INNOVATIVE PRACTICES IN CORPORATE SOCIAL RESPONSIBILITY: A NARRATIVE STUDY EXPLORING HOW APPAREL INDUSTRY MANAGERS DESCRIBE THE OPERATIONAL PRACTICES ASSOCIATED WITH CORPORATE SOCIAL RESPONSIBILITY WITHIN THEIR ORGANIZATIONS

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Dedication

This dissertation is dedicated to my parents, (Late) Mrs Siri Bhashyam (Amma) and (Late) Dr. N. Bhashyam (Appa), without whose love and support throughout my lifetime I would not have been the person I am now. Their constant encouragement and belief in me and my abilities when I did not, inspired me to constantly do the best and strive to complete my dissertation.
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Abstract

Globalization and elimination of quotas has influenced the way apparel industry operates with multiple regions becoming more attractive for its resources. The abundance of cheap labor availability increased competition among the buyers/retailers who were responsible for driving profits for the business. CSR is particularly of interest in labor intensive industries. CSR, as the term indicates, has a very broad agenda, from environmental impacts to fair trade and labor rights. Demands by consumers and other stakeholders have forced the apparel industry, its supply chains in particular, to take steps to improve its CSR strategy and implementation. The study will examine the extent to which certain organizational decisions and actions are understood as exploitive or explorative relative to the implementation of CSR. Exploration exploitation theory specifically examines “problems in context of organizations” in order to understand the process of adapting to “things captured by terms such as search, variation, risk taking, experimentation, play, flexibility, discovery, innovation,” as well as “refinement choice, production efficiency, selection, implementation, execution” (p. 71). The study uses qualitative narrative research design. Participant vignettes of 11 managers across the apparel industry supply chain was created and analyzed.

Six conclusions emerged from this study. First, implementation of compliance audits plays a major role in organizations practicing CSR across the supply chain. Second, managers view CSR implementation in the apparel industry as a part of their organizational goal. Third, managers believe that supply chain is highly motivated for CSR implementation and consider it a way of life. Fourth, conflict management between profits and social responsibility is varied across the supply chain. Fifth, managers view of CSR operationalization in supply chain is
varied. Sixth, managers see the future of CSR as bright and believe there is room for more improvement.

*Key Words:* CSR, apparel industry, supply chain, exploration exploitation, social responsibility, globalization, small and medium enterprises (SME’s)
Chapter 1

Introduction

Corporate social responsibility (CSR) is a term widely used in most industries. CSR has been defined by the World Business Council for Sustainable Development (WBCSD) as: “the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve the quality of life” (Pearson, 2007, p. 732). Even though the definition references community and society at large, current research focuses more on “business operations and the impact on the workforce, on the environment and, more recently, of their supply chains” (p. 732).

CSR is particularly of interest in labor intensive industries. CSR, as the term indicates, has a very broad agenda, from environmental impacts to fair trade and labor rights. Demands by consumers and other stakeholders have forced the apparel industry, its supply chains in particular, to take steps to improve its CSR strategy and implementation. Globalization has intensified the need for effective CSR practices because the majority manufacturing plants are located in under developed or developing countries where the laborers involved do not have enough knowledge of the laws protecting their rights. In the fashion industry, which is glamorous, it is easy to hide the internal operations, which are not as glamorous. Effective CSR practices in the fashion industry are long overdue. The industry has initiated such practices, but their extent has been limited and narrow.

Statement of the Problem

Agee (2009) wrote that “reflective and interrogative processes required for developing effective qualitative research questions can give shape and direction to a study” (p. 431). Imel (2011) discussed the need to take “great care in conceptualizing and articulating problem
statements” (p. 146). She argued that the problem of practice statement is even more critical than selecting the method of research used to collect and analyze data. This requires intense effort on the part of the researcher, both new and experienced alike, in the beginning of any research undertaken.

Islam and McPhail (2011) have concluded that the role of non-governmental organizations (NGOs) and international governmental organizations (IGOs) has increased in response to individual nations’ inability to regulate CSR practices in companies. Although the problems have not been eliminated, there has been improvement and the industry is making a positive change towards human and workers’ rights.

CSR is a strategy widely used in most industries and has far-reaching consequences in their business processes. In the fashion industry, CSR is still in its initial stage of development. Globalization, technology, social media advances, and consumer awareness have forced it to take CSR practices seriously. One of the main factors that has directed research into this problem of practice was an online survey (Harwood, I., Humby, S., Harwood, A, 2011) that concluded that the economic downturn has not put a damper in CSR implementation. The study predicted that in coming years CSR practices will only increase. Prior studies had concluded that companies practice CSR activities only when held accountable by key stakeholders and to repair damaged reputations among consumers. The root of effective CSR initiatives is a commitment to workers, families, and local community development. This need is greater in recent years as neglect and even abuse of these key contributors to the apparel and textile industry has depleted these resources.

Society, culture, and human resilience have been recorded in history through the two world wars and many centuries before. It will be unfortunate if human resources are wasted and
depleted in the name of cheap labor and a “not my problem” attitude. This research will answer basic questions about current effective CSR practices in the fashion industry, identify motivations behind CSR, and describe how to weave these motivations into the business processes of its organizations. Many businesses within in the fashion industry are small or medium sized, and research specific to firms of that size will help narrow down the effective strategies for building this motivation. This research intends to identify the key CSR initiatives and activities in the fashion industry, as viewed by the industry managers. The complexities of the fashion industry have increased because the industry is global. The research will identify business activities which will fit in the global context of effective CSR practices.

Vanderlinde and Braak (2010) discussed the gap which exists between educational research and practice, a gap which is extremely wide in the case of the fashion industry. While research on CSR has been conducted in the fashion industry for a few decades, implementation has been limited and extremely slow. This research will begin by identifying the current best practices of CSR implementation, and goes on to identify motivation for practicing CSR implementations while highlighting any changing perceptions of the fashion industry. The conclusions of the research is intended to see how CSR influences manager’s daily-decision making. The conclusions will attempt to educate the industry and simultaneously propose additional research to help grow the knowledge base of CSR in the apparel industry.

