# UNIVERSITY OF HUDDERSFIELD BUSINESS SCHOOL

# UNDERGRADUATE DISSERTATION

# 2018/19

<b>Module Code:</b>	BHS0029
Supervisor:	Morven McEachern
Student Name:	Denisa Zágorová
Student No:	U1871022

# **Dissertation Title:**

What does sustainable business in the Czech Republic look like?

### Univerzita Tomáše Bati ve Zlíně Fakulta managementu a ekonomiky Ústav podnikové ekonomiky

Akademický rok: 2019/2020

# ZADÁNÍ BAKALÁŘSKÉ PRÁCE

(projektu, uměleckého díla, uměleckého výkonu)

Jméno a příjmení:

Denisa Zágorová

Osobní číslo:

M16199

Studijní program:

B6208 Ekonomika a management

Studijní obor:

Management a ekonomika

Forma studia:

Prezenční

Téma práce:

What does sustainable business in the Czech Republic look like?

## Zásady pro vypracování

Introduction

Aim, objectives of the study and used methodology.

I. Literature Overview

Create a theoretical base for the business sustainability.

II. Research methodology

Explain the methodology and used research methods.

III. Research results

Introduce and analyse sustainability activities of the chosen company.

Describe how achieving of the business sustainability in the Czech Republic looks like based on analysis of chosen company.

IV. Discussion

Evaluate the results obtained by analysis and compare them to the theoretical aspects of the study.

Outline limitations of current research and present recommendations for further research.

Conclusion

Rozsah bakalářské práce:

cca 40 stran

Forma zpracování bakalářské práce: Tištěná/elektronická

Jazyk zpracování:

**Angličtina** 

#### Seznam doporučené literatury:

Kopnina, H., & Blewitt, J. (2018). Sustainable business: Key issues. Retrieved from https://ebookcentral.proquest.com Hogevold, N.M., Svensson, G., Wagner, B., Petzer, D.J., Klopper, H.B., Sosa Varela, J.C., Padin, C. and Ferro, C., 2014. Sustainable business models. Baltic Journal

of Management, 9(3), pp. 357-380.

DesJardins, J. R. (2007). Business, ethics, and the environment: Imagining a sustainable future. Upper Saddle River, NJ: Pearson/Prentice Hall.

Kunz, V. (2012). Společenská odpovědnost firem. Praha: Grada.

Dresner, S. (2008). The principles of sustainability (2nd ed.). London: Earthscan.

Blewitt, J. (2018). Understanding sustainable development (Third ed.). Abingdon, Oxon; New York, NY: Routledge.

Vedoucí bakalářské práce:

doc. Ing. Petr Novák, Ph.D.

Ústav podnikové ekonomiky

Datum zadání bakalářské práce:

6. ledna 2020

Termín odevzdání bakalářské práce: 19. května 2020

	L.S.	
doc. Ing. David Tuček, Ph.D.		doc. Ing. Petr Novák, Ph.D.
děkan		ředitel ústavu

#### PROHLÁŠENÍ AUTORA BAKALÁŘSKÉ/DIPLOMOVÉ PRÁCE

Prohlašuji, že

beru na vědomí, že odevzdáním diplomové/bakalářské práce souhlasím se zveřejněním své práce podle zákona č. 111/1998 Sb. o vysokých školách a o změně a doplnění dalších zákonů (zákon o vysokých školách), ve znění pozdějších právních předpisů, bez ohledu na výsledek

beru na vědomí, že diplomová/bakalářská práce bude uložena v elektronické podobě v univerzitním informačním systému dostupná k prezenčnímu nahlédnutí, že jeden výtisk diplomové/bakalářské práce bude uložen na elektronickém nosiči v příruční knihovně Fakulty

managementu a ekonomiky Univerzity Tomáše Bati ve Zlíně;

byl/a jsem seznámen/a s tím, že na moji diplomovou/bakalářskou práci se plně vztahuje zákon č. 121/2000 Sb. o právu autorském, o právech souvisejících s právem autorským a o změně některých zákonů (autorský zákon) ve znění pozdějších právních předpisů, zejm. § 35 odst. 3;

beru na vědomí, že podle § 60 odst. 1 autorského zákona má UTB ve Zlíně právo na uzavření

licenční smlouvy o užití školního díla v rozsahu § 12 odst. 4 autorského zákona; beru na vědomí, že podle § 60 odst. 2 a 3 autorského zákona mohu užít své dílo – diplomovou/bakalářskou práci nebo poskytnout licenci k jejímu využití jen připouští-li tak licenční smlouva uzavřená mezi mnou a Univerzitou Tomášé Bati ve Zlíně s tím, že vyrovnání případného přiměřeného příspěvku na úhradu nákladů, které byly Univerzitou Tomáše Bati ve Zlíně na vytvoření díla vynaloženy (až do jejich skutečné výše) bude rovněž předmětem této licenční smlouvy;

beru na vědomí, že pokud bylo k vypracování diplomové/bakalářské práce využito softwaru poskytnutého Univerzitou Tomáše Bati ve Zlíně nebo jinými subjekty pouze ke studijním a výzkumným účelům (tedy pouze k nekomerčnímu využití), nelze výsledky

výzkumným účelům (tedy pouze k nekomerčnímu využítí), nelze výsledky diplomové/bakalářské práce využít ke komerčním účelům; beru na vědomí, že pokud je výstupem diplomové/bakalářské práce jakýkoliv softwarový produkt, považují se za součást práce rovněž i zdrojové kódy, popř. soubory, ze kterých se projekt skládá. Neodevzdání této součásti může být důvodem k neobhájení práce.

#### Prohlašuji,

že jsem na diplomové/bakalářské práci pracoval samostatně a použitou literaturu jsem citoval. V případě publikace výsledků budu uveden jako spoluautor.

že odevzdaná verze díplomové/bakalářské práce a verze elektronická nahraná do IS/STAG jsou

15.5. 2020 Ve Zlíně

Jméno a příjmení: DENISA ZAGOROVA

podpis diplomanta

Lagorava'

# University of HUDDERSFIELD

#### Huddersfield Business School Department of Management

#### **Declaration of Original Authorship**

This declaration of Original Authorship must be bound into both copies of your dissertation

Nam	me: Denisa Zágorová			
Cou	urse: International Business BA (Hons)			
Diss	sertation Title:			
	What does	sustainable business in the Czech Republic look like?		
In submitting this dissertation, I confirm that:  (If you are unable to sign off any of the conditions (i - v) you must refer this dissertation to the module leader).				
(i)	The material contained within this dissertation is all my own work. Where the work of others have been drawn upon (for example: books; articles; unpublished papers including the work of staff and students; non-book materials such as videos and audio recordings; electronic publications or disk, CD-ROM or the internet), it has been acknowledged and properly referenced using APA 6 notation.			
(ii)	The work has not already been accepted in substance for any other degree and is not being concurrently submitted in substance for any degree other than the one on which I am currently registered.			
(iii)	My original (prima	ary) data has been seen by, and discussed with, my dissertation supervisor.		
(iv)	I have down loaded an electronic version of this dissertation to Turn-it-in having made allowance for any confidentiality issues.			
(v)	If I consider any part of this work to be CONFIDENTIAL – I have detailed on the next page which parts are confidential. OTHERWISE DO NOT INCLUDE THAT PAGE IN YOUR DISSERTATION			
Signe	ed:	Zagorova'		
Signed: Zagorova / Date: 31 / 3 / 2019				

#### **ACKNOWLEDGEMENTS**

I would like to thank my dissertation supervisor, prof. Morven McEachern, for her valuable guidance and support throughout the writing. Also, I would like to acknowledge all research participants who devoted their time and contributed to the study.

#### **ABSTRACT**

For many years, mankind has been facing several global crises, their current consequences and possible future impacts on the quality of life on the Earth. However, these crises are a result of many human activities, and therefore only people have the possibility and power to alleviate the current consequences and to prevent any potential future threats. Such issues have gained the attention of many nations, that together consequently created a contemporary concept of sustainable development which consists of three areas economic, social and environmental.

A sustainability concept for business was created based on sustainable development, as its activity affects all the areas mentioned above. Most enterprises adopt principles of sustainability and it also appears to be beneficial for them, not only for the environment or society. However, sustainable business in the Czech Republic turned out to be an unexplored area. Therefore, this study offers an insight into the business sustainability in this country, based on an analysis of chosen company. Using a case study method and semi-structured interviews, it was possible to go in-depth in an investigation of the impact of sustainable business strategy applied in the company on their customers, image and company itself.

Research results showed, that impulses to implement any sustainable activities come mostly from the company's customers and secondly from its owners. The business also faces limiting factors, such as finance and time needed to adopt sustainable principles. Such situation in the Czech market requires an external support (e.g. governmental) for small and medium enterprises, if the Czech Republic should increase its overall contribution to principles of sustainable development. Otherwise, it appears to be based on consumer preferences and requirements whether regular small and medium businesses would intend to be more involved in green activities or not.

# **CONTENT**

L	IST OF	FIGURES		XIII
1	IND	TRODUCTION		15
	1.1	BACKGROUND TO THE STUDY		15
	1.2	AIMS AND OBJECTIVES		15
	1.3	STRUCTURE OF THE PAPER		16
2	LIT	ERATURE REVIEW		19
	2.1	INTRODUCTION		19
	2.2	SUSTAINABLE DEVELOPMENT		19
	2.2.	1 Sustainable Development ar	nd The Corporate Social Responsibility	20
	2.2.	2 Historical Context		21
	2.2.	3 Economic Perspective		23
	2.2.	4 Social Perspective		24
	2.2.	5 Ecological Perspective		25
	2.3	SUSTAINABLE BUSINESS		26
	2.3.	1 Sustainable Business in The	Czech Republic	27
	2.4	CHAPTER SUMMARY		29
3	ME	THODOLOGY		31
	3.1	INTRODUCTION		31
	3.2	QUANTITATIVE AND QUALITATIVE	ERESEARCH	31
	3.2.	1 Quantitative Research		32
	3.2.	2 Qualitative Research		32
	3.2.	3 Differences Between Quanti	tative and Qualitative Approach	33
	3.3	DATA COLLECTION		34
	3.3.	1 Case Study Research Metho	od	34
	3.3.	2 Qualitative Interview		36
	3.3.	3 Ethical Considerations		37
	3 3	4 Sampling		38

	3.3.	5	Analysing Data	38
	3.4	Сна	PTER SUMMARY	39
4	RE	SEAF	RCH RESULTS	41
	4.1	INTE	RODUCTION	41
	4.2	Cas	E STUDY	42
	4.2.	1	Introduction of The Business	42
	4.2.	2	Development of The Business	42
	4.2.	3	Vision, Goals and Values of The Business	43
	4.2.	4	Organizational Structure of The Business	44
	4.2.	5	Competition and Situation on The Market	46
	4.2.	6	Functions of The Business	47
	4.3	Сна	PTER SUMMARY	50
5	DIS	cus	SION	53
	5.1	INTR	RODUCTION	53
	5.2	THE	ANALYSED COMPANY	53
	5.3	Sus	TAINABLE ACTIVITIES THE COMPANY DOES	54
	5.4	Adv	ANTAGES AND DISADVANTAGES FOR THE COMPANY	55
	5.4.	1	Impact on The Company's Customers and Image	56
	5.5	Con	ITRIBUTION TO PRINCIPLES OF SUSTAINABLE DEVELOPMENT	56
	5.6	Сна	PTER SUMMARY	57
6	CO	NCL	USION AND RECOMMENDATIONS	59
	6.1	Sus	TAINABLE BUSINESS IN THE CZECH REPUBLIC	59
	6.2	Limi	TATIONS AND RECOMMENDATIONS	61
R	EFERI	ENCE	≣\$	63
L	IST OF	- API	PENDICES	68

## **LIST OF FIGURES**

FIGURE 1 RELATIONSHIPS IN SUSTAINABLE DEVELOPMENT	20
FIGURE 2 TABLE SHOWING DIFFERENCES BETWEEN QUALITATIVE AND QUANTITATIVE APP	PROACH
	33
FIGURE 3 OPEN CODING CATEGORIES	39
FIGURE 4 TIMELINE OF SVĚT PLODŮ DEVELOPMENT	43
FIGURE 5 ORGANIZATIONAL STRUCTURE SVĚT PLODŮ	44

#### 1 INDTRODUCTION

#### 1.1 Background to The Study

Sustainable development is one of the most up-to-date topics in the current world. This issue is becoming the key one in solving climate change issues, eliminating poverty, overcoming global economic crisis, protecting the environment or fighting terrorism. Sustainable development is a part of the work agenda of all international organizations. All governmental and non-governmental organizations in the world deal with this issue and all of its parts.

The reason behind existence of such an issue is the requirement for a high standard of living as the needs of society in the whole world are constantly growing. To achieve it, there is a prerequisite of the economic growth. Its rate determines each economy's success. However, the economic growth brings, besides the positive effects, also some negative consequences.

Regional conflicts, international terrorism, pollution of biosphere systems, reduction of biodiversity, depletion of raw materials resources, finite energy resources, population growth and food resource constraints - this is just a brief list of economic growth problems that have become global in scope and are solvable only by making a global effort. The main problem of economic growth, and therefore of sustainable development, is the conflict between the pressure to increase production on the one side and the limited production possibilities on the other side.

Sustainable business is the goal of most companies doing business in diverse industries. This objective follows up on the issue of sustainable development as companies are linked with both a pressure to increase production and limited production possibilities. The sustainable business is based on these three aspects: economic, social and environmental. By combining these dimensions, it creates a concept of sustainability that interferes with all business activities. It is a part of long-term strategies, plans, business culture and identity.

#### 1.2 Aims and Objectives

Economic growth is an economic indicator based on a consumption growth and therefore on an increasing profit as well as population growth. The more people have the purchase power, the bigger the consumption (and economic growth) is. Therefore, it is undoubtable, that business with all its steps from extraction of raw materials through the manufacturing

process to selling the product has a main role in achieving sustainable development. The sustainability in business is the essential first level of any further sustainable growth and development (DesJardins, 2007).

The main aim of this dissertation is to describe how achieving of business sustainability in the Czech Republic looks like based on an analysis of the food company Svět plodů which is, for the purpose of this paper, a representative example of a small business that is aware of problems mentioned above.

Objectives for the aims of this paper are:

- To introduce the company Svět plodů in order to understand which kind of a small business is being analysed
- To answer what kind of sustainability activities Svět plodů does
- To understand the advantages and disadvantages of adopting this strategy in the company Svět plodů within its competitive ability and its position on the Czech market
- To describe the strategy impact on the company's customers and image, if there is any
- To find out if and how is the company Svět plodů able to contribute to the overall principles of sustainable development applying this strategy

Another significant contribution of this dissertation is a general characteristic of the sustainable business from a theoretical point of view and the analysis of the company which applies strategy of the sustainable business from a practical point of view.

