideration. Many researchers mentioned that the social aspects are rarely explored and merited for further study [9]-[11]. The social aspects are mainly to serve the shareholders' interests and the stakeholders (customers, employees, shareholders, and

society). Social responsibility is the well utilization of the company's resources and involve in the profitable activities that will sustain for long time, in which shareholders gain benefits from serving several stakeholders [11]. Social performance denotes that the company is engaging with the social responsibility related issues such as; quality of management, health and safety issues, wages and benefits, equal opportunities policy, disturbance, access and equity, training/education, child labor, forced labor, freedom of association, and human rights and services [12], [13]. In addition to internal human resources, external population, stakeholder participation and macro social issues are indicators of social performance [11]. Other indicators of social sustainability are employee commitment, job creation, risk management and addressing gender distribution in employment program [14].

B. Social Sustainability

In recent decades, Social Sustainability has gained an increased awareness as a fundamental component of sustainable development and sustainability. There are various studies conducted on social sustainability as one aspect of sustainability or sustainable development [11], [12], [15]. However, concise review of related literature shows that the definitions on social sustainability are quite complex [15].

Various definitions have been provided for social sustainability in the literature. Social sustainability was defined as a development which is able to occur by balancing the evolution of civic society, and this development will result in a more prosperous environment [16]. They also emphasized the crucial role played by social integration, cultural diversity, and equity in their concept of social sustainability

Littig and Grießler [17] suggest that social sustainability means the satisfaction of basic human needs and the subsequent continuation for future generations.

Laguna [18] defines social sustainability as meeting all residents' fundamental needs without any discrimination based on their race, age, religion, gender, socioeconomic status or their level of ability and promoting the level of participation in community life.

Rasouli and Kumarasuriyar [19] captured the key elements identified by key authors as illustrated in Table I.

TABLE I
SOCIAL SUSTAINABILITY ELEMENTS

Indicators	References
Equity, diversity, quality of life, interconnectedness democracy government	[20]
Marco level: distribution of income and assets Micro level: Education, training, income, social contacts, communication and participation, social security	[21]
Social quality	[17]
Basic needs: physical aspects of society and human life such as health, housing, and food Equity: social disparities	[19]
Social capital, social infrastructure, social justice and equity and engaged governance	[22]
Equity	[23]
Equity: education, quality of life, social capital, social cohesion, integration and diversity, sense of place	[24]
Human capital, social capital, and well-being	[25]

III. METHODOLOGY

The level of application of social sustainability in the retail sector in Egypt is not yet explored. The purpose of this study is to assess the current level of application of social sustainability in the retailing sector in Egypt and to understand the challenges of application. This research is exploratory. Exploratory research is suitable for studying new phenomenon, seeking new insights and finding what is happening [20]. A case study was conducted on one of the largest retailers in Egypt. Case study research has the potential to deal with simple to complex situations. It lets the researcher ask ''how'' and ''why'' questions, while taking into account how a phenomenon is influenced by the context within which it is situated [21]. Data were collected through semi-structured interviews.

The research was achieved through the following phases. First a literature review was conducted in order to identify and define the social sustainability indicators. The literature review was done through online publishers and databases. The second step was categorizing and generating the final list of indicators; the third step was interviewing the representative of the retailer and determining the level of application of social sustainability in addition to identifying the main challenges of application.

Székely and Knirsch [22] identified the indicators of social sustainability as follow:
• Top management and employees' commitment for implementing company's sustainable development programs
• Availability of training on sustainability issues
• Job creation and handling labor issues appropriately
• Incorporating philanthropy such as donation and sponsoring
• Availability and accessibility of sustainability report
• Women's involvement in the management

Erol et al. [23] divided the indicators of social sustainability into three dimensions: labor practices, customer and societies and defined their indicators as shown in Table II.

TABLE II
SOCIAL SUSTAINABILITY INDICATORS

Dimension	Indicator
Labor practices	Training and career
	Employee participation
	Relationships with the unions
	Personal turnover and layoffs
	Equal treatment, discrimination, harassment, violence
	Occupational health and safety
	Grievances, complaints and discipline
	Child labor
	Compensation management
	Performance management and related compensation
	Personal recruitment and selection
Customer	Customer complaints
	Consumer awareness
	Consumer health and safety
Society	Private brands
	Participation in local activities
	Local community
	Transparency

Sustainability in the retail sector was assessed based on the following factors: fair trade products, supplier standards, policy for supplier (access to jobs, right to organize, no child labor, nondiscrimination, working condition, minimum wages, working hours) and community activities [14].

The indicators identified by [14] together with those identified by [22] and [23] were used to assess the social sustainability in the case study in this research.

IV. CASE STUDY

This section discusses the level of social sustainability applied at one of the leading modern trade retailers in Egypt, according to the indicators collected in the literature. The retailer headquarter exists in France, it is one of the largest hypermarket and supermarket chains in the world after Wal-Mart. Their market share represents around %30 of the Egyptian modern trade sector and it has around 15000 employees. The case retailer cares on maintaining high level of sustainability, not only environmental and economic sustainability but also social sustainability.