Summarizing the purpose of the research is to explore the operation, decision choices and motivation of managers in the organizational decision-making in the apparel industry. Additionally, to investigate the CSR implementation practices and any changing perceptions across supply chain of the fashion industry.
Significance of Research Problem

In April 2013, a building in Bangladesh that housed a manufacturing facility for apparel goods collapsed (M. Taplin, I. 2014, p. 72). Attention was directed for days and weeks to the immense human tragedy, killing 1,127 workers (M. Taplin, I, 2014, p. 72). News reports and social media buzzed with gory pictures and details of what happened and why, and initiated a debate about who was responsible. The tragedy brought to the forefront issues the industry is facing in implementing effective CSR practices. The fashion industry has been constantly working to put fires out so it could focus primarily on design. CSR was not a concern for most retailers until they were affected by the negative publicity of disasters such as this factory collapse. The response of the western retail industry to the disaster has been superficial. The ultimate goal has been to shield retailers from consumer wrath and maintain profits and market share. Many times, it was considered “not our problem” if there were reports that manufacturing partners had violated labor laws. The norm was the “tick-box” system, in which retailers made sure the right boxes were marked but did not monitor the operational practices of their supply chain partners.

Globalization and the systematic elimination of trade barriers have restructured the operations of the garment industry. Outsourcing in search of cheaper labor costs has become a norm. Corporations, on the contrary, argue that “the labour cost of production is only a small part of the total cost and, therefore, the cheapest wage is not necessary for cheap and competitive production” (Chang & Wong, 2005, p. 151). Chang and Wong (2005), also argued that profits are increased by reducing the cost of production and procurement. The garment industry is constantly restructuring based on a “favorable business climate that includes low wages, low
rates of unionization, right-to-work laws, cheap resources, and community subsidies” (Chang & Wong, 2005, p. 147).

Baden, Harwood, and Woodward (2009) concluded that buyers’ pressure in CSR engagement would act as an additional incentive to Small and Medium Enterprises (SMEs). They also identified the motivation of SME owners towards socially responsible business practices as a critical factor in CSR engagement. They suggested allowing SME owners to describe their views on CSR and what motivates them to practice it in their business rather than just checking the boxes on a set of required forms identified by the large buyers/retailers as appropriate CSR practices. Harwood, Humby, and Harwood (2011) established that many organizations did not reduce CSR practices during the economic downturn. When asked the reason why, the answer was very surprising yet very simple: they felt “it’s just the right thing to do” (Harwood et al., 2011, p. 283).

Research conducted so far (Baden et al., 2009; Chang & Wong, 2005; Harwood et al., 2011; Islam & McPhail, 2011; Vanderlinde & Braak, 2010) indicates a positive tilt toward CSR practices, yet a large gap exists between research and actual practice in the fashion industry. We do not understand the role of CSR in the organizations’ operational practices. The simple answer that “it’s just the right thing to do” (Harwood et al., 2011, p. 283) does not point to any decision-making strategies adopted by the organizations as part of their operations. This research will narrow the gap between educational research and the role of CSR in operational decision-making in the fashion industry.

**Research Question**

The primary question this study will ask is: How do apparel industry managers describe the operationalization of corporate social responsibility within their organizations? A sub-
question to this study is: What is the nature of any variance of attitudes, motivations and decisions between how different supply chain groups put CSR into practice in their daily operational decisions and choices?

**Theoretical Framework**

This study will be guided by exploration exploitation theory, as described by March (1991). The study will examine the extent to which certain organizational decisions and actions are understood as exploitive or explorative relative to the implementation of CSR. Exploration exploitation theory specifically examines “problems in context of organizations” in order to understand the process of adapting to “things captured by terms such as search, variation, risk taking, experimentation, play, flexibility, discovery, innovation,” as well as “refinement choice, production efficiency, selection, implementation, execution” (p. 71). March (1991) examines choices made about using scarce resources in organizations, how these choices are calculated, and the consequences of these choices. This theory studies the process of decision-making and how “organizations make explicit and implicit choices between the two” (p. 71), exploration and exploitation. To understand an organization’s decision making process is to “understand the choices and improving the balance between exploration and exploitation” (p. 71).

March’s (1991) theory of exploitation can be related to current practices prevalent in the apparel industry. The industry has primarily focused on profit, and globalization and technological advancement have made it easier for organizations to exploit resources. The elimination of trade barriers expedited the growth of the industry, making it convenient to focus on the profit-making abilities of the organizations. On the other hand, exploration theory can be related to CSR activities within the organizations. March (1991) explains that
what is good in the long run is not always good in the short run. What is good at a particular historical moment is not always good at another time. What is good for an organization is not always good for a larger social system of which it is a part.” (p. 73)

March (1991) concludes that the major components that improve organizational performance and strengthen competitive advantage are learning, analysis, imitation, regeneration, and technology change. Further, each of these adaptations requires balancing between exploration and exploitation within the organization.

This theoretical framework gives a solid foundation upon which we can build our research. We should not be too eager to fit all our data into the theoretical framework. Sometimes, the framework and the data do not fit together at all, but the framework is still useful for explaining the phenomenon and concepts. The job of the theoretical framework is to make sense of the data and explain why people do what they do and say what they say. It allows the data to be extrapolated to broader and more general issues, which the data alone may not be able to effectively provide. The framework of exploration and exploitation discusses how these activities compete with each other and influence a manager’s decision making process within the organization’s overall operations. The overlapping nature of the theory makes it perfect to use as a framework for research into the manager’s perspective about corporate social responsibility in the apparel industry and its future in the organizational decision making process.

Research Overview

The study will use narrative methodology. The researcher will identify 9 - 12 apparel industry leaders to participate in this study and conduct semi-structured interviews to investigate the research question. The participants will be from across the supply chain of the apparel
industry, including retailers/buyers, direct manufacturers, and smaller subcontractors. The participants will be managers and decision makers in their organizations, and in some cases also be the owners. They are responsible for making operational decisions in the organizations.