#### 1.3 Structure of The Paper

The whole paper is divided into six chapters. The introduction, where it is briefly outlined what the problem researched is, is followed by critical literature review. This review is dedicated to a theoretical description of the topic - to what is currently known and has been found about the sustainable development and the sustainable business in general, as well as with the focus on the situation in the Czech Republic.

The third chapter is to describe the methodology of the research. A justification of used approach, as well as an overview of other options is also a part of this chapter.

The following sections present the findings of the research according to a data collection in the previous chapter. The results than are adequately analysed and discussed together with literature review to reasonably respond the aims and objectives of this paper.

The final section summarizes the whole dissertation and evaluates whether the objectives set in the beginning were achieved. Certain recommendations for a further research are included as there appeared to be unanswered issues, that have occurred during the literature review or the research itself.

#### 2 LITERATURE REVIEW

#### 2.1 Introduction

The aim of this chapter is to provide a complex overview of the concept of sustainable development and connected sustainable business. This overview will create a base for understanding of the following research of the dissertation and will contribute to meet the aim and objectives stated in the introduction of this paper.

Literature review is based on sources such as books, academic articles, dictionaries and websites and it will be divided into two main subchapters. Firstly, there will be a focus on the sustainable development in general, the role of CSR (corporate social responsibility) within it and its history context. The general understanding will be then supported with a description of the three pillars of sustainability. The reason behind the importance of understanding sustainable development completely is the fact that the sustainable business is based on this concept, and proper understanding of such is essential in the first place. Subsequently, sustainability in business, with an emphasis on the situation in the Czech Republic (where also certain examples are provided) will be discussed, concerning companies which adapted this strategy, to better outline their situation.

#### 2.2 Sustainable Development

Sustainable development is a complex issue consisting of many diverse aspects in local, as well as in global terms. "Sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (Brundtland, 1987). The main aim is bringing the economic and social progress into harmony with the full conservation of environment for future generations so they could at least have the same possibilities as the present generation has at this time. It is understood as a balance within these three areas: economy, environment and social aspects. Any of these three should not develop at the expense of the other so that the development is well-balanced and able to become sustainable. These three areas, in the context of sustainable development, are also considered to have an influence on each other, and are not to be understood only as isolated development factors (Kunz, 2012).



Figure 1 Relationships in sustainable development (Source: National Audit Office of Estonia, 2019)

The context is sometimes extended within other areas such as culture, politics or safety. These three pillars, as can be seen in the figure above, represent only the main areas, the simple basis of a huge number of various interacting domains of life, that more or less represent a certain contribution to sustainable development (National Audit Office of Estonia, 2019).

#### 2.2.1 Sustainable Development and The Corporate Social Responsibility

One of the factors of sustainable development is a corporate social responsibility (CSR). The most important areas of social responsibility are economic, societal and environmental. These areas are also the basis for the realization of sustainable development. Corporate social responsibility is, in this context, an integral part of an effective and lasting development.

Its basic concept was developed in Howard Rothmann Bowen's book *Social Responsibility* of the Businessman of 1953. The basis of the concept of corporate responsibility is a voluntary commitment of companies to behave responsibly towards the environment and society in which they operate (Carroll, 1999).

There are many definitions of corporate social responsibility. One of them is the definition of the European Union that considers CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." (EUbusiness, 2006)

Socially responsible behaviour brings several benefits to entrepreneurs, including for example the company's reputation, attractiveness for investors and becoming a desired employer. Corporate social responsibility is a part of the strategic planning of business activities. It is a strategy that aims to achieve sustainable development of society with respect to employees, community and environment (Srpová, Kunz and Mísař, 2012).

#### 2.2.2 Historical Context

The Concept of Sustainable Development originated in the 1960s with the establishment of the so-called Club of Rome. This institution was founded in 1968 by representatives of the financial world then. The most famous publication of the Club of Rome was a book from 1972, which was published in a volume of 30 million copies - *The Limits to Growth* - a report for a project to solve the difficult situation of mankind by the Club of Rome. The main issue presented in this book is an unsustainable population growth and associated depletion of natural resources. Based on this, the report also highlighted the necessity of industrial production development (Blewitt, 2018).

In 1972, a conference convened by the United Nations on the environment was held in Stockholm. The main topic of this conference was the idea of harmonic synthesis of economics and ecology. The main vision of the Stockholm Conference was that "In order to achieve a more rational management of resources and thus to improve the environment, countries should adopt an integrated and coordinated approach to their development planning so as to ensure that development is compatible with the need to protect and improve environment for the benefit of their population." (Declaration of the United Nations Conference on the Human Environment, 1972)

The International Union for Conservation of Nature (IUCN), which was founded in 1948 after an international conference in Fontainebleau, France, can be assumed as the oldest ecological organization in the world. Its greatest contribution was the establishment of the World Wildlife Fund (WWF) and the creation of the IUCN Red List of Threatened Species<sup>™</sup> (IUCN, 2019).

Another important institution that was created by the United Nations in 1983 was the World Commission on Environment and Development. The leader of this commission was Gro Harlem Brundtland, who was a Norway's prime minister at that time. This commission existed until 1987 when it ceased its activities. The years of research and cooperation of many states and organizations have been published in the so-called Tokyo Declaration. In

this declaration, the idea of sustainable development has been defined. It has become the concept that is being used today (Blewitt, 2018).

Twenty years after the Stockholm Conference in 1992, the United Nations called the Earth Summit in Rio de Janeiro, Brazil. There, the "Declaration on Environment and Development" (The Earth Charter) was approved, containing 27 principles of sustainable development and the establishment of "Agenda 21", a detailed environmental action plan. The aim was to establish the harmony between the economic development, social development and effective environmental protection.

Supporting sustainable development through the integration of environmental, economic and social policies at all levels become in the following years not only a matter for the public sector, but also for the private one. For instance, establishment of the World Business Council for Sustainable Development (WBCSD) in 1995, and in 1996 the International Organization for Standardization (ISO) created new voluntary standard for environmental system of management in industry (ISO 14000). (Mezřický, 2005)

In 2002, leaders of most countries in the world, prime ministers, ministers and representatives of NGOs (non-governmental organisations) met in Johannesburg, South Africa, to discuss issues of sustainability and the future of the world. Analysis of the results achieved were made based on the objectives set at the last Rio de Janeiro conference. At the same time, new goals were formulated regarding the synthesis of economic, social and environmental policies. Areas known under the WEHAB (water, energy, health, agriculture, biodiversity) abbreviation were discussed. The main purpose of the Johannesburg Conference was to emphasize the need of the above-mentioned five areas (Sulabh International, 2019).

At the beginning of August 2015, the United Nations agreed to the final document for the Summit, which was held in the same year in New York. United Nations Secretary-General Ban Ki-moon said, that "It is a universal, integrated and transformative vision for a better world. It is an agenda for people, to end poverty in all its forms; an agenda for the planet, our common home; an agenda for shared prosperity, peace and partnership; it conveys the urgency of climate action; it is rooted in gender equality and respect for the rights of all; above all, it pledges to leave no one behind." (United Nations, 2015) This agenda has its name Transforming our World: The 2030 Agenda for Sustainable Development. This document contains the basic dimensions and concepts of sustainability, and it provides a

detailed description of the objectives for preserving and supporting sustainable development.

Then, the sustainable development has been since the 1980s considered as the only possible scenario for further development of human society.

#### Czech Republic

In 1992, sustainable development was defined in the Czech Republic by Act No. 17/1992 Coll., on Environment. The first sustainable development strategy was approved in 2004 and the currently valid document was adopted as a "Strategic Framework Czech Republic 2030" by a government resolution on 19 April 2017. This document constitutes a long-term framework for political decision-making in the context of international commitments that the Czech Republic has taken considering the membership in the European Union, the Organization for Economic Cooperation and Development (OECD) and the United Nations, while respecting the specific conditions of the Czech Republic. It can be considered as the highest strategic document, considering the economic, social and environmental pillar (Ministry of Industry and Trade CR, 2017).

#### 2.2.3 Economic Perspective

Economic development is one of the most important subjects of macroeconomic research. It is a process of fundamental transformation and modernization of the economic and social system. Economic development can be characterized as the creation of quality changes in the company's economic system which results in an increased efficiency at all levels of the system. Economic development is the cause of technological progress which is essential for the effective implementation of the concept of sustainable development. The economic aspect of sustainability is an indispensable part of a comprehensive and balanced concept of the whole issue.

The economic pillar has its negative parts as well and calls for a change in an input valuation, the measurement of the performance of the economy and the real economic progress, enabling it to be more effective for the sustainable development goals.

People have inherited a stock of natural capital (soil, water, forests, minerals, territory, atmosphere, oceans, sunshine, biodiversity) which was being formed for approximately 3.8 billion years and treated as free goods at a zero price. Over the last one hundred years people have destroyed much of the natural wealth. A prerequisite for sustainability is the

valuation of the natural capital resources, even if only approximate, so that they can be calculated when their consumption is planned.

Similarly, economic progress and development should not be evaluated according to traditional indicators of economic performance, such as the gross domestic product, as the growth of this indicator may also be due to environmentally unfavourable events including the removal of their consequences. It is believed that these figures should clearly distinguish between beneficial and adverse phenomena (resource depletion, environmental pollution) as well as express the relationship between the economy and the environment (Jeníček, Foltýn, 2010).

Nowadays, economic development has a global character. Its borders are shifting and often disappearing completely. It cannot be understood only at a local or regional scale. Individual countries cannot develop separately as they are constantly under external influences. It is necessary to apply a cooperation between all participants regarding the balanced concept of constant economic development where the economy, the environment and the society are the main variables of a balanced system. This stability is the basis for sustainable development, which is also based on the changes of individual economies themselves.

According to the Rio Declaration the economic dimension has these following main elements: integration of environmental protection into the process of economic development, change of unsustainable patterns of consumption, new technologies, open economic system, fair conditions of international trade, special situation of developing countries, internalisation of costs associated with environmental protection and the use of economic instruments.

#### 2.2.4 Social Perspective

Nowadays, social development is causing an increase in living standards. It is focused on the development of human personality and of the whole society. The condition of sustainable human development is to improve health, to increase the life expectancy (age), to achieve less morbidity, higher average level of education and decent living conditions and security, as well as sufficient material security, which is a prerequisite for the eradication of poverty. That is the most fundamental objective of human development. Without the elimination of poverty, the sustainable development is not possible. On the other hand, the social development brings new opportunities for entrepreneurs. The importance of international scientific cooperation in various areas is growing. All this is a result of socio-

economic development, which is a continuous progressive process if there are no limitations, such as political, military and social conflicts or environmental catastrophes.

In addition to sustainable human development, there is also sustainable social development within the social pillar. It is necessary to build democratic structures, institutions and social cohesion with public participation in the decision-making process. Moreover, spiritual needs must be met, with a respect for cultural and civilization specifics and requirements.

The Rio Declaration does not specify the social pillar, but an institutional and human dimension which are very similar to the understanding of the social perspective. Aspects of the human dimension of sustainability are human development, concern for human health, elimination of poverty and a reasonable demographic policy. The institutional dimension relates to the following main issues: equal conditions for all people and all countries, specific situations of developing countries, the role of citizens and countries, public awareness and public participation, interest in and attention to indigenous people, minorities and large groups of people, international cooperation and peace, environmental protection legislation at national level, evaluation of buildings and activities and their impact on the environment, international law and cooperation between countries, information and science.

#### 2.2.5 Ecological Perspective

The ecological aspect of sustainable development assesses the impact of human society on the environment. Based on many scientific papers and researches, it can be said that human activity has caused several ecological crises, such as global warming, ozone depletion or biodiversity degradation. In the process of the existence and development of mankind, it destroyed approximately such quantity of fertile soil that it exceeds the current amount of cultivated land. Consequently, there is a widening area of deserts.

The result of further research is that mankind during its existence has destroyed two-thirds of all forests. Ecologists point out that over half of tropical rainforests, where genetic resources of the biodiversity of our planet are centred, have been destroyed over the past 40 years. In last years, there has been also an increasing percentage of ocean and land pollution caused by presence of waste (World Wide Fund for Nature, 2019).

The environmental pillar also highlights the fact that economic activity and civilization development takes place within a certain natural environment. It means that people not only destroy the nature, but they also depend on natural resources, the climate system, the physical and chemical functioning of the atmosphere, the hydrological cycle and the

biochemical cycles of chemical elements. But all these aspects of the natural environment are limited. If economic and social development is to be sustainable, the capacity of the environment on a global scale must not be exceeded.

The beginning of the 21st century is marked by the unprecedented growth of conflicts between human economic activities and the environment. Such conflicts have occurred in ancient history as well, but these old civilizations did not have such economic strength, they were more linked with local actions, and therefore could not cause a global ecological crisis.

Now environmental issues (such as those mentioned above) have spread to the whole world. The economic functions of nature (the reservoir of natural resources, the ability to assimilate waste from human activities) are increasingly in conflict with ecological functions (natural goods and beauty, the system which provides and supports life on the planet), and the existence of life on the Earth begins to be endangered.

Essential to achieve the sustainability is preservation of the natural environment, natural resources and biodiversity. This cannot be done without a change of values that people really follow. The quality of the environment must be at the top of human values.

According to the Rio Declaration the ecological dimension includes following elements: life in harmony with nature, friendly and adequate use of natural resources, responsibility for other societies, responsibility for future generations, common but different responsibilities of individual countries and the precautionary principle.

#### 2.3 Sustainable Business

The concept of sustainable business is nothing new, in a sense it can be understood as a return to the roots. Under the traditional conditions in which people knew their environment, they also understood the principles of sustainability. With modernization, the emergence of globalization and its progression, the understanding of what is sustainable was also disappearing with time. However, in the 1960s and 1970s, there was an environmental awareness (for more information see Historical Context subchapter), and then the concept of sustainable development was established. Entrepreneurship (business in this context) belongs to the pillar of economic, the attribute *sustainable* is then the expression of the need to integrate environmental and social dimension into entrepreneurial activity (Cooney, 2009).

The principles of sustainable development are applied into the day-to-day management of most businesses. Companies use sustainability principles to steadily and successfully develop their business. This process brings economic growth to businesses, optimizes operational processes, reduces production costs, motivates employees to perform better and brings more favourable investment conditions. Monitoring the principles of sustainable development and their practical application also increases the value of businesses.