This research studies the implementation of the social sustainability from four perspectives; employees' sustainability, supplier's sustainability, customers' sustainability, and community sustainability.

A. Employee Sustainability

The perspective of the employee's sustainability includes the directors, managers and employees within the case retailer. The organization is committed for implementing company's sustainable development programs. The employment phase at the case retailer starts with recruitment and selection through internal and online announcements. Sometimes the owner orders to recruit someone. New employees at the beginning start to have training for 3 months, then they have a temporary contract for one year, next two years temporary contract and final phase is gaining an open contract.

The organization offers their employees and managers training programs on sustainability issues which are an important issue to maintain the company's sustainable development, it provides a Managers Training Program (MTP) for 6 months which is a must for managers in order to get promoted. This training program focuses on how managers can handle labor issues appropriately. The organization provides another training program for the employees, in order to be qualified on handling work accurately. Employees are evaluated at the end of this program. These training systems maintain the transparency and equity in treatment between the managers and employees inside the organization and build a lasting, rewarding career.

Discrimination, harassment and violence must not be tolerated in all industries. Those indicators are important issues that need to shed the lights on. Employees with the same education background and capabilities should be compensated equally. The equality in treatment between women and men should be the same, both have the same rights to hold positions in the organization management, for instance, Alexandria district general manager of the case

retailer is a woman. The women positioning is not intentional, but is based on the performance report and the scoring system. Meanwhile, the organization does not accept child labor at all. They do accept to employ disable people, who require special needs as a part of the social responsibilities.

The organization provides a suitable working place and environment for its employees with high hygienic facilities. Moreover, health and safety systems are provided by the organization such as health insurance for all the employees, Fire alarm trials are conducted each month, monitoring system for the entire stores and security team, etc. The employees of the case retailer have privileges with discount %10 up to %15 in all stores owned by the organization.

The retailer employees' working hours are following the international labor policies and rules. The organization gives compensation for extra working hours and transportation. The salaries and wages of the case retailer were previously high, but now they are on the average of the other Egyptian modern trade retailers. The organization does a periodic report (every 6 months) to know "to what extent their managers and employees are satisfied" Based on the results they take an action plan for deficiencies and unsatisfactory issues.

The retailer has a strict system for the employees' attendance, previously it was finger print system, but due to Covid-19 pandemic it became face print system. Managers and employees are able to send their complaints in the complaints post box (this box is available in each store and located away from the monitoring cameras for the privacy) or through integrity line. Employees' turnover is not frequently, but it exists, either due to finding better job or they cannot stand anymore to deal directly with the customers.

B. Supplier Sustainability

The retailer deals with huge number of suppliers. It is always seeking to build a long term relationships with their suppliers. The suppliers have to be committed to the retailer's working hours, rules and standards. Some suppliers can assign a representative in front of their shelf's partition (to market and make product awareness to the customers), although this representative is employed by his/her company, but he/she has to be committed to the internal rules of the case retailer. The suppliers manage with the case retailer the existence timing of their representative at the stores, based on the customers' interests. Moreover, the case retailer requires their suppliers to meet specific requirements and rules, as well as, the significance of their supplier commitment to environmental and international labor practices. The case retailer helps the suppliers to gain the feedback or customer's opinion for a certain product.

C. Customer Sustainability

The case retailer has a department for the after sale service and customer service. They care to send the customers complaints or the feedback of a certain product and care on solving the issue. They help in getting the feedback to their suppliers as well. Also, the case retailer provides new services to facilitate the shopping process and gaining customers

loyalty, such as the having "My club points and discounts system" and providing home delivery service.

D. Community Sustainability

The case retailer is always keen on contributing to social responsibilities. It always contributes in charity events. Three years ago, they started to donate with all the remaining change to charitable hospitals. Also, the case retailer participates in training people at non-profitable organizations such as Sawiris Association. As well, they participate in organizing events to share happiness with children in the orphan's day. The case retailer contributes to saving the environment by using the solar system for lighting the stores and parking.

V. CONCLUSION

Retailers can have a great impact on sustainability both in the upstream and downstream of their supply chain. Therefore retailers need to focus on how to improve their sustainability plans. The purpose of this paper was to focus on social sustainability application in retailing sector; this was achieved through highlighting the main social sustainability indicators from the literature review, then investigating the application of social sustainability in real life context through the selected case study.

The main indicators of social sustainability can be divided into four groups as follows: employees, suppliers, customer and community.

The findings of this study indicate that the selected case study integrates social sustainability into their business practices through: top management and employees' commitment for implementing company's sustainable development programs, availability of training on sustainability issues, job creation and handling labor issues appropriately, women's involvement in the management, equal treatment, occupational health and safety and preventing child labor. In addition to adopting social sustainability practices related to their relationship with their customers through handling customer complains. Last but not least, they have clear practices related to community which is achieved through donation and sponsoring and participating in local events.

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