The researcher will conduct the interviews through multiple modalities depending on their availability and convenience. Participants will be approached through snowball sampling and will be given all the details of the study before being asked to sign the consent forms. The interview will be recorded and notes will be taken during the interview to ensure its essence is captured. Transcribing will be done by the researcher, followed by data analysis and conclusions.

**Positionality Statement**

Organizations in the developed countries, particularly the United States of America, in most cases believe in profit maximization. In the process, they have quietly passed on the “dirty work” by outsourcing manufacturing to other countries. I have debated the role of CSR in the apparel industry, particularly in organizational decision-making along the supply chain, with many people and found it very surprising how the responses varied. To better understand perspectives of others, I believe Cole’s cultural-historical activity theory (CHAT, as described by Carlton Parsons (2008)) gives a clearer understanding of an individual’s thinking. Specifically, the cultural-historical, ontogeny (history of our lives), and microgenesis (our every moment of experiences) provide insight into an individual’s positionality.

My work within the industry during the past two decades has enriched my experience and influences how I perceive the problem of ethics and corporate social responsibility in today’s apparel industry. In terms of Cole’s ontogeny and microgenesis domains, it is my predisposition to reach certain conclusions. My country of birth is India, and I lived, studied, and worked there for 28 years. I have seen how the apparel industry has changed society, bringing more bad than
good to the lives of its labor force, particularly in India. I have lived in North America (Canada and the United States) for over fifteen years and have a great affection for it. My interest in conducting this research is to help rectify the problem of practice and help build a clean industry from the inside so it has a sparkling image on the outside. I believe this affection for the industry and the country almost negates my predisposition.

I believe my personal biases and feelings are key to an in-depth analysis of the problem of practice in the industry. Here I have identified my feelings and biases. I also have a strong passion for the industry. I believe that the industry can be as beautiful in its operations as in its final products. The combination of my passion and my strong belief in the industry is going to help isolate my feelings, personal opinions, and biases. My great affection for the industry will bring a sense of balance to my research and will help preserve my neutral position.

**Study Assumptions**

The assumptions of this research are:

- Organizations use CSR as a part of operational decision making.
- Managers/owners understand the purpose of CSR in the global context.
- March’s (1971) exploration-exploitation framework identifies the conflicting imbalance between CSR practices and organizational decision making.
- What is good for the organizations is not necessarily good for society at large (March, 1991, p. 73).

**Limitations/Delimitations**

The study will collect narrative data from 9 to 15 participants, selected based on their job title, responsibilities, and experience in the industry. These participants will have used and
implemented CSR practices in their current and/or past organizations. The study has the following delimitations:

- The study will investigate each participant in depth.
- The study will include observation and follow up questions.
- The study will give equal weight to each participant without any bias.
- The study will set a mutually comfortable time and method of working with the participants.

The study is limited to a maximum of 15 participants working in the fashion industry, which is a small number of individuals across the supply chain. The interviews will be semi-structured to ensure a thorough investigation, but the questions and format will limit the amount of data that can emerge. The study will be limited to the supply chain in the United States and India only.

**Key Terms**

For the purposes of the study, below are the key terms and definitions:

- Corporate social responsibility (CSR): “The commitment of business to contribute to sustainable economic development, working with employees, their families, the local community, and society at large to improve the quality of life” (Pearson, 2007, p. 732).

- Non-governmental organizations: The UN (2003) describes an NGO as ‘‘any non-profit, voluntary citizens’ group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens’ concerns to governments, monitor policies, and encourage political participation at the community level. They provide analysis and expertise, serve as early warning mechanisms, and help monitor and implement international agreements’’ (Guay, Doh & Sinclair, 2004, p. 126).
• Small and medium enterprises (SME): The official definition varies between 100 and 500 employees, depending on the country. (Ayyingari, Beck, & Demirguc-Kunt, 2007, p. 417)


• Supply chain: A set of three or more entities (organizations or individuals) directly involved in the upstream and downstream flows of products, services, finances, and/or information from a source to a customer (Mentzer et al., 2001, p. 4).

• Exploration-exploitation: “Exploration includes things captured by terms such as search, variation, risk taking, experimentation, play, flexibility, discovery, innovation. Exploitation includes such things as refinement, choice, production, efficiency, selection, implementation, execution” [March, 1991:71] (pg. 798).

Summary

The purpose of the research stems from understanding how managers incorporate CSR in their daily decision making. Understanding March’s exploration exploitation theory’s influence on decisions and actions of manager’s, similarities or differences of new possibilities and old certainties across groups, showing changing perceptions. This chapter began with a statement of the problem and its significance, and moved on to the theoretical framework for the study and the researcher’s positionality. The chapter ended by describing the study assumptions and key terms. The next chapter provides an overview of the literature on CSR, reviews March’s exploration exploitation theory of organizational decision making, and finally reviews the literature on apparel industry supply chains within the context of CSR and organizational decision making.
Chapter 2

Literature Review

Fashion primarily highlights the fast and glamorous parts of its industry. Creativity, design, and retailing have been the focus of most organizations. Profitability being the main result of highly creative and successful organizations, other aspects of the industry, particularly manufacturing, have been de-emphasized. Globalization and technological advancements have affected all industries, particularly manufacturing. The garment industry has been impacted by changes in where and how products are being manufactured. The industry is global and labor intensive, and as a result has issues with social compliance. Research in the field of corporate social responsibility (CSR) has grown multifold in the past few decades. This literature review studies the evolution and current state of CSR within the garment industry. This literature review begins by introducing the concept of CSR, and then describes the role of CSR in organizational decision-making and operational practices. Finally, the literature review explores issues and practices related to CSR in the apparel industry’s supply chain.

**Corporate Social Responsibility**

Cadbury (2006) discussed arguments CSR that are based in economic and ethics, which assist in discussing areas of differentiation. The corporate citizen model of CSR argues that some organizations engage in CSR for societal good and are expecting to gain from it. Their main goal is contributing to the growth of the society. This “exists where there is a strong leader with a sense of responsibility and connection to the community” (Cadbury, 2006, p. 150). The social contract model of CSR asserts that there is a corporate responsibility to respect the moral rights
of various stakeholders, which include the community (Cadbury, 2006, p. 150). The enlightened self-interest model of CSR states that engaging in CSR will build brand image and equity, translating into an increase in likability, favorability among its consumers, and greater profits.