Business sustainability is a strategy that provides business growth with efficiency, performance, and competitiveness. The goals also include the three main areas of sustainable development (ecological, economic and social) and seek to increase the value of both the business operating in the market, the customer and the employee. The effort is to take the strategy as a future readiness of the company, where the objectives of the company and the activities are set so that the company can respond to changes in its surroundings. The relationship between sustainability and eco-efficiency is based on economic performance. The company must aim to improve eco-efficiency, which then has a positive impact on the environment, otherwise the situation may deteriorate to the detriment of economic performance (Kocmanová, 2010).

Sustainable business, however, is not only associated with ecology as it is often interpreted. It is a complex of issues that establishes a responsible business based on the share of values between the company and the environment. The priority of each topic is then related to the particular business field.

Sustainability is also built on honourable thinking about the price strategy. Higher price for the planet does not mean higher costs for the customer. And for a long time, costs have been externalized towards developing countries, the environment or cheap labour.

#### 2.3.1 Sustainable Business in The Czech Republic

Responsibility and sustainability become some of the important elements of business success. In recent years, most multinational corporations, as well as purely Czech companies, are aware that the world in which they do business is radically changing. Therefore, businesses have their social responsibility and sustainability programs in order to being able to respond to demographic changes, labour market situation, depletion of natural resources and associated decrease in their availability, climate change, changing customer or public expectations and preferences. All of this provides companies not only

with a competitive advantage but also with economic savings. It is reflected in their reputation as well.

Multinational companies go in the footsteps of their parent companies from whom they take the know-how. For example, Škoda Auto, from the Volkswagen concern, has invested 49 million euros in environmental protection by 2017, and the company has also been also reducing the impact of its production, including waste or energy and water consumption per each produced vehicle. It has also been optimizing its showrooms and engaging in educational initiatives (Škoda Auto, 2019).

The Lidl supermarket, following the example of its German headquarters on the domestic market, started to provide its stores and logistics centres with electricity from renewable sources. They stopped selling disposable plastic bags and started building fast-charging electric vehicle stations (Lidl, 2017).

The Tchibo coffee company also found the inspiration in Germany from its owner company there and today, more than a quarter of Tchibo coffee comes from sustainable, certified production. The share of certified cotton and wood in Tchibo products (consumer goods) is continuously increasing and the company is committed to improve people's living conditions and preserving nature through sophisticated programs. The long-term goal of the company is 100% sustainable, people-friendly and nature-friendly business (Tchibo, 2015).

Another example would be the Vodafone company which as a strategic tool for sustainable business uses technology. In Vodafone, they reduce the carbon footprint using Internet technology, buy less energy-intensive technologies, substitute paper with digitalization as well as many other tools and items. The Vodafone company in the Czech Republic also actively supports young people with helping them to build skills for digital future, it is open to diversity within employees and promotes equality of people in society and work (Vodafone, 2018).

According to a Czech CSR consulting agency Flagship it is not unusual that some large businesses tend to focus on ecological topics primarily because of their image. The reason is to keep up with the current trend. But this behaviour can lead to "greenwashing" which means an unjustified greening of the business. A definition of greenwashing in a dictionary is: "The practice of overemphasising a company's environmental credentials, often by misinforming the public or understating potentially harmful activities." (Doyle, 2016)

From the data collected by the Czech Statistical Office (CZSO), it can be ascertained that at the end of 2018 the number of active businesses with the number of employees up to

249 was 1 186 111 in the Czech Republic. Small and medium businesses have 99, 8 % share of the total number of active businesses there (CZSO, 2019). They are important due to their significant impact on the economy, employment, social cohesion and local development. Therefore, it is also crucial that SMEs adapt principles of sustainability in business (Flagship, 2018).

Martina Dlabajova, a member of The European Parliament said about the sustainable business and CSR in the Czech Republic: "In the Czech Republic, a socially responsible business is still in its infancy. Socially responsible activities within business are very costly ... but it can also help the company in the context of competition in the market. Companies that focus on sustainable business are gaining more and more popularity, especially among younger generations of consumers who appreciate this corporate culture." (Dlabajova, 2018) However, the importance of this strategy is increasing, and some SMEs adopted some of the principles.

One example is the Czech-Slovak brand Tierra Verde, which has been producing ecological drugstore since 2008 and supporting its packaging-free sale (Tierra Verde, 2019), or Nano Energies, the first supplier of 100% green energy in the Czech Republic (Nano Energies, 2018). Representative of a sustainable product provider could be Nila, a shop which specializes in slow fashion. It is a term used for fashion made in all ecological, ethical and fair-trade way (Nila, 2019).

#### 2.4 Chapter Summary

The literature reviewed showed, that sustainable development is a well-established concept which goes back to a relatively recent history. Since then, its importance has been increasing although its adoption is still insufficient. In theory, it is given that the achievement of sustainability is based on three pillars - economic, ecological and social - which are all interconnected and cannot be perceived as separate entities.

It was also described, from what is currently known, that sustainable business is closely connected with the idea of sustainable development and represents a significant part of it. Furthermore, it was discussed that an adoption of sustainability strategy has its contribution not only to the environment or society, but also to the business itself.

Finally, the situation in the Czech Republic regarding sustainability in business was introduced, although it appeared that in the literature it is hardly discussed, and the number of sources was insufficient. Therefore, this subchapter provides mainly examples of

companies which somehow use this strategy as a part of their business model. The possibilities, benefits and importance of this concept in the Czech Republic are then recommended for future research.

#### 3 METHODOLOGY

#### 3.1 Introduction

This chapter, concerning methodology, aims to provide an overview of research methods and reasons for applying particularly chosen methods for this study.

Firstly, there is a brief description of qualitative and quantitative methods which offers an introduction into the research methodology. The usefulness of each approach is outlined, so is their suitability as well. In the following table (Fig. 2) are demonstrated differences between these two types of methodology.

Further in this chapter, there are mentioned both data collection methods, case study and qualitative semi-structured interview. The case study subchapter refers to its definition, aims, objectives, data collection techniques, essential process conditions, advantages and limitations. This theoretical description is than complemented with a justification of the case study research method choice to outline what the researcher hopes to achieve. Then follows a justification why this particular company was chosen as the representative of business organizations in the Czech Republic. Finally, the last paragraph of this subchapter refers to an explanation of how the conclusions from the case study would be derived.

The qualitative interview part firstly offers its description, types of interviews, its advantages and limitations. It is followed by, as well as in the previous chapter, a justification for using a semi-structured interview method for the data collection. For a better understanding of the researcher's approach to the interview application it is also explained how the interview was created, adjusted to the aims of this study and to its participants and how these respondents were identified, contacted and informed about the research as well as its conditions. Finally, there is an explanation of how the respondents' answers are be analysed and used to write the case study.

#### 3.2 Quantitative and Qualitative Research

Qualitative and quantitative approaches usually involve different research methods. However, the use of both approaches may be complementary in that each of them adds insight into the overall picture of the issue.

Two contrastive models (paradigms) can be distinguished in the research: positivism and phenomenology. The first attempts to explain human behaviour through causes and

consequences, while the second one aims to understand and interpret human activities through everyone's reality individually (Hendl, 2016). These different models generally lead to different data collection approaches: quantitative and qualitative. This distinction is not clearly separated as the methods are not exclusively a part of a single survey or exploration mode. For example, a positivist, as well as a phenomenologist, can use research methods to collect data.

#### 3.2.1 Quantitative Research

Quantitative research specifically is based on data collection that is then analysed by various statistical techniques. It usually tends to obtain a relatively small amount of information from a big number of respondents or observations. These results are often deduced (estimated) in a larger population. Quantitative research is often considered to be a model for all researches as it involves a precise process of hypothetical formulation, detached observation, data collection, data analysis, and acceptance or rejection of the hypothesis. The results are therefore in a very clear and comprehensible numerical form. Compared to the qualitative research, however, it is more demanding when it comes to time and money. Techniques that quantitative research uses include questionnaire, structured observation, experiment and statistical survey (Hendl, 2016).

#### 3.2.2 Qualitative Research

Qualitative research can be defined as research that focuses on gaining a deep insight into social reality based on a relatively small number of respondents or observations. Typically, the methodology does not rely on "sampling" or involving statistical analysis. A qualitative approach is appropriate for situations where little is known about the subject to be analysed. Qualitative research is carried out by intensive and / or prolonged contact with the area or life situation. These situations are usually "banal" or normal, reflecting the everyday lives of individuals, groups, companies, organizations, etc. The explorer's role is to get a holistic view of the context being studied: its logic, its arrangement, and its explicit and implicit rules (Miles, Huberman, 1994).

Qualitative methods are used to understand research questions that require explanation or understanding of the social phenomenon and its context (Ritchie, 2014). Qualitative research is therefore a means of exploring the interpretations of subjects in which the researcher is closely related to the subject (as opposed to quantitative research). By using

this approach, theoretical conclusions are more likely to be made and not to be confirmed. This is a difference from the quantitative research (Bryman, 1988).

#### 3.2.3 Differences Between Quantitative and Qualitative Approach

	Qualitative research	Quantitative research
Philosophy source	Phenomenology, hermeneutics	Positivism
Aim	Formulation of new theory or hypothesis	Obtaining objective evidence, verifying theory / hypotheses
Nature	Subjective	Objective
Relation to theory	Not based on a known theory	Based on a known theory
Logical operation	Induction	Deduction
Research strategy	Unstructured	Structured
Sampling	Small units (e.g. organization, department)	Representative sample - large units (e.g. country citizens)
Techniques, methods	Observation, interview, analysis of texts, documents, audio and video recordings	Experiment, questionnaire, standardized observation, statistical tests
Data	Non-numeric	Numeric
Data analysis	Interpretative methods	Statistical, computerized
Reliability of results	Data triangulation	Statistically (validity, reliability)
Validity of results	For investigated unit	For whole population
Advantages	phenomena investigated in their entirety and natural environment; considers many interrelationships; detailed information, in-depth description of cases	generalization of results on the population; possibility to test and validate theories; relatively fast and straightforward data collection; researcher- independent results
Disadvantages	the results cannot be generalized, transferred to another environment; analysis and data collection much more time consuming; results are more easily influenced by the researcher	reductionism - theory is tested, not developed; the results may be too general and abstract for the application

Figure 2 Table showing differences between qualitative and quantitative approach (source: Hendl, 2016)

#### 3.3 Data Collection

To meet the aims and objectives of this paper, as stated in the first chapter, the case study research method was chosen as a qualitative approach. This method is also accompanied by a supplementary data collection method which, in this case, is a qualitative semi-structured interview.

#### 3.3.1 Case Study Research Method

The general definition of a case study says that it is an intensive study of one case - one situation, one person / organization / company / one problem. Case study is a method entirely qualitative as it can perfectly accomplish the basic objectives of qualitative research - it explores the current phenomenon in depth in its real context, especially when the boundaries between the phenomenon and its context are not entirely clear (Yin, 2014). The aim of case studies is to provide a rich description of social reality. The case study is rather a story narrative than a technical description of the constructs (Dyer, Wilkins, 1991).

Revealing new theoretical perspectives, rather than confirming the validation of existing theories, should lead to the involvement of qualitative research methods (Wilson, Vlosky, 1997). Case study is suitable for exploratory, descriptive and explanatory research (Yin, 2014).

Data collection in case studies can be conducted through interviews, observations, collection of secondary data or by ethnographic engaging of the researcher in the investigated reality (Denzin, Lincoln, 2018). Data collection techniques should match the chosen research paradigm.

An important step in the creation of research case studies is the "triangulation", when it is necessary to find out whether the evidence obtained is sufficiently independent and whether it leads non-ambivalently to a clear conclusion. Triangulation is done both with the help of data (i.e. to make any conclusion it is necessary to have data from several sources) and, on the other hand, with the help of methods (i.e. conclusion that was obtained from interview should be confirmed by observation). Data triangulation is an essential prerequisite. It is always necessary that monitoring a given research phenomenon is based on several sources, for example from interviews with more than one employee of the company or from both the interview data and secondary source data. Two-to-three different respondents in a single organization should be interviewed when the research is conducted in organizations to ensure that the data is creditable and rich (Yin, 2014).

Research approach of case studies has its limitations as every research methodology. The criticism of case studies is the lack of severity (Yin, 2014), based on personal prejudices, the essence of anecdotal evidence, and the low number of subjects participating in the research to make general conclusions. Case studies research method is often considered to be more time consuming, more difficult to publish in the international scale, and more difficult to overcome cultural barriers.

Based on the descriptive and exploratory nature of the aims and objectives of this paper, the case study research method will be applied. It allows the researcher to explore and understand the issue of how the sustainable business in the Czech Republic looks like based on the study of one chosen organization. The case study itself will be focused on the nature of how the business behaves, describing its activities in order to consequently draw conclusions corresponding to the objectives. Complementarily, the company also will be introduced first to better understand on what kind of the small enterprise is the study based.

The company Svět plodů was chosen due to the researcher's knowledge gained during her long-lasting internship there and therefore, also due to an access to its employees as respondents for the interview. Another reason is linked with the fact, that Svět plodů represents an example of small enterprises, which, according to the literature review, represent a majority of all companies operating on the Czech market. Thus, these companies altogether create the most significant contribution to principles of sustainable business and consequently to the principles of sustainable development there.

To derive conclusions from the case study, an induction method is used. Induction is the outlining of a general (theoretical) conclusion based on knowledge of the individual cases. It allows to find the essence of phenomena, to establish its patterns. The inductive conclusion can be considered a hypothesis, as it offers an explanation, although there may be more of them in practice. The conclusions of inductive thinking processes are always influenced by subjective attitudes (experience, knowledge) and therefore have a limited validity. The starting point of the induction is a collection and evaluation of data. Based on those, more general conclusions valid for the area of the researched topic are formulated. Pursuant to this, the use of induction method is in accordance with the aims and objectives of this study, which are established to explore and understand the sustainability activities of one specific company. Therefore, based on this, the nature of a sustainable business in the Czech Republic in overall could be described.

#### 3.3.2 Qualitative Interview

Case studies research cannot be and does not aspire to keep the requirement of sample representativeness. Cases should meet the condition of different input conditions and similar results or similar input conditions and different results (Yin, 2014). Frequently, in a case study research, a purposeful sampling is applied when cases are selected with an emphasis on requirements for the initial condition and results, or a snowball sampling, where respondents recommend to the researcher other potential people who might be addressed in the context of the researched issue.

Interviews are mostly used to collect data (Yin, 2014). Research interviews are essentially initiated by the interviewer (researcher) and are discussed in the form of a two-way or group conversation. The interview allows the researcher to talk directly to the respondent, to ask the situational questions and to directly record the answers. Interviews can also serve to acquire otherwise sensitive or contextually relevant information (Hair et al., 2016). Interviews preserve the richness of data collected and help analyse respondent harmony of his behaviour and responses. The interviews have various forms - from highly structured to completely unstructured.

