

Can Fast-Food Industry Go Sustainable? A Company Evidence From Chicago

Dr. Yasemin SEN *

Management and Organization Department, School of Business, Istanbul University
Avcilar Campus, 34322, Istanbul, Turkey

* E-mail of the corresponding author: ysen@istanbul.edu.tr

Abstract

In this study, as a successful implementation, a burger company's sustainability efforts have been investigated in line with sustainability literature. As the method of research, qualitative techniques were utilized and research results have been ensured by triangulation technique. For this aim, a detailed literature review, company web site investigation and in-depth interview have been utilized. Since this company brings new sustainability solutions to fast food industry, this study has shed light on that area.

Keywords: Sustainability, Sustainable Development, Fast-Food Industry, Ladder of Sustainability, Sustainable Operations, Sustainable Company

1. Introduction

In today's highly industrialized business world, responsibilities of companies are going further than just serving the customer needs. As well as serving the customers better and getting some economical gain in return, some other issues - namely social and environmental - have started to be a concern for industries. In that vein, sustainable development has started to play a critical role for organizations. Sustainable development aims increasing quality of life and ensuring our future by means of decreasing hazardous effects of related actors in the World. Business entities are amongst the most important actors in achieving this aim (Joseph, 2013:442) and each industry has different characteristics, therefore different effects on sustainable development. In that vein, fast food industry is an important example. It has some hazardous effects on environment, on humanity and society (Schlosser, 2001:8; Sinatra and Punkre, 2006:2-7). Therefore, going sustainable has a critical importance in that sector. In order to maintain sustainability, businesses within this industry should take the necessary actions. The burger company investigated in this study is the one which has concerns about triple bottom line and bases its operations on sustainability issue. Therefore, as a successful implementation, aforementioned company's sustainability efforts have been investigated in the context of sustainability literature.

2. Literature Review

Sustainability is a term that has become very popular in the media and in academic circles in recent years (Pawson, 2001:455). Although, still there is a debate on the meaning of sustainability and sustainable development (Ratiu and Anderson, 2014:162), the main idea behind the emergence of sustainability movement is the desire to build a humane, equitable and caring, global society (Ikediashi, Ogunlana and Ujene, 2014: 305).

Although increased environmental concerns lead to the emergence of sustainable development as a new development model, the concept's roots should be thought together with the traditional development issue (Waas, Hüge, Verbruggen and Wright, 2011:1640). In that vein, when looking at the past, it can be seen that during the 1950s and 1960s, development focused on economic growth and increased economic output. When it comes to 1970s, equitable welfare distribution was the mostly focused issue (Waas et.al., 2011:1640). At that time, environmental issues were also started to be discussed. There were concerns about resource limits to growth and pollution (Arnold, 1996 as cited in Pawson,2001:455), and also environmental conservation movements have taken place (Dresner, 2008 as cited in Swanson and Zhang , 2012:630). By the 1980s, environmental protection has become an objective of development (Munasinghe, 1993 as cited in Waas et.al., 2011:1640). With the addition of environmental goal to other traditional developmental goals, it can be said that modern sustainable development has emerged. For this reason, by most of the scholars sustainable development's roots are grounded on the years in which discussions of environmental issues has started.

In this context, the Club of Rome's report "The Limits to Growth" issued in 1972 can be thought as a starting point of a worldwide discussion on sustainability. In this report, a computer based model predicting the consequences of exponential growth in world population and economy for the 21th century is presented (Zink,

Steimle and Fischer, 2008:5) and the issue of planet's physical limits, in the form of depletable natural resources and the finite capacity of the earth to absorb emissions from industry and agriculture is stressed (Meadows, Randers, Meadows, 2004:xx,xi). As well as the Club of Rome's report, some other important steps have been taken towards sustainability in time.

One of these important steps has been the United Nation's Conference on Human Environment (UNCHE) (Balbinot and Borim-De-Souza,2012:159). In this conference which was held in Stockholm in June 1972, it was aimed to create global awareness for the Earth's environment and development problems. The conference carried out with the attendance of 132 member states of UN and important outcomes were achieved (Quental, Lourenço and Da Silva , 2011:18). In the conference, Stockholm Declaration has been issued and environment was put on the international political agenda for the first time (Waas et.al., 2011:1641).

