

Spar hungary's social sustainability efforts

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ABSTRACT

CSR now plays an important role, and many large companies are integrating it into their operations. In addition to their impact on the environment and society, which the paper reviews throughout, it is also worthwhile for companies to examine how aware their employees are of these efforts. In the competitive environment in Hungary, they must compete with other companies in this area too. The CSR activities of companies can have a positive impact on employee perception and engagement, so it is worth communicating these to them in the most effective way, which the paper traces in the case of SPAR Hungary. Therefore, action is not enough if the visibility of these activities is low for employees and customers. These are the topics this paper will examine.

Keywords: CSR, corporation, sustainability, employee, SPAR

1. The definition of CSR

Corporate Social Responsibilities (CSR) is a management concept, made for companies to integrate social and environmental concepts to their business operations to the well-being of communities. (Reckmann 2023) But there is increasing pressure to dress up CSR as a business discipline and demand that every initiative deliver business results. That is asking too much of CSR and distracts from what must be its main goal: to align a company's social and environmental activities with its business purpose and values. (Rangan et al. 2015) To date, corporate social responsibility (CSR) has primarily been treated as a corporate issue. The majority of the literature on this topic takes a management perspective. It discusses how companies can best respond to specific demands of largely external stakeholders, which CSR initiatives enhance corporate performance, and what motivates companies to become engaged in CSR (Öberseder et al. 2013). One problem here is that CSR as a concept simplifies some rather complex arguments and fails to acknowledge that ultimately, trade-offs must be made

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between the financial health of the company and ethical outcomes. And when they are made, profit undoubtedly wins over principles. CSR strategies may work under certain conditions, but they are highly vulnerable to market failures. (Doane 2005)

2. CSR performance effects on the firm

A firm's CSR is aimed toward promoting long-term profit and establishing a positive relationship with society and investors' trust, thereby enabling the firm's survival. Evidence increasingly suggests a positive association between CSR and the value of a firm making it a major issue for firms and other interested parties, including individual investors, policymakers, and scholars. (Yoon et al 2018) Perception is a significant factor influencing consumer purchasing intentions. Perception is reality when it comes to greenwashing, as consumers often base their purchasing decisions on how a brand expresses its impact on the environment. (Brand Finance 2023)

3. CSR activities in Hungary

Corporate Social Responsibility is a relatively new phenomenon in Hungary. As the external pressure from the civil society, public authorities and the media has so far been fairly low this important corporate activity emerged only at the beginning of the last decade. However, CSR awareness and implementation are advancing rapidly (Karcagi-Kováts 2012). There are significant differences between the companies with regards to integrating social responsibility into their business programmes and strategies. As for foreign-owned companies, the PR and, less frequently, the HR-departments are simply responsible for the adaptation and practical implementation of the mother company's plan or strategy in Central and Eastern Europe (Ligeti – Oravecz 2008). In principle, the Hungarian Government has objectives "to promote the implementation of the economic, social and environmental dimensions of sustainable development and to create policies, economic and financial rules promoting voluntary CSR" (Karcagi-Kováts 2012).

4. Introducing SPAR

SPAR Hungary is an international food chain that celebrated 30 years of presence in Hungary in 2021. In 2012, the firm started to set up its franchise system in the country, where it's the

fifth largest employer with nearly 14,000 employees. The first and the only one among food retail chains to operate its own Regnum meat plant in Bicske since 2004 and expanded its Regnum meat plant in Perbál in 2020. In 2018, it also opened a SPAR enjoy.convenience sandwich and salad plant. (SPAR 2024)

5. Methodology

The aim of my research was to investigate employees' views on the company's corporate sustainability efforts, to understand how much information about these activities flows within the company and to compare the views of a sustainability expert and employees. In order to achieve this goal, I conducted qualitative research in the form of an online interview with Zsófia Török, Sustainability Specialist at SPAR on 4 April 2024, on the company's sustainability efforts. Questions included how the company communicates these efforts, what the future goals are and what the results are. In addition to qualitative research, quantitative research was also needed to gauge the position of the employees and to explore the issues raised from two different perspectives, so on 3 May 2024, I designed and circulated a questionnaire survey to SPAR employees in email format, with questions asking how informed they were about the company's sustainability efforts and how interested they were. This questionnaire was filled out by 57 employees, giving me the opportunity to get their perspectives and to compare opinions.