A structured interview uses a pre-assembled set of questions for each interview. An interviewer who conducts the research asks questions in a consistent, predetermined order. The interviewer also tries to perform the same behaviour during each interview to reduce the impact of researchers' presence on the respondent.

Semi-structured interviews give the interviewer the opportunity to take their own initiative and to better explore the issues that occur during the interview itself. This approach may result in capturing an unexpected relevant information expanding research findings (Hair et al., 2016). The semi-structured interview preserves the overall direction and structure of the interview but inherently allows the interviewer to have his or her personal input. Objectivization of the information obtained is not achieved by a neutral behaviour of the interviewer, but by an unbiased asking of questions.

Unstructured interviews are usually applied in professional areas that are relatively unexplored or unknown from previous research. Unstructured interviews often have only a general topic and they seek to obtain information from respondents concerning what kind of issues and areas are relevant to area of research.

Interview has number of limitations that are mainly distortions. These arise usually from the interviewer or the "header effect" (a distorting effect of the perception which the respondents

have about the researcher - respondents tend to answer what they think the researcher wants to hear). Distortion could be also caused by the fact the interview is being recorded, as it may interfere with the natural way of interaction. It may be unacceptable for the respondent to say an unpleasant answer to the question directly in front of the interviewer. Projection techniques are used to mitigate this effect.

Semi-structured interview was chosen to be used as it offers to eliminate disadvantages of both structured and unstructured forms. These disadvantages represent difficult data processing and analysing (unstructured interview) and limited interviewer options (structured interview). To create the semi-structured interviews the researcher pre-prepared several questions, where their sequence and formulation were modified according to the way the interview was evolving. In addition, further inquiries were used to clarify and explain the answers of the participants. This led to a better understanding and more accurate interpretation of the responses. The aim of this method's contribution to this research was to collect descriptive data about activities within the company Svět plodů with emphasis on sustainability, which means to allow and encourage participants to openly speak about topics which are directed through questions.

#### 3.3.3 Ethical Considerations

Ethical issues in research play an important role. Important principles of research ethics are (Hendl, 2016):

- Informed consent must be obtained. This means that the person will participate in the study. Before that, however, the possible participant must be informed of the course and circumstances of the research.
- Active consent means signing an authorized document. Passive consent does not require signature.
- If there was an inevitable concealment of information, participants must be fully aware of the research circumstances at the end of the study.
- Participants must be informed that they can withdraw their participation in the research at any time.
- Research should be anonymous. If anonymity cannot be ensured, the identity must not be revealed to anyone else.

#### 3.3.4 Sampling

The target group for interviews is represented by employees of the analysed company Svět plodů, as they could offer an in-depth knowledge about the organisation's environment and activities as well as their own opinions about the business sustainability based on their own experience working for a small enterprise. Respondents were contacted through an e-mail where the researcher offered them to voluntarily participate in this research and explained to them for what purpose would the interviews be used, the nature of questions asked, and how their anonymity will be ensured. Before the interview itself took place, each respondent was reminded that there were no correct or wrong answers for the questions asked and every participant was also ensured of the possibility to not answer questions they do not wish to answer. Participants were also asked to agree with recording the interview (for more information regarding a consent of participants, please, see Appendix 1). During the interview itself the researcher used open neutral questions with a non-directive style of conversation to avoid possible "header effects" as much as possible. Overview of the interview questions along with their aims divided into several groups according to the areas they belong to is given in a discussion guide (see Appendix 2).

#### 3.3.5 Analysing Data

For analysis of the data obtained from the interviews a ground theory approach was chosen, as the aim of this study is to describe a situation of business sustainability in the Czech Republic based on an exploration of one company. Therefore, it adequately suits the principles of this method.

A grounded theory is a theory inductively derived from the investigation of the phenomenon it represents. This can be understood as revealing, creating and validating the theory through the systematic collection of data concerning the investigated phenomenon and the analysis of these data. Therefore, the data collection, analysis and theory phases are complementary to each other. It does not start with a theory, as in quantitative research that is subsequently verified. It starts with the research area and it is left to emerge during the research, what is important in this area. The result of the research is rather a theoretical expression of the examined reality than a set of numbers or a group of freely related concepts (Strauss, Corbinová, 1999).

To understand the grounded theory more closely, it is necessary to mention and explain the notion of *theoretical sensitivity*. It is the ability of the researcher to understand the context of the occurrence, development and character of the phenomenon. It is the ability to give

meaning to the data, to separate the related from the unrelated, essential from the irrelevant, and to understand it. It is the ability to recognize what is important in the data obtained and to make a sense of it (Miovský, 2006).

Grounded theory starts with the coding process. This is the operation by which data is disassembled, conceptualized, and refolded in new ways, which is the central process of creating a new theory. Conceptualization is an interpretative approach whereby the desire is to create some basic interpretation of the described phenomenon allowing its better and deeper understanding. Analysis in grounded theory is done in three phases: open, axial and selective coding (Strauss, Corbinová, 1999).

Open coding is done during first reading of the data. The topics in the text are localized and tagged. It is possible to encode word by word, by paragraph, or by each case. Thus, individual categories are created (Hendl, 2016).

For aims of this research it is sufficient to use only open coding (see Appendix 3 for use of open coding), as due to a small number of respondents there would not be a large quantity of data to analyse. The mentioned topics were only separated into categories based on important aspects related to the investigated phenomenon – sustainability strategy applied in the company. Unrelated data were eliminated. In the following table (Fig. 3), selected categories of open coding are shown.

Social responsibility
Environmental responsibility
Competitiveness
Customers perception
Limitations

Figure 3 Open Coding Categories (own source)

### 3.4 Chapter Summary

The methodology chapter offered an overview of different types of approaches which might be adopted when doing a research, as well as an overview of selected data collection methods used in this study, supported by justification why they were chosen and how they were analysed. An insight into each method provided better understanding of its use, advantages and disadvantages. As a first one, a case study which offers a descriptive interpretation of investigated phenomenon in its whole context was chosen (in this case to describe situation of sustainability in business in the Czech Republic). In the case study delivered in this paper, it was investigated how the sustainable business looks like in the chosen company Svět plodů, which represents small businesses operating on Czech market. For this purpose, data were collected based on publicly available information, non-confidential conversations, as well as semi-structured interviews with employees of Svět plodů. To analyse interviews, the researcher decided to use ground theory approach (open coding method) which offers to reveal and create a theory that consequently expresses the examined reality. Finally, the induction method was discussed as an approach to deliver conclusions from the case study and meet the aim of this study.

### 4 RESEARCH RESULTS

### 4.1 Introduction

In the fourth chapter, the author hopes to meet initial aims and objectives of the paper which would be discussed and evaluated in the following chapter. The list of objectives, as stated in the first chapter, follows with the aim to better describe what this research results part contains:

- To introduce the company Svět plodů in order to understand which kind of a small business is being analysed
- To answer what kind of sustainability activities Svět plodů does
- To understand the advantages and disadvantages of adopting this strategy in the company Svět plodů within its competitive ability and its position on the Czech market
- To describe the strategy impact on the company's customers and image, if there is any
- To find out if and how is the company Svět plodů able to contribute to the overall principles of sustainable development applying this strategy

These objectives are for the author's aim to describe how the sustainable business in the Czech Republic looks like based on a case study of chosen company. The case study is written according to publicly known information, semi-structured interviews with employees of Svět plodů (see Appendix 4 and 5 for some of their transcripts) and other non-confidential conversations with them during the researcher's internship there.

In the first instance, Svět plodů, the company analysed, is introduced. The subchapter offers a brief overview of the business establishment and development, as well as its current values and visions for future. Furthermore, the organizational structure of Svět plodů is demonstrated and complemented by a description of the workload of the company's employees.

This structure is followed by an insight into the situation on the market where the company operates. It is explained and stated, what they see as a threat as well as a competitive advantage.

Finally, in last subchapter, the functions and activities of Svět plodů are presented with a description of their distribution and production process as well as their concerns related to primarily environmentally and socially responsible activities.

# 4.2 Case Study

#### 4.2.1 Introduction of The Business

Svět plodů was established in 2012 after two young entrepreneurs were interested during the previous years in a completely different market segment. They started out in 2010 with a project called *vybratdarek.cz* which involved importing and selling toys from China. However, after a successful year of doing business with toys, they wanted to bring something more valuable to the Czech market that would be both long-term and fast goods turnover, and so the idea to start a business in the food market was created.

Therefore, in 2012, the svetplodu.cz e-shop, offering selected foods, was launched and a few months later the first store Svět plodů was established in Zlín, followed by a plan for an addition of another shop in Rýmařov later. Currently, there are shops in Zlín, Olomouc and Brno, as the one in Rýmařov must have been shut down due to low revenues.

During the functioning of Svět plodů, the offered product portfolio made a step forward. From the beginning, the company dedicated itself to products such as fruit, nuts and seeds, but from the start it offered numerous kinds and brand kinds and brands, which was confusing. These products were sweetened and contained additives, i.e. they were not purely natural, and the company offered more and more such products. Over time, the portfolio has been developed and modified with fewer products and fewer brands than at the beginning, but still offers nuts and dried fruit that are now purely natural in composition and quality. This advancement has also led to better relationships with customers who are more aware of the products, used to these products and can better navigate themselves in both retail stores and e-shops.

### 4.2.2 Development of The Business

The image (Fig. 4) below refers to the company development, showing a timeline that represents the key steps and milestones of Svět plodů company's progress to their current market position and portfolio offered.

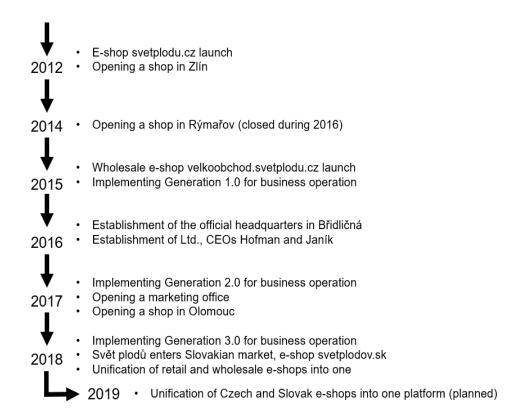


Figure 4 Timeline of Svět plodů Development (own source)

### 4.2.3 Vision, Goals and Values of The Business

The vision for the future of Svět plodů can be described as a maximization of several areas. These include a relationship with the customer - customer satisfaction, supply, as well as sell quality and fresh raw products, environmental concerns - ecological purchasing and sales, ability to compete with leading market leaders and finally, conquering foreign markets.

The years 2018 and 2019 can currently be described as a turning point for the company in its visions. It is moving on to an overall strategy called Generation 3.0, which defines all business practices and activities in all areas and aims to maximize the goals mentioned above.

Specifically, it is about changing the Czech e-shop - creating and improving the content, adjusting the product portfolio to customer's ideal, current demand and trend on the market, creating new marketing strategies for the Czech market. As last year brought a successful unification of two separate Czech e-shops, the current goal is to acquaint customers with a new platform, where these two e-shops were moved to, and improve any shortcomings. In

the middle of 2019, a new version of the e-shop is planned to be improved in order to have the ability to switch to a foreign language (Slovak language), thus also svetplodov.sk itself will no longer be accessible. The new platform will unite these two existing e-shops into one.

The current year and the next one should also be marked by further foreign expansion, first to the Polish market and then to the Austrian market.

The values of the company Svět Plodů reflect what is important and vital for both the company and the customer. Every day, these values are being worked on and it should be ensured that the customer knows about them and thus better understands the business and creates a better relationship with it. The company's values are following: product quality, customer relations, impact of the brand Svět Plodů, satisfied employees and responsibility for the environment and society.

### 4.2.4 Organizational Structure of The Business

Current number of employees in the company is 28 with most of them being temporary workers and trainees who come to Svět plodů from Tomas Bata University. Their main work focus is on creative activity in the field of marketing, e-shop management, market analysis, competition, potential customers, B2C (business to customer) and B2B (business to business) database creation, team collaboration or implementation of their own ideas for more efficient and better business operations.

The organizational structure of Svět plodů is visually expressed using the image (Fig. 5) below.

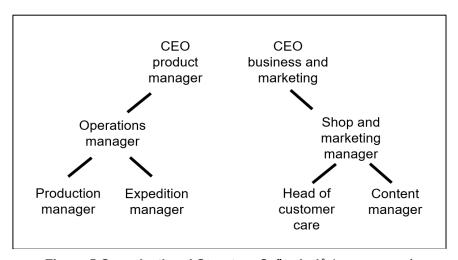


Figure 5 Organizational Structure Svět plodů (own source)

The structure represents a hierarchy of eight single employees who are employed on fulltime job at Svět plodů.

The CEO product manager's competence is mainly communication with suppliers and purchase of products as well as an inspection of goods and provision of product specifications to the marketing team. Under his leadership is also a warehouse of goods which is currently located in Břidličná. He is a direct supervisor of the operations manager whose responsibility is to manage the warehouse, receive and dispatch the goods, check them, solve possible complaints, communicate with the carriers and supervise the production part of the company. He also strives for innovative storage solutions and use of storage space. Next part of his workload is to interconnect all e-shops with the stock, thus daily inspection and revision of the products available and unavailable there. He also takes care of pricing policy and of the e-shop products pricing. Finally, he is the direct supervisor of the production manager and expedition manager. The production manager is responsible for the volume of production carried out over a certain period of time, the concern for production machines and the actual own valuation of the products. He is responsible for quality and correct production process, and therefore for quality of products which are in this case date and banana bars and mixes of nuts and dried fruit. The expedition manager then has competence primarily in the warehouse where he is responsible for handling and claiming all orders as well as receiving goods from suppliers and storing them.

CEO business and marketing manager is responsible for all activities related to company promotion and cooperation. Therefore, his job is to arrange for products to be marketable and connect Svět plodů with the market. He is a direct supervisor of the marketing team, merchants and store managers. The manager of the shop is also the head of customer care and his work consists of electronic order processing and subsequent communication with the customer, with whom he also solves occurring complaints and requests. Furthermore, he strives to build a rating of the company on social networks, which he also manages. As a store manager, he is responsible for the presence of a sufficient amount of goods in the store and also, he is the direct supervisor of the shop assistants. He takes care of their recruitment, dismissal and planning their shifts and training. The content manager is responsible for the image of the company on e-shops, namely for the texts, pictures and videos through which the products are presented. This manager also manages e-shop communication with advertising on the internet, search portals, etc.