After the UN Conference on Human Environment, in subsequent years it has started to be recognized that environmental and developmental ideas should be thought together (Mebratu, 1998:501). In this context an important step has been taken by International Union for the Conservation of Nature (IUCN) in 1980. IUCN, World Wildlife Fund for Nature (WWFN) and The United Nations Environment Programme (UNEP) worked together to formulate World Conservation Strategy which was launched internationally (Balbinot and Borim-De-Souza,2012:159). In this way, environment and development concerns were started to be integrated into an umbrella called "conservation" (Mebratu, 1998:501). Although a definition was not made, since the report issued by IUCN was the first one which includes a brief chapter with a title including the term sustainable development, this was thought as the emergence of the concept (Balbinot and Borim-De-Souza, 2012:159, https://en.wikipedia.org/wiki/Brundtland_Commission).

Even though sustainable development has mentioned in World Conservation Strategy, the most commonly used definition of the term has been introduced in the report entitled "our common future" (Brundtland Report) published by World Commission on Environment and Development (WCED) in 1987 (Jones, Hillier, Comfort and Clarke-Hill, 2013:90). Sustainable Development has been defined as "*meeting the needs of the present without compromising the ability of future generations to meet their own needs*" (WCED 1987 as cited in Chowdhury, 2013:602) and this was an important milestone in the evolution of sustainable development. It was created global attention and after Brundtland Report, in time most governments have committed themselves to sustainable development (Hosseini and Kaneko, 2012:197).

After WCED 1987, United Nations Conference on Environment and Development (UNCED) has been held in 1992. In this conference which is also called Rio conference, Rio declaration has been signed. In the report firstly, the importance of human life has been stressed and human beings were mentioned as the central concern for sustainable development (Quental, Lourenço and Da Silva , 2011: 21).

Since the Rio conference, there have been many events like UN Millenium Summit (2000), World Summit on Sustainable Development (2002) and World Summit (2005) etc. (Quental, Lourenço and Da Silva , 2011:19). However, amongst them the most conspicuous one has been held in the near future. In 2015, United Nation's global summit for the adoption of post-2015 development agenda and sustainable development goals has been held in New York with the participation of relevant stakeholders including parliaments, businesses and civil society organizations. On the summit, 17 sustainable development goals and related 169 targets which will stimulate actions in critically important areas for humanity and the planet have been agreed upon and a Universal call has been made for actions supporting the transformation into a better World (UN post-2015 Agenda, September 2015; <https://sustainabledevelopment.un.org>).

Sustainable development is related with quality of life and in order to ensure that sustainability should be achieved in different areas (Joseph, 2013:442). Therefore, sustainable development has three aspects as economic, social and environment and these aspects are also called as three pillars of sustainability (Dos Santos, Svensson and Padin,2013:104). Economic sustainability is related with using resources efficiently for socio-economic wellbeing of community (Jones et.al., 2013:90). Social sustainability is related with taking care of human rights, labor, health and safety in operations and finally environmental sustainability is related with preserving natural resources (Ikediashi, Ogunlana and Ujene, 2014:305). If all of these goals are achieved, then we can say that actually sustainable development has been accomplished. Sustainable development is the responsibility of everyone. Therefore, there are several actors in sustainable development. These are governments, civil society, NGOs as well as individuals or businesses. Although everyone has some responsibilities, businesses and industries have critical effects on sustainable development of countries (Lozano, 2012:14). Therefore, corporate sustainability issues have gained much importance today. Corporate sustainability can be defined as "*meeting the needs of a firm's direct and indirect stakeholders (such as employees, clients etc.)*"

without compromising its ability to meet the needs of future stakeholders as well" (Dyllic and Hockerts, 2002:131). In order to achieve sustainability, businesses should take care of all three aspects as economically, socially and environmentally (Zink, Steimle and Fischer, 2008:5). When businesses are taken into consideration, it can be said that each industry in which these businesses operate has its own specifications and therefore has different effects on sustainability. So, industry specific studies are critical for determining and preventing harmful effects of these businesses on community. Fast-food industry is one of the industries which are known with its hazardous effects on community. Its nutritional facts, way of operations and the overall system violate sustainable development goals (Schlosser, 2001:8; Sinatra and Punkre, 2006:2-7). For this reason it is important to take some actions in this industry and this action starts with businesses inside it. Corporate sustainability actions can be achieved in different areas and levels in an organization. If sustainability is thought as a target to achieve, then the steps towards this target can be regarded as a ladder of sustainability. In this ladder, each rung shows different levels of sustainability and these rungs can be listed as follows (Holmes n.d. as cited in Young and Dhanda, 2013:140);