Exploring further, self-interest as a motivation for CSR becomes a problem when social responsibility becomes a marketing tool used only to gain and improve profits. So how does one understand why the company was engaged in charitable activities if they do not publicize good deeds? Cadbury (2006) gives examples from Procter and Gamble and Honda Motor Company, surveyed about their corporate philanthropy after being criticized for not doing anything after the September 11 tragedy. The truth of the matter was that “P&G provided more than $2.5 million in cash and products, but simply did not publicize that contribution. The same held true for Honda Motor Co., which donated cash, all-terrain vehicles, and generators for use at the World Trade Center site” (p., 158). Given the above example, the idea of reputation management to build the image of a firm arises. The concept is valid and “not inherently wrong,” as suggested by Cadbury (2006), but the challenge is determining if firms are engaging in CSR activities only for the purpose of improving their reputation.

Sen and Bhattacharya (2001) attempted to understand when, how, and why consumers react to CSR by focusing on some consumer-specific moderators of such CSR responses as well as the mechanisms underlying these responses (p. 225). Sen and Bhattacharya (2001) found that “consumers’ company evaluations are more sensitive to negative CSR information than positive CSR information, even when negativity is borne of omission rather than commission” (p. 238). In other words, most consumers tend to react negatively to negative CSR activities but only the consumers who are most supportive of CSR issues will react positively to positive CSR information. Prior studies have also shown that consumers’ reaction to retailers’ cause-related
marketing efforts are uneven. Reaction varies with the type of cause and the role the retailer plays, in addition to the consumers’ own motivation state (Ellen, Mohr, & Webb, 2000).

CSR has been researched extensively in various industries and countries in the past few decades. Globalization and the systematic removal of trade barriers have exponentially increased the growth rate in most industries. Asif, Searcy, Zutshi, and Fisscher (2013) quoted a definition of CSR based on the concept of stakeholder, used by Steurer et al. (2005), 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.” (p. 274) The premise of this concept is that corporations benefit when they are engaged in integrating CSR practices in their operations and are vested in its success. Studies by Asif, Searcy, Zutshi, and Fisscher (2013), Steurer et al, (2005) have shown that incorporating CSR practices has resulted in strategic advantages for the organizations and that there is a positive correlation between CSR and financial growth.

Organizations are governed by their stakeholders, which include board members, investors, and most importantly the customers.

Stakeholder influence on the behavior of organizations has been studied in multiple articles. Harwood et al. (2011), conducted an online survey on the “resilience of CSR” during the economic downturn. Their study was conducted across a wide range of British organizations to assess their attitudes towards CSR and “captur[e] the key drivers behind their intentions” (Harwood et al., 2011, p. 287). They concluded that external legislation and regulation and customers influenced the organizations’ positive environmental responsibility, while employees and customers were the main driving force for positive social activities. Media, lobby groups, and unions did not seem to play an influential role in driving CSR activities in the organizations they studied. Pavitt (2012) found the role web 2.0 and social media play in forcing organizations
to practice CSR in a more transparent and truthful way. Her study suggested that the power to influence the attitudes of organizations has been given to “ordinary citizens.” Social media has taken the world by storm. Like-minded individuals can be mobilized through this medium by connecting with each other and exchanging information on topics and issues they care about.

Pitts (2008) discussed the role of lawyers in CSR. Pitts (2008) contended that “CSR is thus increasingly recognized as directly or indirectly ‘legal’ in its implications and effects – and if the social and environmental expectations are not now formal law they certainly highlight the direction in which the law is evolving” (p. 480). Pitts (2008) contended that “even formally ‘voluntary’ duties are rarely purely voluntary” (p. 499), going on to state that the role of lawyer is increasing in that direction. He asserted that the distinction between voluntary and mandatory is often overblown and misleading on many levels. Voluntary commitments made by corporations and/or individuals in the corporations must be followed through, and cannot be discarded for convenience. If the commitment is ignored or neglected, “the consequences can include various forms of market rejection by consumers or investors, alienated employees or unions, a regulatory response by government, or even loss of the social license to operate in the eyes of the community” (Pitts, 2008, p. 485). All the above consequences become minor and small compared to sanction – “personal embarrassment of the company’s directors, lawyers, executives, and managers in the eyes of family and friends” (Pitts, 2008, p. 485). In light of these consequences, corporations tend not to establish a distinction between voluntary and mandatory aspects of CSR. This enables organizations to avoid the risk of attracting attention for unethical business practices.

Fassin, Van Rossem, and Buelens (2011) discussed the perceptions and cognition of business ethics and CSR-related concepts by small business owners and managers. Their study
attempted to form a clearer understanding of how small business owners and managers interpret the meaning of CSR and business ethics and their role in influencing decision making. Carroll (1991) posited “for CSR to be accepted by a conscientious business person, it should be framed in such a way that the entire range of business responsibilities are embraced” (p. 40). There are four kinds of social responsibilities constituting total CSR: economic, legal, ethical and philanthropic, which Carroll (1991) depicted in a pyramid. The pyramid (see Figure 2.1) begins with the basic building block that economic responsibilities are the foundation upon which others rest. At the same time the firm is expected to obey the law and play by societal rules. The ethical block states that the firm has an obligation to do what is right, just, and fair, and strive to minimize harm to the stakeholders. At the top are philanthropic responsibilities, according to which the organizations are expected to contribute financial and human resources for the good of the society.
Figure 2.1. Carroll’s CSR Pyramid. Source: Carroll (1991).