As mentioned above, the remaining 20 employees are temporary workers and trainees. Temporary workers in the company can be found mainly in the positions of shop assistants or warehouse assistants. The trainees operate mainly in business and marketing or where it is currently necessary. Their superiors are all of the above structure.

#### 4.2.5 Competition and Situation on The Market

There is a whole range of companies who are direct competitors of Svět plodů, both on the same basis as the company analysed in this work, which means companies purely focusing on nuts, dried fruit and seeds as well as businesses offering healthy diet products of all kinds and other food stores. Some of them only compete with Svět plodů on the Internet platform, others compete in the location of Svět plodů stores with their own shop. Here are just a few of the many competitors of Svět plodů who actively operate their shops, e-shops, or both, and who are engaged in purely healthy food or similar products. These are:

- Mixit
- U zeleného stromu
- Zdraví z přírody
- Ráj oříšků
- Jakob
- Alika
- Wolfberry
- etc.

The company's turnover is mainly thanks to the e-shop. Therefore, it is necessary to pay more attention to the competition on Internet. Here, one of the biggest competitors is Mixit which operates on both Czech and Slovakian market as well. This company has been operating on the market for several years and gained its position through an original idea to allow the customer to fill the tube with products offered of their choice. Therefore, the costumer can see in the e-shop shopping cart, how his orders are filling up his package, seeing a certain weight of each product. The customer also has enough information about these different types of food products during the purchase and he has all the power over this selection.

Competition in the food industry with a focus on nuts and dried fruit is growing every month in recent years, with a boom of healthy snacks, fitness nutrition and style, keto diet (a diet focused on fats) and other eating trends and healthy lifestyles. Companies need to respond

quickly to the behaviour of clients who may be affected by new market information about food, health, exercise nutrition and others.

The threat to Svět plodů, as they see it themselves, is a lack of awareness among some customers whose choice is based purely on price, and they do not look too much at the quality or uniqueness of the goods offered. However, recognition of this threat is only to some extent, regarding the fact that the demand for quality products is significantly increasing. According to a statistical survey conducted by the company GfK Czech Republic (2015), Czech food consumer preferences are quality and the price of products, while the price is for Czechs still the most important decision criterion. However, the number of consumers who prefer quality over the price is truly growing.

Competitive advantage for the company would be, besides their emphasis on customer care and quality products for wholesale prices, their environmental activities, which are not only appreciated by customers who care about the environment and have responsibility for future generations and society, but also bring them exclusive customers, for instance stores based on a concept of non-use of any packaging. These activities are - sale of the largest package with the smallest possible packaging or reuse of delivery boxes - which means that Svět plodů does not buy new boxes to distribute or deliver their products, but they reuse boxes from their suppliers.

### 4.2.6 Functions of The Business

The company Svět plodů is focused on food production and distribution. The main stages of the process consist of purchasing goods, creating an offer (pricing, form of sale, weight and volume variation of products), producing, supplying and valuating own products for sale, storing goods in stock and reviewing the offer in e-shops, and finally the last phase sale, which is done through shops and currently two functioning e-shops.

In this case, Svět plodů operates based on Generation 3.0, which was implemented in 2018 (see Fig. 3). It means that the company has adopted a new strategy for each part of the above-mentioned process. Svět plodů made revisions and changes that are described by a new level of this generation as there is an effort to get closer to the modern customer and current global trends in human health, eating and new lifestyle habits overall, as well as an effort to pay more attention to the raising importance of business sustainability and responsibility in the world. The new strategy is characterized mainly by its simplicity, concise

and clear message and communication between the company and its suppliers, partners, customers, but also between employees and individual departments of the company.

As the company produces and distributes food, they also need to have a strategy employed for food and packaging waste management. This will be described in following paragraphs within the company's functions.

#### **Production**

Svět plodů produces and includes in its portfolio three kinds of its own food products, which are all made only from products that the company offers. The idea is to "not stand still" and to move the possibilities of eating forward, to offer something better and more consumer-valuable than a customer can currently find on the market, and at the same time create new needs, new demand for products that are different. All production takes place in the Czech Republic and it is done by the employees of Svět plodů.

One of these products is a date bar and a banana bar of dried fruit with the addition of nuts or seeds and they are offered in twelve different variations. All these bars are suitable for vegans and people preferring raw diet. They are made and packaged by hand and by the use of a pressing technique (only the press machine) which gives the bar a specific shape and consequently affects the taste. The bars are only produced if the demand for the upcoming month is sufficient, to avoid unnecessary food waste due to their expiration date.

Another own product is a mix of nuts, dried fruit and seeds. Essential here is to create a mixture in the right proportion of each item composition. Recipes (combination of individual fruits) are based on the nutritional values, taste and visualisation. Once the right proportion is achieved, the only process which remains is to mix the ingredients. Therefore, it does not require almost any production process. However, these mixes are one of the best-selling products in the company.

The latest and newest own product of Svět plodů is the granola muesli which is characterized by an above-standard ratio of nut and oat ingredients as well as pure natural sweetening (honey, cinnamon). It is also a creation of a mixture based on own recipe. As with mixes, only products that the company itself offers to its customers are used in the production.

Besides implementing new technologies, creating new innovative products and managing the food waste, which would be all further described in the following section, one of the biggest concerns regarding the current own production is the product packaging. Svět plodů already considered introduction of a new, easily recyclable packaging for all mixes, muesli, nuts, seeds, dried fruit and cold dried fruit, as these are only products which are weight-based packed after they are delivered from suppliers in much larger unit volumes than are usually sold to company's customers. Although this new variant is more expensive than the current plastic one, Svět plodů sees the value it would bring to customers who are environmentally responsible, as for those who are not this would not change anything, the price of the products would remain the same. However, the company was aware of increasing unpopularity of plastic packaging in the past and made a public guide for how to usefully reuse them, for example as a plant growing "container".

#### Distribution

Most products, which Svět plodů offers, are delivered from all around the world, checked, repacked and then sold to either other businesses or end costumers. It is possible to order a 50g package as well as a 50kg one, regarding the same product. Therefore, as it was mentioned before, the company has a number of exclusive customers, which mainly consist of stores with non-use of packaging or healthy diet stores.

One of the company's values is product quality. Therefore, they look for suppliers worldwide in a search of every product in the best available quality. For example, they offer almonds from California, United States of America or Spain, prunes from Bulgaria or dried pineapple from Costa Rica. These supplies do not usually remain constant as the food quality depends not only on the location and local conditions but as well on a crop.

One of the supplying countries is Ivory coast in Africa from where Svět plodů orders cashew nuts. They admit that the company is concerned about the situation there, as cashews are mostly transferred from Africa to another country, peeled and sorted there. As for a before-sell process, this contains most of the value which Africa therefore loses. Svět plodů presents on its social media that they care about this issue and therefore, the company delivers cashews which were not transferred to any other country and so the value remained in Africa.

Svět plodů also has suppliers in the Czech Republic where it is easier to ensure the product quality. However, the company declares that it is problematic to find both quality and environmentally responsible agricultural industry suppliers.

The sale itself is ensured through stores and e-shops, which are made for customers' warm and enjoyable experience during their shopping. Stores are painted with bright colours and the space is arranged so that the customer can easily orientate himself there, as well as the

shop assistant always being close if necessary. Moreover, Svět plodů currently explores the concept of eco-stores using only green energy, economical lightning and other aspects. However, the company admits it is not affordable for them in the current situation. They would rather invest in a research on innovative food (food with higher nutrition value in the same volume) as there is higher possibility of return and appreciation of investment. Financial cost is a limitation in case of implementing new, more economical and ecological technologies in the production process as well. Another aspect they consider is the efficiency, mainly in environment-related issues. Mostly, the company tends to only follow and implement global market trends within its production or distribution activities.

Regarding the food waste related issues, Svět plodů strives for its decrease as it is against its goals and values. The strategy employed to achieve that is to give a discount on products which get close to their expiration date. However, in recent months the company decided to donate any food waste (in edible condition) to a foodbank<sup>1</sup>.

# 4.3 Chapter Summary

Chapter of research findings offered an in-depth insight into the chosen small business Svět plodů in a form of a descriptive case study. Presented case study is based on publicly available and known information, interviews with employees of Svět plodů and further non-confidential, personal communication. Collected data from interviews were subsequently analysed using an open coding method and then together with other information used for a description of Svět plodů, focusing on its sustainability activities.

Svět plodů is a small company presenting itself as a (healthy) food producer and distributor. Their strategy is based on providing high quality products for wholesale prices and on a significant customer care. CEO product manager and his team search global market to ensure that in their product portfolio can be found only the highest quality food available in the world. In last months, the company started to pay more attention to their environmental and social responsibility as a business due to its raising importance and interest in these principles not only by their customers, but also by the owners. Therefore, Svět plodů included several sustainable activities into their strategy and they are considering several

<sup>&</sup>lt;sup>1</sup> Foodbanks are non-profit organizations which collect food donations subsequently distributed to charities and then people in need - homeless people, children, single mothers, etc. (Česká Federace Potravinových Bank, 2019)

other options, although usually to implement them (mainly those based on environmental responsibility) is for the company limited by factors such as finance, time and efficiency. In addition, Svět plodů is successful at some socially responsible activities as well.

Research results chapter aimed to address several objectives of the study stated in the introduction. Discussion of these objectives can be found in the next chapter.

### 5 DISCUSSION

### 5.1 Introduction

The aim of the fifth chapter is to discuss, evaluate and partly summarize research findings in the context of reviewed literature. Discussion is divided into several subchapters according to initial objectives of the study, to provide clear starting points for deriving conclusions, or in other words to meet the aim of the paper – to describe how sustainable business in the Czech Republic looks like.

Firstly, introduction of the company is summarized and set in context of other small and medium enterprises in the Czech Republic, to understand what kind of small business was analysed and on which the overall description of sustainable business in the Czech Republic is based. In the following subchapter, particular sustainable activities which Svět plodů does are discussed, supported by explanation of why they are presented as sustainable and what current issues they address. Fourth section offers a discussion of advantages and disadvantages of the strategy application and what impact it has on the company's customers and image. Finally, overall contribution to principles of sustainable development is outlined based on elements of its three pillars.

# 5.2 The Analysed Company

For the research purpose, it was chosen to analyse Svět plodů company as a representative of small businesses in the Czech Republic. It was discussed earlier that small and medium enterprises represent 99,8 % share of the whole market there (CZSO, 2019). Therefore, their contribution to sustainability in business and subsequently also to sustainable development is in overall most significant, and unlike large corporations, they cannot simply take over this strategy from their parent companies in foreign countries, where there is more developed understanding of such issues. If there are any small enterprises operating as sustainable, they mostly have their whole business strategy based on this principle.

However, this is not the case with the company Svět plodů, which, from an external perspective, seems to be young regular business trading food products. If it comes to persuade a customer to make a purchase, the company relies on the quality of their products for wholesale prices. Quality of the products is also a key element of Svět plodů's vision, goals and values, together with excellent customer service and care. Other elements, such as a leading market position, expansion to foreign markets or social and

environmental responsibility, seem to be rather secondary. Nevertheless, the company is aware of global issues which are at least partly caused by various industrial and business activities and behaviour, and of an increasing damage to the Earth and detriment of people and animals living on it. Impulses to changes within the company come usually from the customers, for whom such issues are not indifferent, or from owners who are interested in the field and seek new trends in environmental and social responsibility themselves.

# 5.3 Sustainable Activities the Company Does

The Svět plodů company is focused on food production and distribution, which are functions that contain many activities that can possibly cause damage to the environment or harm to society. These activities are, for instance, delivering products from foreign countries (usually from developing economies), and also from Czech suppliers, own production, own product packaging, selling (presence of stores, delivery services) and producing food waste and packaging waste.

For environmentally responsible activities - Svět plodů changed most of their former plastic product packaging to easily recyclable ones. Plastic packaging waste is one of nowadays most discussed issues related to ecological crisis. The Earth's ability to absorb waste from human activity has been far exceeded and waste, mainly the plastic one, is accumulating in landfills, lakes, rivers, oceans, forests, almost everywhere where it subsequently causes damage, degradation of biodiversity, soil pollution, etc. As owners of the company were acquainted with such consequences even before they introduced the new packaging, they wanted to at least reduce the amount of waste from their plastic packaging, and therefore advised their customers to reuse packaging from their nuts and dried fruit with creation of its alternative use.

Another example of eco-friendly behaviour is that Svět plodů reuses delivery boxes from their suppliers for further deliveries to its customers. It means that they do not need to buy brand new boxes, which supposedly would be for one use only, and therefore they reduce unnecessary consumption of cardboard (and thus of paper as well). Increasing consumption is one of the key aspects of economic growth, which, as discussed before, under the conditions defined, is contrary to principles and the vision of sustainable development. Understanding the need to reduce unnecessary consumption (in future most likely total consumption), is therefore very important and in accordance with environmentally responsible behaviour.

Food waste can be considered both an environmental and a social concern. Environmental for losing resources used to produce them and social for the fact that food expiration date is due before it really stops to be edible in most cases (Czech Agriculture and Food Inspection Authority, 2015). It cannot be sold after the expiration date, but it can help people in need who cannot afford a sufficient amount of food themselves. In this case, Svět plodů reduces its food waste with donations to foodbanks.

To mention purely socially responsible activities, the company provides young university students with opportunities to come into Svět plodů, learn and get involved in various practical business activities. They also encourage these students to bring new ideas into the company. It shows that Svět plodů cares about practical skills and opinions of young people who will co-create the world's future.

Finally, developing economies are known for a different work conditions from developed countries, such as cheap or child labour. Disappearance of such conditions is on agenda for world sustainable development as a part of the social pillar. As Svět plodů imports many of its products from Africa or Asia, it is likely to have suppliers dealing with these conditions. Therefore, the company pays attention to its choice of suppliers when the criteria is not only to purchase high quality food, but also to ensure the process value being secured for people involved in any step of the process before delivery, therefore ensuring prevention of these workers being exploited by third parties.

# 5.4 Advantages and Disadvantages for The Company

Sustainability in business was also discussed from the economic perspective. It was stated that adoption of principles of sustainability brings companies overall growth, competitive advantage and leads to their better performance.

In the case of company's competitiveness, it was mentioned that there is an advantage of having exclusive customers and at the same time they do not lose their regular customers due to any of their sustainable activities. It brings them also long-lasting cooperation with other businesses.

On the other hand, there are also some disadvantages. Firstly, some of the activities are more costly, for instance the new packaging material is more expensive then the plastic alternative. However, reusing delivery boxes saves money. Secondly, it can be time-consuming and there are possible risks for the company that the activity would be eventually inefficient.