1. Products or Services
2. Processes
3. Business Model
4. Company Focus
5. Brand Identity of Company
6. Supplier Web and Value Chain
7. Industry Leadership and Advocacy Role

When a company achieves sustainability in all these areas then it can become an industry leader of sustainability. As we stated before, fast-food industry is critical for sustainable development and operations of businesses in that industry has a critical role. The burger company investigated here is one of these businesses but it is different from others. This company has differentiated itself from fast-food industry businesses and applied sustainability operations to its own business. Since, it creates a successful role model for other businesses, in this study, based on the sustainability literature; this company's sustainability operations have been investigated.

3. Aim and Scope of the Study

In this research, it is aimed to investigate a privately owned business's operations in the context of sustainability. For this aim a burger company from fast-food industry has been selected. This is because of the fact that fast food industry violates sustainable development and it has harmful effects on society. Therefore, transforming businesses in this industry into sustainable ones is critical. In that vein, as successful evidence, investigation of the selected company's sustainability operations constitutes the aim of this study.

4. Research Methodology

As the research methodology, qualitative techniques have been utilized. Since investigation of business operations needs detailed analysis, qualitative techniques are found to be more useful. In this regard, an in-depth interview with the company manager has been conducted. For this interview a semi-structured questionnaire has also been utilized. In qualitative studies, in order to get accurate results, trust issue is important. To maintain this reciprocal trust environment, formerly the company has been informed about the research process and it has been claimed that any confidential point specified by the company will be kept secret. Besides, in order to maintain validity of the results, triangulation technique has been utilized. This technique requires getting information from different sources. So, in that way it ensures the correct results. In that vein, as well as information obtained from interview, information from company web site, seminar from founder of the company and secondary resources (previously made interviews etc.) have been utilized in the research.

5. Research Findings

The burger company investigated in this study is a privately owned business formed in 2008. It is operated in 8 different locations in Illinois (6 are in Chicago) and this company has been formed with the aim of achieving

sustainability. Operations of this company can be explained as follows based on the ladder of sustainability.

5.1. Products and Services

Products and services constitute the basic area that should be looked at when considering the sustainability of a business (Holmes n.d. as cited in Young and Dhanda, 2013:140). From the point of fast-food industry, one can see that the kitchen of the restaurant is the final step of a mass production. In these restaurants most fast-food come to the kitchen as already frozen, canned, dehydrated or freeze-dried (Schlosser, 2001:6,7) and also they contains high fat, high salt, high calorie and chemicals (Sinatra and Punkre, 2006:2,7). These characteristics of the fast-food are dangerous for human health and it is against sustainability. On the contrary, the burger company which is investigated here uses non-processed all natural food without drugs, hormones, artificial colors and flavors. Besides, it ensures to provide its foods without nitrates, phosphates, preservatives and other additives. In that sense, in order to be sustainable, providing organic and healthy food is the main objective of the company.

5.2. Processes

As well as products and services, another important step is related with business processes. In order to be sustainable, efficiency of processes and using minimal resources are important factors. (Holmes n.d. as cited in Young and Dhanda, 2013:140). In sustainable companies, business processes should be arranged in a way that it minimizes the harmful effects of the company on economy, environment and the humanity. When we look at the inspected burger company, efforts of the company towards the sustainable processes take attention. From its production process to human resources or logistics, it can be seen that each process is carried out in line with sustainability objectives. First of all, the company takes care of the community and ensures sustainability in its *production*. In order to do that it carries out its operations with caution. For health reasons, company uses organic foods and raw materials. Also, fryer oil is recycled and refined to be used as a biodiesel and energy consumption is controlled quarterly. In this way it tries to prevent resource depletion and maintain efficiency. When it comes to *human resources*, the company believes that selecting the right people is important for sustainability. Employees are hired based on the sustainability values of the company and trained accordingly. In this way, they act with the sense of responsibility towards each other, company and the community. *Logistic and packaging* are also another important processes in the company. As it is stated before, in order to maintain sustainability, raw materials should be organic and healthy. Since frozen foods, chemicals and similar hazardous additives should be avoided; this is a daunting work for fast-food industry. But, here, this burger company solves the problem with its logistic operations successfully. As well as advantage of being a local company, selection of raw material providers based on the proximity and being careful about storage conditions ensured this process's sustainability. Besides logistic, packaging is also another issue for the company. All packaging is made from sustainable products including flatware and drinking cups. Drinking cups are made from corn and napkins are green seal certified which ensures chlorine-free processing, efficiency of the energy, water used in production and 100% recycled content. Again, it shows the company's sensitivity towards environment and the community. *Pricing* of the company products is made reasonable in order to be achievable by all parties in the community and *advertising* is made with posters on recycling bins which calls community for responsible behaviors. Finally, the company involves in some *social responsibility* events. Employees of the company volunteer at the Greater Chicago Land Food Repository as well as they attend to charity walks or runs. They serve the community and support sustainability.