Thanks to the quantitative and qualitative research, a deeper insight into SPAR's sustainability efforts was gained, and the employees' point of view was also revealed. The research focused on the employees' access to information, as during the interview the expert mentioned the forms of transmission of this information, and expressed his opinion that the reach of people with the sustainability program is very high, so this statement was the basis of the research. Since the surveyed employees covered a wide range of age groups and years of work at the company, it can be concluded that the results of the answers received can be considered relevant.

6. Results

SPAR sustainability efforts/Interview analysis

Qualitative research was carried out through a semi-structured interview to investigate the operation of the company and the following question:

Do firms' CSR efforts have a positive impact on employee morale?

The research involved interviewing sustainability expert who have insight into the company's sustainability operations and CSR activities, and employees who commented on how the company's sustainability efforts affect their perception of the company and their work ethic. Starting from the company's beliefs, through major milestones and employee perceptions. The aim of the research was to find answers to questions that were not revealed by the seconder research, but were relevant to the topic, and to draw conclusions by comparing the information obtained.

The core activities

For more than 25 years, SPAR has been pursuing a CSR strategy, and together with it, its biggest partner in this endeavour is the Hungarian Maltese Charity Service. SPAR is taking an active role in issues affecting the future of the earth, as shown by the fact that from 2019 it has organised this part of its activities into a single framework. SPAR's sustainability strategy is based on 5 pillars: for employees, environment, society, food safety and health. These were created in 2019 based on the SDG targets, each of which can be integrated into the company's objectives. In recent years there has been a shift from SDG to ESG-based typology, but this has not changed the content of the 5 pillars. The environment/society sector stands out in the company's philosophy, as it is the main focus of the company, as its activities demonstrate. Their second largest partner is the National Association for the Protection of Animals, with whom they organise monthly animal food collections. In addition, their activities are spread over 3 months of the year, covering the main periods: May, with the National Association for the Protection of Animals, August, and Christmas with Hungarian Maltese Charity Service. The Christmas campaign is the largest commercial fundraising campaign in the country, with more than 150 stores participating last year, helped by the fact that people's willingness to give is much higher during this period. In addition to these events, there are also ongoing cooperations with their biggest partner, Hungarian Maltese Charity Service, so customers can support the charity with a gift card or buy their canvas bags in any SPAR store and the proceeds are transferred each month to the organisation. This collaboration takes many shapes and forms, with employees able to buy souvenirs from them at work two times a year and by collecting products that are close to expiry, the Hungarian Maltese Charity Service were able to save food in 54 stores.

Choosing the collaboration

All their initiatives are at a national level, the Austrian mother company does not regulate the CSR operations of the Hungarian company, as they know that the people working in the country

have a better understanding of these relationships. When the SPARs from each country come together for a joint meeting, they have the opportunity to present the goals they have achieved and get ideas from the other countries. When selecting partner organisations, it is very important that the given cooperation can be integrated into the core activities of SPAR Hungary. The way the collaborations are currently being set up shows this, as the collections are held in SPAR stores where people can donate the products they buy there, which of course generates profit for the company, while the organisations also have space to set up shop, which allows them to reach more people. In terms of evaluating their activities, they focus mainly on the 3 big events mentioned earlier: the school supplies fundraising and the Christmas fundraising in collaboration with the Hungarian Maltese Charity Service, and the pet food fundraising together with the National Association for the Protection of Animals.

Evaluation

The evaluation criteria are how the numbers compared to previous years' collections, how many shops, how many people, how many tonnes of food were collected and how many people were reached. These events are always accompanied by a PR campaign and social media advertising. For the Christmas campaign, influencers are used to advertise and for all the campaigns articles are published in various press outlets such as Telex, HVG, to reach as many people as possible directly and indirectly.

Measurement

CSR's impact on consumers has not yet been measured by the company, but based on the interview, the sustainability expert said that they hope this will make their consumers see them as a more responsible company. For fundraising and campaigns, they try to advertise with instore communication and flyers to reach as many people as possible. According to the expert, this can give SPAR the impression of a responsible company, which helps its image and also generate profit to the company, but based on no official measurements she based her opinion on the number they reached with each of the activities and the huge amount of advertisement they do.