It is necessary to consider each activity, as the company is mainly limited by finance, time and possible inefficiency. However, sustainability in business brings to the company more advantages than disadvantages. It can be also assumed that if there were no limitations, it would be only beneficial to have this strategy adopted.

### 5.4.1 Impact on The Company's Customers and Image

As discussed above, supporting business strategy with several sustainable activities is beneficial for the company. It is appreciated by customers who are environmentally and socially responsible, and for a number of them it is, therefore, one of the reasons to become loyal. Moreover, having these activities adopted also aims at new potential customers who were not reachable before, as they have certain requirements on companies they purchase from. There is also no markable negative impact on regular customers whose purchases are usually based on quality or price of products or recommendation.

Image of the company is subsequently developing in the eyes of their customers, owners and employees. Currently, Svět plodů is perceived mainly as a provider of quality and healthy products with significant customer service, but it also starts to establish itself as environmentally and socially responsible business, which might lead to not only a raised number of customers, but also to becoming a desirable employer.

# 5.5 Contribution to Principles of Sustainable Development

Overall contribution of the company to principles of sustainable development is expressed in the following points:

- Environmental pillar: several principles adopted, intention to adopt more in the near future (currently limiting factors)
- Social pillar: several principles adopted, no intensions for near future
- Economic pillar: few principles adopted, no intensions for near future

According to this, Svět plodů contributes to principles of sustainable development only to a certain extent, as there are several limiting factors which slow down or stop further progress in this area.

### 5.6 Chapter Summary

The discussion chapter offered an insight into the investigated phenomenon from both literature and research findings point of view. The aim was to discuss and meet initial objectives of this study which are represented by subchapter titles.

Svět plodů is a business based on producing and distributing food. These functions contain several activities and some of them the company performs partly or totally in environmentally and socially responsible way. The outcomes of the made decision to include them into the overall business strategy are competitive advantage, new and loyal customers, new business partners, development of company's image, contribution to overall principles of sustainable development and with the help of some activities, reducing costs as well. On the other hand, some activities are for the company more costly.

The company, during its decision-making process regarding such activities, is based on its own initiative and ideas which also come from their customers, and is also limited, mainly by its financial situation as adopting many of these activities is for a small business very expensive, and therefore inefficient. It is, for example, investing in new green technologies.

# 6 CONCLUSION AND RECOMMENDATIONS

In the study, a sustainable business phenomenon was investigated within one particular company. Drawing on a literature review, it is an undoubtable fact that the importance of sustainability in human, social, economic, or ecological development is raising globally and significantly so. The mankind faces a number of crises with a global impact, such as water pollution, ozone layer depletion, poverty, terrorism, etc. Such issues require more than simple solutions, it needs cooperation of nations, transnational organisations in charge of creating and promoting action plans and programs that will not only ward off current crises, but that will also prevent an emergence of any possible other crises. But perhaps even more importantly, the change should start from each individual person, business, organization, community, as global issues can be fought only by global powers. Businesses, in fact, intervene in all areas of sustainable development, as they contain the economic, environmental and social pillars as well. Therefore, adoption of a sustainable business strategy by enterprises should be highly contributing to the overall principles of sustainable development.

Although the importance of sustainability in business is a frequently discussed topic in the world, the perception of it in the Czech Republic is lagging behind, as it showed in the literature review. Possible reason of such insufficiency is discussed further in the chapter. However, it provided an opportunity for a research conduction of this study. The author intended to explore and describe how sustainable business in the Czech Republic looks like, what motives lead companies to adopt this strategy, what potential benefits and limitations, which companies gain and solve, are there, what the impact on their customers and image is, and if there is any contribution to the principles of sustainable development.

To meet this aim and objectives, the research was based on analysis of one chosen company Svět plodů, a small business established in the Czech Republic, which sells food products. The results of the analysis, which was based on a publicly known information about the company, semi-structured interviews with its employees and non-confidential personal conversations, were formulated into the case study and subsequently discussed in the context of reviewed literature.

### 6.1 Sustainable Business in The Czech Republic

Sustainable business in the Czech Republic is presented by practical activities which companies include in their strategy, rather than of guidance descriptions or topic related

studies. These companies do not follow any given regulations or instructions, they simply listen to the customers and actively seek new trends in foreign countries. Adopting the principles of sustainability is for them not only a matter of "how to do it" but "how to do it in a budget-friendly way", as they usually do not have a sufficient financial background to invest in activities which do not guarantee a return of these investments. Moreover, for businesses currently, there is not a financial governmental support for any green activities, even though their implementation might not make any monetary profit for the company.

Although these activities are often very expensive and time consuming, they are to some extent also beneficial. Adopting them allows access to new consumers who were not reachable before, and it also gains the current customer's loyalty – considering these both as those who care about the environment and society. Moreover, such way of doing business requires creative and innovative thinking, and sustainability can become company's market penetration or product development strategy. However, there are two kinds of businesses operating in the Czech Republic that apply sustainability strategy. Firstly, there are companies which have their overall business model based on one or a complex of more environmentally and socially responsible principles. These are not that common, but they present themselves as responsible and sustainable, and since they are known for this, that is what their customers are looking for. The second type is represented by regular companies, that have these activities as supportive or complementary, rather than primary. For them, it is currently not beneficial enough to be environmentally and socially responsible in each case. Their customers, in the first instance, are looking for products or services themselves.

For a theoretical conclusion, it can be assumed that especially for the Czech market, the reality whether small and medium enterprises start to adopt any sustainability principles and responsible behaviour for their business models or continue to operate according to established, regular and proven principles of that time, is based on consumers' needs, values and priorities. The research results showed that the Svět plodů company mainly implements sustainable activities due to such requirements from some of their customers, for whom environmental protection and responsibility for future generations is not indifferent. It means that their priority, when purchasing goods, is to ensure that these were produced in accordance with the sustainable business principles. This is not, unfortunately, the case with many Czech consumers as their preferences are quality and the price of products. However, to adopt sustainable principles for a business strategy is expensive and

mostly an inefficient step in terms of the investment return for companies, and therefore it might reflect in increasing prices and subsequently lead to a loss of customers.

In conclusion, consumers preferences on the Czech market have an impact on sustainability in business there. However, that is not the case of large corporations, which have a sufficient financial background to "go green".

### 6.2 Limitations and Recommendations

As mentioned before, sustainable business in the Czech Republic is hardly ever a discussed topic. There was a lack of sources which could have addressed such issue. Mostly, only companies themselves inform about aspects of sustainability, which are related to their business strategy. Large corporations usually provide a more detailed and wider description of their environmentally and socially responsible activities. This particular phenomenon is, as the first one, recommended for further research – to explore own intentions of large corporations to adopt sustainability principles. Second recommendation for further research is to investigate the modern consumer behaviour in the Czech food industry, as a consideration of current trends in this area appear to remain unexplored. It could also be beneficial for practise to investigate and develop a concept of local environmental and social issues in the Czech Republic, which might be affected, and therefore also solvable by business activity.

### REFERENCES

- [1] (2016). greenwashing. In Doyle, C. (Ed.), A Dictionary of Marketing.: Oxford University Press,. Retrieved 28 Feb. 2019, from <a href="http://www.oxfordreference.com.libaccess.hud.ac.uk/view/10.1093/acref/9780198736424">http://www.oxfordreference.com.libaccess.hud.ac.uk/view/10.1093/acref/9780198736424</a>. 001.0001/acref-9780198736424-e-0795
- [2] 1.1 Sustainable development [Online]. (2019). In *Introduction to environmental auditing in public sector*. Tallinn: National Audit Office of Estonia. Retrieved from <a href="https://sisu.ut.ee/env-intro/book/1-1-sustainable-development">https://sisu.ut.ee/env-intro/book/1-1-sustainable-development</a>
- [3] Agenda 2030 'To-Do List for People and Planet', Secretary-General Tells World Leaders Ahead of Adoption [Online]. (c2014). In *United Nations*. New York: United Nations. Retrieved from https://www.un.org/press/en/2015/sgsm17111.doc.htm
- [4] Baker, S. (2015). *Sustainable development*. Retrieved from <a href="https://ebookcentral.proguest.com">https://ebookcentral.proguest.com</a>
- [5] Blewitt, J. (2018). *Understanding sustainable development* (Third ed.). Abingdon, Oxon; New York, NY: Routledge.
- [6] Brundtland, G. (1987). Our common future. Oxford: Oxford University Press.
- [7] Bryman, A. (1988). *Quantity and quality in social research*. London; Boston: Unwin Hyman.
- [8] Businesses by size of business (number of employees): Economically active businesses [Online]. (c2019). In *CZSO*. Prague: Czech Statistical Office. Retrieved from <a href="https://vdb.czso.cz/vdbvo2/faces/en/index.jsf?page=vystup-objekt&z=T&f=TABULKA&katalog=30831&pvo=ORG05&str=v386&v=v7\_KODAKT\_57\_1\_1\_1</a>
- [9] Carroll, A. B. (1999). Corporate Social Responsibility: Evolution of a Definitional Construct. Business & Society, 38(3), 268–295.

https://doi.org/10.1177/000765039903800303

- [10] Co dělají POTRAVINOVÉ BANKY ?. (2019). [Online]. In *Potravinové banky*. Praha: Česká Federace Potravinových Bank. Retrieved from: <a href="http://potravinovebanky.cz/">http://potravinovebanky.cz/</a>
- [11] Cooney, S., & Werbach, A. (2009). *Build a green small business: profitable ways to become an ecopreneur.* New York, NY: McGraw-Hill.
- [12] Corporate Social Responsibility in the EU [Online]. (c2019). In *EUbusiness*. Buckinghamshire: EUbusiness. Retrieved from <a href="https://www.eubusiness.com/topics/social/corporate-social-responsibility-in-the-eu">https://www.eubusiness.com/topics/social/corporate-social-responsibility-in-the-eu</a>

- [13] CSR FOR SMALL AND MID-SIZED COMPANIES [Online]. (c2019). In *Flagship*. Prague: Flagship. Retrieved from <a href="https://flagship.cz/en/blog/detail/csr-for-small-and-mid-sized-companies">https://flagship.cz/en/blog/detail/csr-for-small-and-mid-sized-companies</a> 390
- [14] Česká republika 2030 [Online]. (c2008-2019). In *Ministry of the Environment of the Czech Republic*. Prague: Ministry of the Environment of the Czech Republic. Retrieved from <a href="https://www.mzp.cz/cz/ceska republika 2030">https://www.mzp.cz/cz/ceska republika 2030</a>
- [15] Češi nakupují jídlo podle ceny. Zda je české či regionální, je nezajímá. (c2019). [Online]. In *Lidovky.cz*. Praha: MAFRA. Retrieved from: <a href="https://www.lidovky.cz/byznys/firmy-a-trhy/cesi-nakupuji-jidlo-podle-ceny-zda-je-ceske-ci-regionalni-je-nezajima.A151006\_121926\_firmy-trhy\_pave">https://www.lidovky.cz/byznys/firmy-a-trhy/cesi-nakupuji-jidlo-podle-ceny-zda-je-ceske-ci-regionalni-je-nezajima.A151006\_121926\_firmy-trhy\_pave</a>
- [16] Datum minimální trvanlivosti a datum použitelnosti. (c2019). [Online]. In *Czech Agriculture and Food Inspection Authority*. Brno: Czech Agriculture and Food Inspection Authority. Retrieved from <a href="http://www.szpi.gov.cz/clanek/datum-minimalni-trvanlivosti-a-datum-pouzitelnosti.aspx">http://www.szpi.gov.cz/clanek/datum-minimalni-trvanlivosti-a-datum-pouzitelnosti.aspx</a>
- [17] Declaration of the United Nations Conference on the Human Environment [Online]. (c2017). In *UN Documents Gathering a body of global agreements*. New York: NGO Committee on Education. Retrieved from <a href="http://www.un-documents.net/index.htm">http://www.un-documents.net/index.htm</a>
- [18] Denzin, N. K., & Lincoln, Y. S. (2018). *The SAGE handbook of qualitative research* (Fifth ed.). Thousand Oaks; Los Angeles: Sage Publications, Ltd.
- [19] DesJardins, J. R. (2007). *Business, ethics, and the environment: Imagining a sustainable future*. Upper Saddle River, NJ: Pearson/Prentice Hall.
- [20] Dresner, S. (2008). *The principles of sustainability* (2nd ed.). London: Earthscan.
- [21] Dyer, W. G., & Wilkins, A. L. (1991). Better stories, not better constructs, to generate better theory: A rejoinder to eisenhardt. *The Academy of Management Review, 16*(3), 613-619. doi:10.2307/258920
- [22] Ebner, D., & Baumgartner, R. J. (2006, September). The relationship between sustainable development and corporate social responsibility. In *Corporate responsibility research conference* (Vol. 4, No. 5.9, p. 2006). Queens University, Belfast Dublin.
- [23] Green growth in action: Czech Republic [Online]. (c2019). In *OECD*. Paris: Organisation for Economic Co-operation and Development. Retrieved from <a href="http://www.oecd.org/greengrowth/greengrowthinactionczechrepublic.htm">http://www.oecd.org/greengrowth/greengrowthinactionczechrepublic.htm</a>
- [24] Hair, J. F., Celsi, M., Money, A. H., Samouel, P., & Page, M. (2016). *Essentials of business research methods* (Third ed.). New York: Routledge, Taylor & Francis Group.