5.3. Business Model

After product, services and business processes, another important step is aligning the business model with sustainability objective. In order to be sustainable, companies should select the right business model or align their business model with sustainability objective accordingly. The burger company investigated in this study has started its business with sustainability objective. Therefore, it organized its processes and its way of doing business accordingly. As a successful evidence, this company brought a new approach to the fast-food industry and created its business model as being both "fast-food and organic". By starting with this idea, it strived to go further in this sustainability journey.

5.4. Company Focus

Company focus is related with the orientation of management and members of the company. In order to be successful in sustainability, top management support, company direction and all members' collaboration is

important. This burger company has a sustainability orientation. Its code of conduct, mission and vision statements address the sustainability issue. As it is stated before, employees are hired in line with the sustainability values. Shared values create sense of identity and give employees a common direction. Both management and employees are all involved in the sustainability process.

5.5. Brand Identity

Besides a sustainable company focus, brand identity is also an important issue. As a further step, companies can create a strong brand identity. In this way, the company becomes closer to the industry leadership in sustainability. When it comes to the burger company studied here, it can be said that the company has a strong identity which is based on sustainability. Its starting point, the niche it serves and the company slogan show that this company entered the industry with the aim of achieving sustainability and created a brand identity accordingly.

5.6. Supplier Web and Value Chain

Sustainability efforts can go beyond the company and it can be extended to all its partners, suppliers and other members of the value chain (Holmes n.d. as cited in Young and Dhanda, 2013:140). It is the key point of the evidence company. Being organic, requires organic products in all value chain. Besides, for a successful sustainability management, businesses should think their effects on all stakeholders. Therefore, the company investigated in this study extends its sustainability operations to all supply chain. It uses natural food providers, local ranchers and humanly raised animals to ensure sustainability.

5.7. Industry Leadership and Advocacy Role

Once a company has become successful in the first six steps of ladder of sustainability, then it can be an industry leader and play a role in advocacy for the movement (Holmes n.d. as cited in Young and Dhanda, 2013:140). It is the case in this study. The company investigated in this study has successful efforts in all areas of sustainability. Therefore it can be seen as a role model in the industry. Sustainability is a value for the company and the company is going up in the ladder of sustainability. Besides, sustainability efforts are not limited with the company itself and it is extended to all supply chain. Therefore, it can also be said that this company has moved forward in its sustainability journey and it has an advocacy role in the industry.

6. Conclusion

As it is stated before, fast-food industry has many hazardous effects on society. Most fast food is delivered to the restaurants already frozen, canned, dehydrated or freeze-dried. It uses many artificial and chemicals. It has also negative effects on environment and social life. As well as non-humanely raised animals, health problems like obesity, heart disease, type 2 diabetes are amongst these effects. Therefore, the question; is sustainable development possible in fast-food industry? One example shows us that it can be possible. The Burger Company investigated in this study operates in fast-food industry but with its actions, it became successful in sustainability. As well as its products and services, its processes, values, company focus shows that the company is in the way of industry leadership based on sustainability. However, it should be noted that being a completely sustainable company is a daunting work and maybe impossible. So, success in sustainability is mostly thought with the closeness to this aim. But, this thought does not change the fact that this company has differentiated itself from the industry and exerted successful efforts in sustainability. Therefore it constitutes a role model for other businesses in the industry. This study would provide a valuable contribution for the sustainability literature and future researches. However, it would be useful to make similar researches in different industries with comparisons.

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