Schwartz and Carroll (2003) identified three issues with the pyramid model of CSR: (a) the use of the pyramid could confuse the value of each block in CSR by suggesting a hierarchy of CSR domains; (b) the philanthropic block can be seen as unnecessary to some; and (c) lack of “discussion of how corporations may engage in multiple domains other than by suggesting that a toy manufacturer making safe toys would be complying simultaneously with its economic, legal, and ethical responsibilities” (p. 507). Given these issues, Schwartz and Carroll (2003) proposed a three-domain model of corporate social responsibility composed of three responsibility areas: economic, legal, and ethical. The model does not include a separate philanthropic area as it would be part of the ethical area. The definition of the three areas are the same as in the original model by Carroll (1991). The parts are suggested to be overlapping and the model is depicted in
a Venn diagram (see figure 2.2), suggesting that none of the three parts of the domain are more important or significant than the other.

Figure 2.2: Three-Domain CSR Model. Source: Schwartz and Carroll (2003).

One of the issues with CSR discussed by Pavitt (2012) is that companies worry only about their financial position. Their only legal obligation is to provide their financial statements on an annual basis; ethical and moral behavior, on the other hand, is a commitment which is largely a long-term value and not a legal requirement. Any reporting done by the organizations is at their discretion. On many occasions companies have been caught with actions considered to be
unethical and contrary to their stated values. CSR has been described as “greenwash” by many and has proven to be such on many occasions. One example of this given by Pavitt (2012) was of BP and the Gulf of Mexico oil spill. After the spill there were images of the clean-up on the BP website. Many bloggers claimed that the images on the website were doctored to show cleanup when it was not the case. The images were removed and BP made a statement about their CSR policy and ethical values. To many, it was unethical and a cover-up of the action – thus a “greenwash”. The meaning of CSR is changing with technology and easy access to information about organizations and the issues the public considers critical. Open discussion forums are where most of the movement initiates. Discussion in these forums causes the organization to build a reputation. Pavitt (2012) identified trust as the key element of an organization’s reputation.

One strategy identified by Brei & Bohm (2013) was the use of “cause-related marketing” campaigns to transform an ordinary product, like a bottle of water, into an activist brand. The campaign implies that individuals can help solve a global social problem, such as access to safe drinking water in developing countries. Lu & Abeysekera (2014) suggested that there is a positive correlation between firm size and the implementation of CSR practices. While unethical practices by large corporations like BP can cause critics to dismiss the validity of CSR, cases like Volvic brand water’s promise of providing safe drinking water in Africa is a breath of fresh air. The positive cases, such as Volvic’s, also build brand loyalty and trust. This is a complex strategy for increasing corporate profits and is a role model for ethical behavior. Volvic took a step towards this ideological business, which can be seen as worthy of praise. When the company terminated the campaign in 2010, the question arose, how should it be viewed? To critics, it simply meant that “when certain social issues no longer fit into the marketing strategy
of corporations, then these private actors can simply walk away” (Brei & Bohm, 2013, p. 13). Contrary to Volvic’s manager’s beliefs that this created awareness among the western world about the problem of scarce drinking water in Africa, by terminating the campaign, the company fell prey to a critique of “doing good” to boost sales and brand image.

Gowda (2013), stated that the “fundamentals of CSR rests on the fact that not only public policy but even corporations should be responsible enough to address social issues” (p. 7). Gowda (2013) described another interesting type of CSR: Mahatma Gandhi’s notion of “trusteeship.” Gowda (2013) quoted Gandhi’s ideology as encouraging industrialists to act towards building the nation and its socio-economic development. Under his influence, many industrialists established schools, colleges, and other educational institutions. This ideology was in line with Gandhi’s original reforms, which worked to remove untouchability, empower women and develop rural areas (Gram Udhyog).

Maas & Reniers (2014) identified human recourse management (HRM) as a building block in establishing sustainable development. A mindset favoring sustainability can be a parameter for hiring new employees. Maas & Reniers (2014) quoted Ceres, (2010) on how instead of just being a talking point, CSR and “sustainability criteria must be embedded in each employee’s goals, job responsibilities, and performance incentives” (p. 110). To ensure employees are committed to the “sustainability criteria,” HRM must be given the flexibility to develop criteria within the framework of organizational requirements. This independent thinking will boost the motivation and commitment of employees toward their job responsibilities and organization.

International norms and standards for environmental protection have evolved in the last few decades. Multiple treaties, conventions and agreements have been established, which
collectively comprise a body of multilateral environmental agreements (MEAs). Siegele and Ward (2007) discussed the linkage between CSR and MEAs. The authors discuss the suggestion by an international business leader Jane Nelson that “CSR can be understood, and needs to be implemented, at three levels” (p. 137). Adapting her approach slightly, these are:

- Efforts to address the direct impacts of core business activity;
- Efforts to address companies’ contributions to community development and social investment; and
- Efforts to channel the public policy engagement and advocacy (Siegele & Ward, 2007, p. 137).

The authors concluded that MEAs and CSR must be mutually supporting through the process of learning and establishing commitments to create an environment for responsible business behavior.

Recently academic discourse on CSR has recognized that cross-cultural perspectives and different cultural norms of social engagement mean that CSR should be applied in different ways. The studies have examined CSR implementation, impact, and corporate response in different regions and cultures of the world. The studies have primarily considered national boundaries as cultural boundaries. Runte, Basil, and Runte (2010) focused on cross cultural differences within a nation. They studied Canada in terms of English Canada and French Canada. The premise was that cultural differences exist within countries like Canada, which has “regionally rooted cultures, each marked by its own unique political and cultural contexts” (Runte et al., 2010, p. 248). The study by Runte et al. (2010) is unique in its own right as it views company supported employee volunteerism (CSEV) as a construct of CSR. The recent trend of businesses encouraging CSEV among their employees differs based on the cultural differences
identifiable within the organizations. In this case, the deep rooted differences between English Canada and French Canada were established long before organizations existed. How do cultural differences within one nation influence the implementation of CSEV by organizations? A study of the cultural landscape by Runte et al. (2010) identified the differences through a historical lens. Identifying Canada as a “cultural mosaic,” two prominent cultures were identified as French Canada (Quebec) and English Canada. The research concluded that cultural differences play a crucial role in how CSEV is practiced in organizations within a culturally diverse nation. The research concluded that there is a “need for business to consider cross-cultural differences when participating in the global economy; CSR expectations may vary depending upon cultural norms” (Runte et al., 2010, p. 260).