- [25] Hendl, J. (2016). *Kvalitativní výzkum: základní teorie, metody a aplikace* (Čtvrté, přepracované a rozšířené vydání). Praha: Portál.
- [26] Hofman, T. (2018) Personal communication, [2018-10-21] In person. Zlín
- [27] Høgevold, N.M., Svensson, G., Wagner, B., Petzer, D.J., Klopper, H.B., Sosa Varela, J.C., Padin, C. and Ferro, C., 2014. Sustainable business models. *Baltic Journal of Management*, **9**(3), pp. 357-380.
- [28] IUCN A brief history. In: *International Union for Conservation of Nature: IUCN* [online]. Gland: IUCN, c2019 [cit. 2019-03-13]. Retrieved from: https://www.iucn.org/about/jucn-brief-history
- [29] Janík, O. (2018) Personal communication, [2018-10-21] In person. Zlín
- [30] Jeníček, V., & Foltýn, J. (2010). *Globální problémy světa v ekonomických souvislostech*. V Praze: C.H. Beck.
- [31] Kocmanová, A. (2010). *Udržitelnost: Integrace environmentální, sociální a ekonomické výkonnosti podniku*. Brno: Akademické nakladatelství CERM
- [32] Kopnina, H., & Blewitt, J. (2018). *Sustainable business: Key issues*. Retrieved from <a href="https://ebookcentral.proguest.com">https://ebookcentral.proguest.com</a>
- [33] Kunz, V. (2012). Společenská odpovědnost firem. Praha: Grada.
- [34] Mezřický, V. (2005). Environmentální politika a udržitelný rozvoj. Praha: Portál
- [35] Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook* (2nd ed.). Thousand Oaks, Calif; London: Sage.
- [36] Miovský, M. (2006). *Kvalitativní přístup a metody v psychologickém výzkumu*. Praha: Grada. Retrieved from <a href="http://www.digitalniknihovna.cz/mzk/uuid/uuid:f1fcf280-7893-11e5-99af-005056827e52">http://www.digitalniknihovna.cz/mzk/uuid/uuid:f1fcf280-7893-11e5-99af-005056827e52</a>
- [37] Mixit.cz. (c2010-2019). Mixit.cz [Online]. Retrieved March 20, 2019, from https://www.mixit.cz
- [38] Nano Energies [Online]. (c2018). Retrieved March 13, 2019, from https://www.nanoenergies.cz/
- [39] O nás [Online]. (c2019). In *NILA*. Prague: NILA Living. Retrieved from https://www.nila.cz/o-nas/
- [40] Odbor 31200. (c2005-2019). Strategický rámec Česká republika 2030 [Online]. In *Ministry of Industry and Trade*. Prague: MPO. Retrieved from <a href="https://www.mpo.cz/cz/prumysl/prumysl-a-zivotni-prostredi/udrzitelny-rozvoj/strategickym-ramec-ceska-republika-2030--229371/">https://www.mpo.cz/cz/prumysl/prumysl-a-zivotni-prostredi/udrzitelny-rozvoj/strategickym-ramec-ceska-republika-2030--229371/</a>

- [41] Ritchie, J. (2014). *Qualitative research practice: A guide for social science students and researchers* (Second ed.). London: SAGE Publications.
- [42] Silverman, D. (2011). *Interpreting qualitative data: A guide to the principles of qualitative research* (4th ed.). London; Los Angeles, [Calif.]: SAGE.
- [43] Společensky udržitelné podnikání je důležité pro firmy i budoucnosti evropy. Co pro něj v eu ale skutečně děláme? [Online]. (c2017). In *Martina Dlabajová*. Zlín: MARTINA DLABAJOVÁ. Retrieved from <a href="https://www.dlabajova.eu/blog/spolecensky-udrzitelne-podnikani-dulezite-firmy-i-budoucnosti-evropy-nej-eu-skutecne-delame">https://www.dlabajova.eu/blog/spolecensky-udrzitelne-podnikani-dulezite-firmy-i-budoucnosti-evropy-nej-eu-skutecne-delame</a>
- [44] Srpová, J., Kunz, V., Mísař, J., 2012, *Applying The Principles of CSR in Enterprises in The Czech Republic*, Ekonomika a Management Vol. 6 Issue 4
- [45] Sustainable Development. (c2019). Sustainable Development [Online]. In ScienceDirect. Amsterdam: Elsevier. Retrieved from:

https://www.sciencedirect.com/topics/earth-and-planetary-sciences/sustainable-development

- [46] Svět plodů. (n.d.). Timeline [Facebook page] Retrieved March 25, 2019 from <a href="https://www.facebook.com/produktivnisvacina/?epa=SEARCH\_BOX">https://www.facebook.com/produktivnisvacina/?epa=SEARCH\_BOX</a>
- [47] Svět Tierra Verde [Online]. (c2019). Retrieved March 13, 2019, from <a href="https://eshop.tierraverde.cz/">https://eshop.tierraverde.cz/</a>
- [48] Strauss, A., Corbinová, J., & Ježek, S. (1999). *Základy kvalitativního výzkumu: Postupy a techniky metody zakotvené teorie*. Boskovice: Albert.
- [49] ŠKODA AUTO COMPANY [Online]. (c2019). In *ŠKODA*. Mladá Boleslav: ŠKODA AUTO. Retrieved from <a href="http://www.skoda-auto.com/company/about">http://www.skoda-auto.com/company/about</a>
- [50] Tchibo on the way towards a 100% sustainable business [Online]. (c2019). In *Tchibo Corporate Website*. Hamburg: Tchibo. Retrieved from: <a href="https://www.tchibo.com/servlet/content/893154/-/starteseite-deutsch\_en/tchibo-unternehmen\_en/nachhaltigkeit\_en.html">https://www.tchibo.com/servlet/content/893154/-/starteseite-deutsch\_en/tchibo-unternehmen\_en/nachhaltigkeit\_en.html</a>
- [51] The World Summit on Sustainable Development, Johannesburg 2002 [Online]. (c2019). In *Sulabh International*. New Delhi: Sulabh International Social Service Organisation. Retrieved from: <a href="http://www.sulabhinternational.org/the-world-summit-on-sustainable-development-johannesburg-2002/">http://www.sulabhinternational.org/the-world-summit-on-sustainable-development-johannesburg-2002/</a>
- [52] Udržitelné podnikání [Online]. (c2019). In *Vodafone.cz*. Prague: Vodafone Czech Republic. Retrieved from: <a href="https://www.vodafone.cz/udrzitelne-podnikani/">https://www.vodafone.cz/udrzitelne-podnikani/</a>
- [53] United Nations Conference on Environment and Development (1992) "The Rio Declaration on Environment and Development", Rio de Janiero: UNCED Secretariat

- [54] Vodička, D. (2018) Personal communication, [2018-06-05] In person. Zlín
- [55] What is Human Development? (2019). What is Human Development? [Online]. In *Human Development Reports*. New York: Human Development Report Office. Retrieved from <a href="http://hdr.undp.org/en/content/what-human-development">http://hdr.undp.org/en/content/what-human-development</a>
- [56] Wilson, E. J., & Vlosky, R. P. (1997). Partnering relationship activities: Building theory from case study research. *Journal of Business Research*, *39*(1), 59-70. doi:10.1016/S0148-2963(96)00149-X
- [57] WWF. (2018). *Living Planet Report 2018. Aiming Higher*. Grooten, M. and Almond, R.E.A.(Eds). WWF, Gland, Switzerland.
- [58] Yin, R. K. (2014). *Case study research: Design and methods* (5th ed.). Los Angeles, California: SAGE.
- [59] Životní prostředí [Online]. (c2019). In *Lidl Česká republika*. Praha: Lidl Česká republika. Retrieved from <a href="https://www.lidl.cz/cs/Zivotni-prostredi.htm">https://www.lidl.cz/cs/Zivotni-prostredi.htm</a>

# **LIST OF APPENDICES**

APPENDIX 1: PARTICIPANT INFORMATION AND CONSENT SHEET	
APPENDIX 2: DISCUSSION GUIDE	ا
APPENDIX 3: EXAMPLES OF OPEN CODING	V
APPENDIX 4: INTERVIEW EXAMPLE 1	V
APPENDIX 5: INTERVIEW EXAMPLE 2	X
APPENDIX 6: ETHICS APPROVAL FORM	XIV

APPENDIX 1: PARTICIPANT INFORMATION AND CONSENT SHEET

PARTICIPANT INFORMATION AND CONSENT SHEET

Basic information

The aim of the research is to describe how achieving business sustainability in the Czech

Republic looks like.

Research is done by:

Denisa Zágorová

Permanent residence at V Poli 23, Ostrava, Czech Republic

e-mail: U1871022@unimail.hud.ac.uk

further referred to as the researcher.

The researcher is a student of International Business (Top Up) at the University of Huddersfield, in Huddersfield, England. The research is a part of an Undergraduate Dissertation module the researcher studies there. The researcher conducts the research independently and the University of Huddersfield has no responsibility for the research. The researcher is the administrator and processor of the information provided. The research

results will be published in the final researcher's paper.

The interview will be recorded on the recorder and the researcher will take its literal transcript. The recording will only be accessible to the researcher. The transcript will be consistently anonymized, meaning that data that could be used to identify a research participant will be omitted or changed. Anonymisation concerns proper names, local names, postal addresses, as well as other data that could lead to identification of the participant. The researcher is committed to protecting and not sharing any data that could lead to identification of the participant. Anonymous transcription may be provided to the professional public for the purpose of reviewing research results, possibly for further analysis and interpretation. The research participant does not have to answer questions if he does not want to answer them. The research participant may withdraw his / her participation at any time. The research participant does not need to state the reasons for

I

rejecting the response and / or withdrawing the participation. The participation in the research is voluntary.

If a participant has any concerns regarding the research, please, do not hesitate to contact the researcher at the email address written above or the supervisor of the work Morven McEachern at M.Mceachern@hud.ac.uk.

### With the attached signature I agree with:

- participating voluntarily in an interview on a subject of sustainable business in the
   Czech Republic
- 2) making an audio recording of the conversation and written notes about the course and circumstances of the conversation
- 3) making a precise transcript of the audio recording
- 4) conducting analysis and interpretation of the interview
- 5) publishing research results in Denisa Zágorová's final paper
- 6) using literal citations of parts of the interview
- 7) preserving the audio recording and its transcription

### The attached signature confirms that I understand:

- 1) for what purpose the information provided by me will be used
- 2) who will have access to the audio recording, the literal transcription and the final paper
- 3) how my identity will be protected
- 4) possibilities not to answer questions
- 5) possibilities to withdraw from the research

Date:		
Name and signature:		

# **APPENDIX 2: DISCUSSION GUIDE**

#### **DISCUSSION GUIDE**

### Sustainability Activities and Behaviour in the Company Svět plodů

At the beginning of each interview the researcher will introduce herself to participants and they will be given a participant information and consent sheet which they will go through together with the researcher, so she could explain everything that concerns the interview. Participants will be informed about anonymity of the interview, method of recording the interview, their possibility to withdraw their participation at any time and no obligation to answer any question not wished to be answered by them. They will be also encouraged to speak about questions honestly and openly.

Following formalities, the researcher will then acquaint respondents with the interview topic and purpose.

### 1) Opening questions

The aim of these questions is firstly to recognize the respondent's background in the company, and therefore to understand the one's perspective of the topic of the interview. Secondly, the aim is to create an optimal atmosphere that will enable the respondent to answer questions spontaneously and openly.

- Can you please tell me in which department do you work?
- Are you a full-time employee?
- How long have you been working for the company?
- Would you say it is a good experience for you?
- Do you consider yourself satisfied working for a small business?
- To what extent do you consider yourself as being aware of issues related to business sustainability?

#### 2) Main questions

The intention at this stage is to lead participants to topics that are key for the research. Many of these possible questions require a personal perspective, therefore they will be asked in such way. In accordance with how the interview will be evolving, there might also be asked follow-up questions to specify participant's answers.

- How would you describe the vision of the company?
- How would you describe values by which the company presents itself?

- What is the company currently focusing on in its development?
- In which area do you perceive the strength of your (the company's) competition?
- To what extent do you consider it as a competitive disadvantage for you?
- In which area do you perceive your competitive advantage?
- Based on what criteria do you choose your suppliers?
- Does the company invest in new technologies?
- Have you (as the company) ever reached to an external advisory company,
   which is focused on a corporate social responsibility, for an advice?
- Do you perceive any changes in your workload that are related to environmental or social responsibility activities?

# 3) Final questions

Final set of questions aims to allow the participant to conclude the interview and possibly to comment or add anything he or she has left to say.

- Would you say that the company in any way contributes to the overall principles of sustainable development?
- In your opinion, do you think that sustainable business as a strategy would be necessary to adopt for the future of the company?

At the end of the interview the researcher will explain what the next steps in the research would be and when it would be published. Finally, the interviewer will thank respondent for his or her cooperation and time.

# **APPENDIX 3: EXAMPLES OF OPEN CODING**

# **EXAMPLES OF OPEN CODING**

DATA OBTAINED FROM INTERVIEW TRANSCRIPTS	CATEGORIES
"Usually, a large percentage of raw cashews are from Africa shipped to Asia, if I remember well, it is mainly to India and Vietnam. And here they peel and dry cashews. The problem is that it leads to the exploitation of Africa because the most added value is in this process of sorting and following sale. What we do is that we prevent this by ensuring this added value stays in Africa, so if we buy African nuts, we buy them from Africans."	Social responsibility
"Well, now we are about to introduce new packaging for most of our products which we pack ourselves. Now we have plastic packaging which is more and more unpopular by our customers. Often it is based actually on our customers inquiries or requirements that we decide to implement something eco-friendly."	Environmental responsibility
"We also have a number of exclusive customers like non- use of packaging stores which buy from us large packages of nuts and dried fruit, these are about 20 to 50 kilos of product in one packaging. Our competition sells much smaller packages and that is not attractive for stores which are based on strategy: the least possible use of packaging possible."	Competitiveness
"Usually, regular customers who come to us, they are looking for quality and nature products. Recyclable packaging, used delivery boxes, that is just something extra for them. And some of them appreciate it, some of them not. But the number of people who actually come looking for eco-friendly products is not really markable."	Customers perception
"I would say they mainly consider finance and time- consumption. And efficiency of course, for small company is crucial to invest money in things which bring money back."	Limitations

## **APPENDIX 4: INTERVIEW EXAMPLE 1**

Interviewer: Hi, thank you for meeting me. My name is Denisa Zágorová and I will give you now a form to sign, informing you about that your identity will remain anonymous and that you don't have to answer any question you don't want to answer. Before we go through it, let me also remind you that the interview will be recorded and after that I will make a literal transcript of that. If you wish later to withdraw your participation on the research or anything you will mention, just get back to me. So, this interview is for academic purposes of my undergraduate dissertation. The topic we will discuss today is sustainability in the company Svět plodů.

**Interviewer:** Alright. Are you ready to start then?

Interviewee: Yes, sure.

Interviewer: Can you please tell me in which department do you work?

Interviewee: I am working in sales.

Interviewer: Ok, and are you a full-time employee?

Interviewee: Yes.

**Interviewer:** How long have you been working for the company?

**Interviewee:** Well, that would be five years now.

Interviewer: Five years, that seems a long time, would you say it is a good experience for

vou?

Interviewee: Oh, yeah, I wouldn't stay that long if it wasn't.

Interviewer: Do you consider yourself satisfied working for a small business?

Interviewee: Hmm, yeah, if you mean working in a small group of people, I really like that.

And also, it's more diverse, I think.

Interviewer: In what matters?

**Interviewee:** I mean, when you're in large company you usually have one specific job you do all day. But here, I work in sales, but I help guys in store or warehouse, sometimes I am asked to give opinions to marketing team. So, it's diverse.

**Interviewer:** I see. Great. So, to what extent do you consider yourself as being aware of issues related to business sustainability?

Interviewee: I'm afraid I'm not an expert in the field, although I'm aware of our activities in Svět plodů.