Aspirations for the future

Future plans include making these activities even more visible to colleagues and customers automating processes. In short, the expert said in the interview:

"Optimising, looking for new ideas on social responsibility and deepening the existing ones."

Until now, due to lack of capacity, there were fewer opportunities to do this, but now that the team is expanding, they want to do more to deepen them. These 3 big existing campaigns cover good periods in her opinion, they can be satisfied with that. In the future, the aim is to increase employee engagement by involving them in voluntary activities. This could be a direction of development for the company, so that employees also identify with the company's views on sustainability, but this would require more encouragement from the company.

Consumer access

These efforts are also very well known to consumers, as the expert mentioned press coverage was a form of free marketing that brought information to a wide audience by communicating through different media. They also advertise all their campaigns to employees internally, for example on spar.hu and as a banner on the main website, in the -Myspar newsfeed and in the Supershop newsletter. These sources of information are the same as those provided by the company to its customers, but they are presented more prominently on the platforms used by employees. According to the interviewee, the current forms of advertising are sufficient and extensive and would not change.

Employee opinions/ survey analysis

Quantitative research was carried out, using a questionnaire to assess employees' perceptions of the company's sustainability performance, the extent to which they have access to information on sustainability and their interest in the topic.

More than 60% of respondents were women and most were in the 40-50 age group. Respondents were almost equally divided between those who had been with the company for longer and shorter periods. A total of 57 employees filled in the survey. Based on the results of the questionnaire, the following can be concluded:

The first question focused on where they find out about SPAR's sustainability efforts, listing all the websites and places where information is provided to them, yet the option "friends/colleagues" was the most popular with 34 votes. This conveys to the research the information that the sites listed, with the exception of myspar newsfeed, for which it received 12 votes, the other sites have no information flow to the attention of their employees. Surprisingly, only 11 of them nominated the company's official sustainability page, which they are justifiably proud of as the main channel for their sustainability achievements.

The second question asked whether employees feel that they have access to all information about these activities, and the answers were very mixed. The majority agreed with the

hypothesis, 31 people, but what was less predictable was that some chose the strongly disagree option, which choose with the disagree option all together 15 people, and there was also a high proportion of those who chose the neutral option, which can therefore be counted as neither a positive nor a negative.

The next question asked if employees would like to know more about SPAR's sustainability programme, to which a huge percentage agreed, 41 people. There were only one disagree responses and neutral also 15 people, which shows the curiosity and interest of employees in the topic.

The next question was aimed at the employees' assessment of whether the company's sustainability policy is widely known. For this question, the same number of agreeing and disagreeing responses were received, yet the neutral opinion was the highest with 23 votes. This shows that it is difficult for people to form an opinion about the company's reputation widely due to the probable lack of information.

23 people agreed that they would be happy to participate in a fundraiser organized at work. 6 people of them completely agreed and five respondent voted negatively.

The answers to whether they would participate as a volunteer in this SPAR fundraising event were more divided, 24 of them voted neutral, although in this question this percentage has probably not yet taken a place in the topic, so they would be persuasive. 20 people voted positively, 15 people negatively, although this is not surprising, as volunteering requires a lot of free time and effort, which can be stressful for many people.

Almost all the respondents support that SPAR takes sustainability so seriously, so it can be said to be almost unanimous. In the last question, an answer was sought as to whether it is important when evaluating a workplace if it engages in social responsibility activities. 46 of respondents answered yes, which shows a big change compared to recent years. Here, the proportion of those who answered neutral also decreased, and there was only four person who answered no.

Conclusions, practical implications

Information transfer

The answers to the survey revealed that the employees mainly get information about the company's sustainability events and programs from acquaintances, which means that the promotion of currently operating ads and pages would be of key importance in order for the information to reach them, and also for them in the future be involved in such endeavours.

Also, the question about obtaining information revealed that employees feel that they do not always receive the information they need about social responsibility events and sustainability. This question contrasted with what was said during the interview about how many places information is provided and to how many people. In addition, it should not be ignored that half of the respondents felt that all information reached them, which could also mean that the information network built so far is probably working, the company just needs to find a way to reach people who are not easily accessible.