Carron et al. (2006), attempted to move beyond critiquing CSR practices. The paper outlined what the authors “consider to be a new agenda for critical research on CSR in the developing world” (Carron et al., 2006, p. 977). They contended that current research has been limited to “perspectives of American and European multinational companies, NGOs, governments, trade unions, and academics” (Blowfield & Frynas, 2005, in Carron et al., 2006). Globalization makes it necessary to expand perspectives to “reflect experiences on the ground in developing countries” (Carron, et al., 2006), and thus ensure the legitimacy of CSR initiatives in the region of implementation. They argued that voluntary initiatives vary based on the countries, particularly developing countries, where the existing framework does not give room for it. Example of countries such as India and Pakistan where businesses are not fully adopting legal obligations have to address that aspect before entering into the voluntary aspects of CSR.

An interesting aspect of CSR research is identifying the link between CSR and the public sector as a means of sustainable development. Ray (2013) concluded “that the mandatory CSR
guidelines for Indian public sector has the potential for achieving sustainable development only if early action is taken” (Ray, 2013, p. 128). He discussed this linkage in the context of India. He asserted the necessity for CSR in the Indian public sector as a means to finance and achieve sustainable development. Steurer (2010) concluded “that CSR started out as a neo-liberal concept that helped downscale government regulations, but that it has in turn matured into a more progressive approach of societal co-regulation in recent years”(p. 128). This gives the study of CSR a new lens to look through and identify practices in the business world.

The evolution of CSR has changed and developed since its inception. From greenwash to trusteeship, CSEV, and embedding sustainability criteria within job responsibilities across various industries and regions, CSR has been used and evolved across industries. Organizations in various industries have interpreted CSR within their business practices. There still remains a gap between effective CSR and business practices. Studying the use of CSR in decision-making by apparel industry managers helps us understand its viability and its future in the industry. A study of current behavior and the trade-offs the managers are practicing will give an insight into whether practicing effective CSR is determined by the “administrative man” as one of the alternatives that is “good enough” to be chosen.

**Decision-Making & Operational Practices**

The current problem being faced by the fashion industry and the organizations within it supports Karl Weick’s argument made by Boland, Hutchinson, and Ladd (1982) “that the goals which we suppose that the management pursues are often only identified retrospectively, after managements have satisfied their primary preference for unreflective action and found that they must give an account of what they have done” (Boland, Hutchinson, & Ladd, 1982, p. 18). The profit-centric nature of the organizations leads to Boland et al.’s, (1982) description of the
management process as the struggle for power and positions within the organization. Boland, et al. (1982) elaborated on Salancik and Pfeffer’s conclusion that people in power positions have an individualistic sense of values, goals, opportunities, and problem-solving in the organization they manage. Managers in different departments differ in their individualistic sense, particularly in problem solving aspects. Production may place importance on quality, delivery, and costing the product, while marketing may emphasize customer satisfaction, visual images, and brand development. Conflict among power position individuals in an organization is not considered a problem; instead, it “is a process of aligning the organization with the appropriate factors, resources, opportunities and constraints of its environment” (Boland et al., 1982, p. 19), and necessary in organizational decision-making. The chaotic approach by organizations’ management has been well described by Boland et al. (1982, p. 19) in the example of General Motors Corporation and the decision-making by its management during the 1973 oil embargo. Boland et al. (1982) described Joseph Kraft’s intrigue with the actions delayed by General Motors’ definition of the problem and management’s approach to problem solving. To conclude his investigation, Kraft was unable to identify why and how the “downsizing decision” was adopted as a strategy to resolve the embargo problem of 1973.

The over-exploitation of organizational abilities in the apparel industry results from fast growth in the industry. Coupled with technological development, the industry has adapted to the exploitation of resources for propelling growth to a maximum. Extensive exploitation of resources was not always good for the organizations in the long run, although they brought short term success and growth. The industry began to realize the ability and need to balance exploration and exploitation.

![Organizational Learning Diagram](image)

*Figure 2.3. Proposed model for role of CSR in organizational Decision-Making and Organizational Learning.*
March’s (1991) exploration and exploitation theoretical framework represents every aspect of the proposed study. March (1978) argued that the search for intelligence in decision-making is an effort to rationalize anomalies in behavior, contending that actions are followed after scientific calculation or through process that seem sensible at that moment. The idea is that all behavior has to make sense and have some calculated and scientific backing. March (1978) argued that not all decisions makes sense: some are foolish or built on bounded rationality, which limits human beings’ cognitive ability. Jones (2002) posited that March’s (1994) statement supporting that breakthrough in study of human cognition is likely to have come from study of organizations. Their decision-making and lapses of judgment are best viewed in the organizational setting (p. 271). March (1991) suggested that organizational ambidexterity ensures long-term success by balancing the need to innovate and adapt to environmental changes and at the same time extend existing processes and technologies.

**Balancing through ambidexterity**

Voss and Voss (2013) discussed difficulties and organizational complexities, and questioned whether the simpler strategies of focusing on exploration or exploitation are successful. The complexities of ambidexterity are even more difficult for smaller firms, as has been discussed by Voss and Voss (2013). They “distinguish between exploration and exploitation in product and market domains” (p. 1). Identifying two main basic functions of a small and medium-sized enterprise (SME), they examined different intraorganizational levels. Voss and Voss (2013) “focus on when and how exploitation, exploration, and ambidexterity affect organizational performance” (p.12). Voss and Voss (2013) suggested that product ambidexterity does not have a positive effect on revenue for smaller, younger, or older firms, indicating that “smaller, nascent organizations lack the resources, capabilities, and experience
required to manage the tensions and trade-offs that escalate when exploration and exploitation manifest within a single domain” (p. 12). They also concluded that “by keeping focused on a pragmatic plan and well-defined mission that specifies realistic, intended offerings and target markets, small organizations can maximize their impact and create a clear identity (Bradach et al, 2008; Voss & Voss, 2013, p. 16).