**Interviewer:** Can you please be more specific about these activities?

**Interviewee:** Yeah, sure. Well, now we are about to introduce new packaging for most of our products which we pack ourselves. Now we have plastic packaging which is more and more unpopular by our customers. Often it is based actually on our customers inquiries or requirements that we decide to implement something eco-friendly.

**Interviewer:** How is that new packaging different?

**Interviewee:** Sorry, did not mention that. Well, yes, it should be easy to recycle, plastic packaging is not. And we also give a second life to boxes, it means that we don't buy new boxes, but we use or reuse boxes that our suppliers send us. To your question before.

**Interviewer:** No worries, thank you. Well, back to your previous answer, you said it is often based on your customers that you implement something more environmentally friendly, so where other suggestions come from?

**Interviewee:** Mostly from owners of the company.

**Interviewer:** What would you say is the most important for the company when they decide whether to introduce such changes or not?

**Interviewee:** I would say they mainly consider finance and time-consumption. And efficiency of course, for small company is crucial to invest money in things which bring money back.

**Interviewer:** So, was there any suggested or intended change which was rejected because of its low efficiency?

Interviewee: Of course.

Interviewer: Can you please name any?

**Interviewee:** Yeah, let me think, well we are actually still not sure about that, but we wanted to change electricity supplier for our stores to have energy from renewable sources only. But such change is more costly than we thought. And besides the environment, there is no real benefit for the company.

**Interviewer:** Alright, thank you. Well, linking to that, does the company currently invest in new technologies?

Interviewee: No, currently not.

Interviewer: And are there any future investment plans in this area?

**Interviewee:** Not really, or I wouldn't call it plans. We would like to invest in research on innovative foods but currently we are able only follow trends in the market.

Interviewer: So, what is the company currently focusing on in its development?

**Interviewee:** Focus now is mainly on the market search for quality and organic food we can include in our portfolio. And as I said, implementing recyclable packaging for products.

**Interviewer:** Talking about the market, can you tell me in which area do you perceive the strength of your competition?

**Interviewee:** That is definitely their offer of similar products of lower quality but then lower price as well.

Interviewer: To what extent do you consider it as a competitive disadvantage for you?

**Interviewee:** I'd say only to some extent as demand for quality products is raising.

Interviewer: And in which area do you perceive your competitive advantage?

**Interviewee:** Our strategy is based on selling quality food, and we have wholesale prices for retail amounts. Also, our customer is always on the first place and we ensure top individual customer care. That is how we are different.

**Interviewer:** How would you describe the vision of the company?

**Interviewee:** Pretty much the same actually. But to be exact it is to offer a wide range of exclusive premium quality products from all around the world.

Interviewer: How would you describe values by which the company presents itself?

Interviewee: I would say quality and exclusivity of the products again. And exclusive customer care.

**Interview:** Great, thank you. Would you, from your point of view, also say that the company follows these values?

Interviewee: Yes.

**Interviewer:** Now I have just a couple more questions for you. First one is, well, would you say that Svět plodů in any way contributes to the overall principles of sustainable development?

Interviewee: Partly, yes.

**Interviewer:** How?

Interviewee: We do number of activities which could be considered as responsible for the environment. As I mentioned them before. And for social side, I don't think we can do much. We of course have a hiring policy which doesn't discriminate anyone but that is mostly a standard in developed countries. Oh, yes, we also cooperate with universities and offer students internships here which is beneficial for both. Students have many creative ideas and we show them how the business works.

**Interviewer:** Thank you. In your opinion, do you think that sustainable business as a strategy would be necessary to adopt for the future of the company?

**Interviewee:** Sure. It is very important not to do business only for money and it seems more and more people know that. Sooner or later in the future it would be a basis for starting the business to meet these principles. Yeah and so would be for us.

**Interviewer:** That was all from me, thank you very much for your time. Let me just inform you about next steps. I will take a literal transcript of the interview and adequately analyse it to meet the aim of my study which is to describe how sustainable business in the Czech Republic looks like. The study is due 5<sup>th</sup> April and I assume it will be published in following months. Thank you once again for your participation and time. If you have any further questions, please, contact me.

## APPENDIX 5: INTERVIEW EXAMPLE 2

**Interviewer:** Hello, thank you for meeting me. My name is Denisa Zágorová and I will give you a form to sign, informing you about that your identity will remain anonymous and that you don't have to answer any question you don't want to answer. And before we go through it, let me also remind you that the interview will be recorded and after that I will make a literal transcript of that. If you wish later to withdraw your participation on the research or anything you will say, just let me know. This interview is for academic purposes of my undergraduate dissertation. The topic we will discuss today is sustainability in the company Svět plodů.

Interviewer: Shall we start?

Interviewee: Yes.

Interviewer: Can you please tell me in which department do you work?

Interviewee: In distribution.

Interviewer: Are you a full-time employee?

Interviewee: Yes.

Interviewer: How long have you been working for the company?

Interviewee: Let me count that. It's been seven years since I started.

**Interviewer:** Would you say it is a good experience for you?

Interviewee: Yes, it is valuable in lots of ways.

Interviewer: Do you consider yourself satisfied working for a small business?

Interviewee: I do. I have experience working for a large company and I feel like it is more flexible in a small one, and it is not that much formal. I mean that we are like family here, well, a big family.

**Interviewer:** Yeah, I see what you mean. So, to what extent do you consider yourself as being aware of trends in business sustainability?

**Interviewee:** Hmm, I think I am quite aware, say generally. In the company I'm of course familiar with all our activities, mainly in my department.

Interviewee: Great. Could you please describe them?

**Interviewee:** Sure. Well, we replaced our old packaging, plastic packaging, with new recyclable one just few days ago. We also use old boxes for transport of orders, so we save some paper with this.

Interviewer: Thank you. Could you think of any socially responsible activities as well?

**Interviewee:** Yeah, of course. See, most of our suppliers are developing countries and for example we deliver cashews from Africa. Usually, a large percentage of raw cashews are from Africa shipped to Asia, if I remember well, it is mainly to India and Vietnam. And here they peel and dry cashews. The problem is that it leads to the exploitation of Africa because the most added value is in this process of sorting and following sale. What we do is that we prevent this by ensuring this added value stays in Africa, so if we buy African nuts, we buy them from Africans.

**Interviewer:** Alright, thank you. Do you have any other criteria for choosing your suppliers?

**Interviewee:** In a first place is always quality, then price, their reliability. In the Czech Republic we also like to work with people who have the same vision as we do.

**Interviewer:** Is it important for you if your suppliers are environmentally and socially responsible?

**Interviewee:** Well, it is not our priority. We appreciate if they are but if they are not, let's say, it doesn't affect our decision to take their products. As I said our priority is quality.

**Interviewer:** And so, how would you then describe a vision of the company?

Interviewee: Our vision is that we offer top quality food which is affordable for regular customers.

Interviewer: How would you describe values by which the company presents itself?

**Interviewee:** I would say it is that customer is always priority. We provide them with quality food, great service, great care, we listen to them.

Interviewer: In which area do you perceive the strength of the company's competition?

**Interviewee:** The strength is that there are lot of competitors. Well, we offer common products, there is nothing special about them, so everybody can just go and start doing what we do. And they do it, mostly at lower prices but also lower quality.

Interviewer: To what extent do you consider it as a competitive disadvantage for you?

Interviewee: It is manageable if we pay attention to current market trends. The thing is we need to be different from other, sure we offer better quality of products but that's not what all customers see or want in the first place. So, for example, we offer free samples of each product and we send them together with customer's order although they didn't ask for any because nobody is angry about getting free food.

**Interviewer:** Great, thank you. Is there any other area where you perceive your competitive advantage?

**Interviewee:** Yes, we also have a number of exclusive customers like non-use of packaging stores which buy from us large packages of nuts and dried fruit, these are about 20 to 50 kilos of product in one packaging. Our competition sells much smaller packages and that is not attractive for stores which are based on strategy: the least possible use of packaging possible.

**Interviewer:** What is the company currently focusing on in its development?

**Interviewee:** We always focus on enriching our product portfolio, we are looking for new trends in food industry, new suppliers. And there is a plan to expand to Polish market this year.

**Interviewer:** Are there any specific new trends in food industry that you are looking for?

**Interviewee:** Sure, usually we try to be aware of new eating habits, diets, or food itself, for example our latest product in offer is edible flowers. And at this time, we also focus on any kind of innovative food.

**Interviewer:** Does the company invest in new technologies or research?

**Interviewee:** No, we don't currently invest in new technologies or research as we just opened new store few months ago, it takes lot of money and time before it pays off. But I can say we have some intensions to invest in the research on innovative food but that's still quite far in future.

**Interviewer:** Alright, I have only couple of questions left for you. So, would you say that the company in any way contributes to the overall principles of sustainable development?

Interviewee: In some way, yes, but not as much as we would like to because as I said, there are other things we want to ensure first. And there are also costs of daily running a business.

**Interviewer:** So, in your opinion, do you think that sustainable business as a strategy would be necessary to adopt for the future of the company?

**Interviewee:** Most certainly, yes. And I actually hope it would be obligate for each company, otherwise we're just postponing problems we have on the planet, we're not solving them.

**Interviewer:** Alright, thank you very much for your time, these were all questions I had. Let me just inform you about next steps. I will take a literal transcript of the interview and I will analyse it to meet the aim of my study which is to describe how sustainable business in the Czech Republic looks like. My study is due 5<sup>th</sup> April and I assume it will be published in following months. Thank you once again for your participation and time. If you have any further questions, please, contact me.

## APPENDIX 6: ETHICS APPROVAL FORM

Form A Taught courses ethical approval

# THE UNIVERSITY OF HUDDERSFIELD Business School

#### STUDENT PROJECT / DISSERTATION ETHICAL REVIEW

#### APPLICABLE TO ALL UNDERGRADUATE AND POSTGRADUATE PROGRAMMES

Please complete and return via email to your Project / Dissertation Supervisor along with the required documents (shown below)

#### SECTION A: TO BE COMPLETED BY THE STUDENT

Before completing this section please refer to the Business School Research Ethics web pages which can be found at xxxx. Students should consult the appropriate ethical guidelines. The student's supervisor is responsible for advising the student on appropriate professional judgement in this review.

Please ensure that the statements in Section C are completed by the student and supervisor prior to submission.

Project Title:	What does the sustainable business in the Czech Republic look like?	
Student:	Denisa Zágorová	
Student number:	U1871022	
Course:	International Business BA (Hons)	
Supervisor:	Morven McEachern	
Project start date	01/02/2019	

#### SECTION B: PROJECT OUTLINE (TO BE COMPLETED IN FULL BY THE STUDENT)

Issue	Please provide sufficient detail for your supervisor to assess strategies used to address ethical issues in the research proposal
Aim / objectives of the study These need to be clearly stated and in accord with the title of the study. (Sensitive subject areas which might involve distress to the participants will be referred to the Course Approval Panel).	The aim is to describe how achieving of the business sustainability in the Czech Republic looks like based on analysis of chosen company. Objectives are as follows:  To introduce the company analysed To describe its sustainability activities To find out if there are any advantages and disadvantages having the sustainability strategy adopted for the company To find out if the company contributes to overall principles of sustainable business
Brief overview of research methodology The methodology only needs to be explained in sufficient detail to show the approach used (e.g. survey) and explain the research methods to be used during the study.	Use of semi-structured interview with its transcript to extend an insight into how the company functions. According to it, publicly available information and other general non-confidential conversations with employees will be a case study of the company written.
Does your study require any permissions for study? If so, please give details	No, it does not.
Participants Please outline who will participate in your research. If your research involves vulnerable groups (e.g. children, adults with learning disabilities), it must be referred to the Course Assessment Panel.	The target group of participants consists of employees of the chosen company which will be analysed.
Access to participants Please give details about how participants will be identified and contacted.	To all participants will be send an e-mail asking them to voluntarily participate in the research.
How will your data be recorded and stored?	The interview will be recorded on the recorder and stored in a personal computer (as well as its literal transcript) with no public access. It will be deleted from the recorder after transferring data to the computer.

#### Form A Taught courses ethical approval

Confidentiality Please outline the level of confidentiality you will offer respondents and how this will be respected. You should also outline about who will have access to the data and how it will be stored. (This should be included on information sheet.)	The interview will be anonymous. Any data which are not currently publicly available and can lead to identifying the participant will be changed or omitted. The record of interview will be only accessible to the researcher (me).
Anonymity Do you intend to offer anonymity? If so, please indicate how this will be achieved.	Yes, I do. It will be achieved by omitting or changing any data which can lead to identifying the participant (if any will be mentioned), e.g. proper names, postal addresses etc. These data will not be requested from participants during the interview.
To what extent could the research induce psychological stress or anxiety, cause harm or negative consequences for the participants (beyond the risks encountered in normal life). If more than minimal risk, you should outline what support there will be for participants.	Only risks encountered in normal life.

# SECTION C – SUMMARY OF ETHICAL ISSUES (TO BE COMPLETED BY THE STUDENT)

Please give a summary of the ethical issues and any action that will be taken to address the issue(s).

During the interview it is possible that the participant will mention information which can lead to his/her identification. These data will be changed or omitted to keep participants anonymous. These data will not be requested from participants.

The record of the interview will be stored in a password secured personal computer.

# SECTION D – ADDITIONAL DOCUMENTS CHECKLIST (TO BE COMPLETED BY THE STUDENT)

Please supply to your supervisors copies of all relevant supporting documentation electronically. If this is not available electronically, please provide explanation and supply hard copy

### I have included the following documents

Information sheet	Yes	W	Not applicable
Consent form	Yes	$\checkmark$	Not applicable
Letters	Yes		Not applicable
Questionnaire	Yes		Not applicable
Interview schedule	Yes	rsh.	Not applicable

# Form A Taught courses ethical approval

## SECTION E - STATEMENT BY STUDENT

I confirm that the information I have given in this form on ethical issues is correct.			
Signature Zagorova Date: 22/3	3   19		
Affirmation by Supervisor I have read the Ethical Review Checklist and I can confirm that, to the best of my understanding, the information presented by the student is correct and appropriate to allow an informed judgement on whether further ethical approval is required			
Signature ///////////////// Date:			
SECTION F: SUPERVISOR RECOMMENDATION ON THE PROJECT'S ETHICAL STATUS			
Having satisfied myself of the accuracy of the project's ethical statement, I believe that the appropriate action is:			
The project proceeds in its present form	1		
The project proposal needs further assessment under the appropriate Course Approval Panel			
The project needs to be returned to the student for modification prior to further action			

All documentation must be submitted to the Course Department Office (normally, Course Assistant).