Based on the answers to the third question, the most important thing that can be seen is that the employees are very open to the company's sustainability efforts, as 41 of 57 respondents want to find out more information on the subject. This also shows that they are aware that something is happening in the background on this topic and that receiving the necessary information would probably help in their support. Since, according to them, not many people have all the necessary information, the answers also show that they have difficulty forming an opinion on how well known the company's sustainability efforts are. They were just as confident in his fame as those who were not, so the large amount of advertising costs and media exposure, which was said in the interview, was not enough to convince them of his fame.

Participation

The questionnaire also measured the proportion of employees who would participate in organized fundraising at the workplace, as there have been similar examples in the past, and in the interview the expert also stated that a greater involvement of employees in these activities was set as a future goal. This aspiration was confirmed by the respondents who mostly supported the realization of such events, and those who responded mostly neutral can be seen as potential participants who only need a good reason or motivation. Since only few people opposed this suggestion, it can be said that the first step in involving employees can be a locally organized event, where those who are just getting to know the world of donation and want to take advantage of the workplace's efforts to ensure this can spend the amount of time they require.

On the question of whether they would also participate in the event as a volunteer, the opinions were more divided, since it would also mean an occupation outside of working hours, which would entail a greater commitment. A lot of neutral responses were received, which can also be attributed to a lack of motivation or information. 20 of 57 respondents still voted yes, which is a high percentage, so the loss of these people would be a serious mistake on the part of the company if it did not give them space to develop this endeavor, as this shows that there are

plenty of committed people among the employees, who would spare no time and energy to stand up for a good cause and probably with this behavior could set an example to the other workers, who until now did not know how to relate to this topic.

Judgement

The fact that the employees support the company's sustainability efforts almost 100% suggests that the company's movements of this kind can easily influence the employees' opinions on this topic. This can also mean that the employees' way of thinking can be very similar to your company's and the company's goals can be easily achieved with employee support. The use of human resources could be a very important direction from the point of view of the sustainability department, not only in the realization of goals, but also in their planning.

When evaluating the workplace, almost 46 of 57 respondents stated that the aspect of sustainability and social responsibility plays a positive role. This is also an underutilized area in terms of the company's PR activities, since if the employee's perception depends a lot on these activities, then they should play a bigger role in communication and advertising. This question is also interesting because, as mentioned earlier, the respondents were present from all age groups, which also means that sustainability is not the only concern of the younger generation, as many believed. The research may also show that if the company were to better integrate sustainability into its visible and well-known activities, it would not only increase its reputation, but also attract potential employees more easily, and it could also play a major role in retaining current employees and increasing their loyalty, if with their contribution to sustainability, they would not only help the company, but they could also record it as personal development and altruism.

Overall, the other supermarket chains present on the market also pursue a sustainability policy, as in today's world the importance of both social responsibility and people's judgment is increasing. As these chains are characterized by a high degree of competition, the sustainability segment is also increasingly characterized by rapid changes and large contributions. In the case of SPAR, it can be concluded that its sustainability efforts have been in operation for a long time and that it pays more and more attention to their visibility and expansion. However, in the case of a multinational company, employees are an indispensable factor in the creation and support of innovations, so these efforts cannot be maximized without their involvement. Since the sustainability department in SPAR was not established long ago and there is no capacity to measure these activities in order to analyze the data and get help on future directions, they operate their activities mainly through collaborations, with reliable and long-standing partners

such as the Maltese Charity Service, with whom the cooperation developed over the years and worked well. Since it is a multinational company, they can reach many people with their events and the number of donations can be very high, although the employees feel that they do not always get enough of this information. However, as the company policy and employee commitment show, they would have a need to help the company with such activities, and to get more information in this regard, regardless of age.

The company's future direction of development can be defined as the greater involvement of employees, as well as the search for those who are willing to participate as volunteers in events and support their efforts. The control of the information system would also benefit the company so that it can communicate more effectively with the employees, as they organize a lot of great events and fundraisers, but if these do not reach the employees, then the positive effect of such efforts on the perception of the company will not be relevant either. Measuring the activities of the sustainability department would also be a useful way to examine the relationship between sustainability and profit, how the organization of fundraising affects store revenues, and how customers think about the company's sustainability efforts. Of course, the expansion of the sustainability department can bring many changes in the future, as well as their growing experience in the field of sustainability.

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