Stettner and Lavie (2014) studied the interplay of a firm’s exploration and exploitation activities across distinct modes, thus accounting for various means by which the firm balances these activities (p. 1904), and promoting a new approach to balancing them. Their study gave insights into how exploring in one mode while exploiting in another benefits the organization. Stettner and Lavie (2014) disclosed the disadvantages of traditional forms of balance within modes, and that firms do not benefit from the balance between exploration and exploitation via internal organization. Their study showed “how a firm enhances its performance when exploring in one mode while exploiting in another, especially when balancing these activities across the internal organization and accession modes. The boundaries of these modes serve as buffers for decoupling exploration from exploitation” (p. 1923). Stettner & Lavie (2014) found that it is more beneficial to balance across modes than within modes.

O’Reilly and Tushman (2013) discuss five conditions necessary for leaders to manage ambidexterity successfully:

- A compelling strategic intent that intellectually justifies the importance of both exploration and exploitation.
- An articulation of common vision and values that provide for a common identity across the exploitative and exploratory units.
• A senior team that explicitly owns the unit’s strategy of exploration and exploitation; there is a common-fate reward system; and the strategy is communicated relentlessly.

• Separate but aligned organizational architectures (business models, structure, incentives, metrics, and cultures) for the exploratory and exploitative units and targeted integration at both senior and tactical levels to properly leverage organizational assets.

• The ability of senior leadership to tolerate and resolve the tensions arising from separate alignments (p. 9).

O’Reilly and Tushman (2013) concluded that “for organizations to survive in face of change, they need to be able to successfully exploit their existing businesses and to explore into new spaces by reconfiguring existing resources and developing new capabilities” (p. 19). They explored ambidexterity through the leader’s lens: the actions and behaviors that enable the firms to explore and exploit through strategic leadership in changing environments.

Boumgarden, Nickerson, and Zenger (2012) suggested organizational ambidexterity by O’Reilly and Tushman (2008) when they proposed to create a balance between exploration and exploitation activities by crafting complex hybrid or dual structured organizations. This approach calls for one part of the organization to engage in exploration while another part engages in spoliation, with any resulting organizational inconsistencies overcome through integration efforts by top-level managers (Boumgarden et al., 2012, p. 588). Using the leaders’ skills, a balance between exploration and exploitation is achieved and any inconsistencies are overcome. O’Reilly and Tushman (2013) discussed three approaches to ambidexterity over the years: sequential, structural and contextual, as suggested by Duncan (1976), “to accommodate the conflicting alignments required for innovation and efficiency firms need” (p. 7).
Sequential ambidexterity. Many early studies had the view that firms can adapt to environmental conditions or strategies. O’Reilly and Tushman (2013) discussed Boumgarden et al. (2012), their process of “vacillation,” the argument that organizations can switch between formal structures more easily than they can change informal and cultural aspects of the organization. Examples of sequential ambidexterity cited by O’Reilly and Tushman (2013) were Ford and Hewlett-Packard (Boumgarden et al., 2012), the Danish hearing aid firm Optician’s century-long strategic and structured evolution (Lovas and Ghosal, 2000), and Greets et al.’s (2010) study of 532 Belgian companies which found that “both sequential and simultaneous ambidexterity had positive effects on growth but noted that service firms were more likely to rely on sequential ambidexterity” (p. 9). These examples suggested that “sequential ambidexterity may be more useful in stable, slower moving environments (e.g. service industries) and for smaller firms that lack the resources to pursue simultaneous or sequential ambidexterity (Chen & Katila, 2008; Goosen et al., 2012; Rakmachandran & Lengnick-Hall, 2010; Rosenkopf & Neckar, 2001; Templar & Van De Vrande, 2012)” (O’Reilly and Tushman, 2013, pg. 9).

The examples in the research so far have not investigated the transition from exploration to exploitation or vice versa, nor how easy or disruptive the change is. Pointing to HP’s vacillation between centralized and decentralized operations for over 25 years, which has been labeled as sequential ambidexterity by Boumgarden et al. (2012), they ask if it is really ambidexterity? O’Reilly and Tushman (2013) contend HP was a failure in spite of their structural changes.

Simultaneous or structural ambidexterity. A second way to balance the exploration and exploitation trade-off proposed by O’Reilly and Tushman (2013) is through simultaneous pursuit of both, using separate structural subunits in an organization. These subunits are held together by
a common strategic intent and leveraging shared assets. This was described by O’Reilly and Tushman (2013) as more of a leadership issue than a structural one, with the key to ambidexterity being the ability of the organization to seize new opportunities through simultaneous exploration and exploitation (p. 10). Additionally, O’Reilly and Tushman (2013) pointed to a detailed case study by Kauppila (2012) were the company relied on internal ambidexterity and external partnerships to enhance its ability to explore and exploit, thus concluding that inter-organizational and intra-organizational approaches to ambidexterity are complements rather than substitutes (p. 12).

**Contextual ambidexterity.** Another way of creating a balance between exploration and exploitation can be at an individual level, which has been defined by Gibson and Birkinshaw (2004) as “the behavioral capacity to simultaneously demonstrate alignment and adaptability across an entire business unit (p. 209)” (O’Reilly and Tushman, 2013, p. 11). Although this is similar to sequential and structural ambidexterity, there are some subtle differences. Three differences were described by O’Reilly and Tushman (2013). First, the emphasis is on individuals rather than units making the adjustment between exploration and exploitation. Second, ambidexterity is achieved when individuals agree that their unit is aligned and adaptable. Third, the organizational systems and processes that enable this individual adjustment are never concretely specified other than that they promote, stretch, discipline, and trust (p. 11). The leader and manager’s capacity to demonstrate alignment and adaptability to exploration and exploitation throughout the entire business unit enhances ambidexterity.

In conclusion, O’Reilly and Tushman (2013) contended that the three modes of ambidexterity are potentially viable and illustrate that over time firms may use a combination of
these to balance exploration and exploitation. Further, the authors state that different ways of achieving ambidexterity may depend on the nature of the market faced by the firm.

Raisch, Birkinshaw, Probst, and Tushman (2009) discussed the balancing of exploration and exploitation for ensuring that organizations sustain performance, which requires a level of organizational ambidexterity. They argued the following. First,

that managers can exhibit (to different degrees) personal ambidexterity by engaging in both exploitation and exploration activities. Second, the extent to which managers are ambidextrous varies within and across contexts. Third, organizational ambidexterity is influenced by, but no means limited to, its members’ cumulative personal ambidexterity. (p. 688)

Their observations give insight on how exploration and exploitation can be used by managers in the apparel industry across supply chains within the context of CSR, as part of the organizational decision making process.

**Decision Making with Exploration Exploitation**


1. Principle of intended rationality - the model starts with the notion that people are generally goal oriented but often fail due to clash of complex cognitive architectures and essential complexity of environment (p. 272).

2. Principle of adaptation - explains that given time, human thought is adaptive and rational.

4. Principle of trade-offs - Simon’s notion of “satisficing” was identified by Jones (2002) as the first understanding of trade-offs with “his idea that ‘administrative man’ - an individual in an organization - chooses alternatives that are ‘good enough’” (p. 274).

Simon went on to argue that people set aspiration levels for goals, and if the choice is good enough then it is chosen. Jones (2002) discussed Kahneman and Tversky’s (1979) argument that people have difficulty trading off benefits against losses, contradicting standard utility maximization theory. This argument in behavioral theory is key to understanding the decision-making strategies and trade-offs adopted by managers of organizations within the fashion industry supply chain.

Trade-offs exist between exploration and exploitation within domains, “yet firms can simultaneously nurture organizational routines that regulate exploitation in one domain while investing in absorptive capacity to support exploration in other domains” (Lavie & Rosenkopf, 2006, p. 804). Considering the conflicting pressures imposed by inertia and absorptive capacity, and firms’ inherent tendencies to specialize in either exploration or exploitation within each domain, firms may counter their tendencies to explore in one domain by exploiting in another (Lavie & Rosenkopf, 2006, p. 804).

Su and McNamara (2012) contended that “balancing exploration and exploitation has been the core of the strategic renewal of the firm” (p. 129). Su and McNamara (2012) “investigate the domain separation of exploration and exploitation in the internal context of an organization” (p. 130). Su and McNamara (2012) described exploration as firms that “tend to
pursue more knowledge that is new to the firms now than they did in the past” and “firms focusing on exploitation act in reverse fashion, pursuing less knowledge that is new to the firms now than they did in the past” (p. 131). Mom, Van Den Bosch, and Volberda (2007) investigated the influence of managers’ exploration and exploitation activities through top-down, bottom-up and horizontal knowledge inflows. Their research indicated a positive relationship between exploitation activities and top-down knowledge inflow, while finding no relationship between exploitation and bottom-up knowledge inflow. On the other hand, their study suggested that there is a positive correlation between exploration activities among the managers and bottom-up knowledge inflow. Their study contributed to the relationship between exploration and exploitation and configuration of knowledge inflows through managers in organizational operations.

Mom et al., (2007) discussed the argument proposed by March (1991) on the trade-off that exists between exploration and exploitation. Furthermore, Mom et al. (2007) quoted studies by He and Wong (2004) and Gibson and Birkinshaw (2004) that argued that exploration and exploitation are not mutually exclusive at the firm or business unit level. Mom et al. (2007), proposed that exploration and exploitation are not mutually exclusive at the manager level as well. Whereas some managers engage more in exploration activities as compared to exploitation activities, or the other way around, other managers have high levels of both exploration and exploitation. (p. 23)

Their study illustrated that top-down knowledge inflows of managers relate to their exploitative activities, and bottom-up knowledge inflows of managers related to their exploration activities (p. 26).
Sirén, Kohtamaki, and Kuckertz (2012) attempted to understand the mediation construct between opportunity-seeking (exploration) and advantage-seeking (exploitation) strategies and profit performance (p. 18). In their study of strategic entrepreneurship, Sirén et al. (2012) addressed the issue of firms’ internal process-related mediating and moderating factors and how they link between exploration, exploitation, and firm performance, building on organizational learning and strategic learning. The study proposed that “as the strategic learning process does not create strategic knowledge by itself, it is dependent on the knowledge created by opportunity-seeking and advantage-seeking strategies” (p. 22). Furthermore, exploration strategies enable the organization to learn about new market opportunities and exploitation strategies create knowledge based on building a competitive advantage using the current business practices. The study concluded that the “results support the proposition that exploration and exploitation have positive impacts on strategic learning that, in turn, is conducive to firm performance” (p. 36).
Kyriakopoulos, K., & Moorman, C. (2004) put forth the arguments made by Levinthal and March (1993, p. 105), on the balance needed between exploration and exploitation to ensure the survival and growth of organizations. Their argument proposed that organizations engage in exploitation to ensure current viability while, at the same time, to ensure future viability the organizations must devote enough energy and resources to exploration activities. Kyriakopoulos, K., & Moorman, C. (2004) proposed “that a firm’s market orientation can systematically promote synergies between exploratory and exploitative marketing strategy activities” (p. 220). They contended that this market orientation can assist in providing an “opportunity for cross fertilization and complementary learning between the two strategies” (p. 220).

Kyriakopoulos, K., & Moorman, C. (2004) and Mom et al., (2007) indicated that both exploration and exploitation activities have a part in contributing to an organization’s competitive advantage. Understanding these activities through the manager’s perspective and marketing strategies, they covered the critical operational and decision making areas required for the organization’s success and growth. There are limitations, including the industries focused on in the studies, so there is a need to conduct similar research in other industries. The complex supply chain systems in the apparel industry makes it an optimal industry for studying the effects of exploration and exploitation activities engaged by managers, and their relation to building sustainable organizations, which includes the role of CSR practices in their decision making process.

Holmqvist (2004) examined the relationship between exploitation and exploration in intra- and inter-organizational learning processes. Holmqvist (2004) examined two ideas “that are implicit and explicit in much contemporary conversation on organizational learning” (p. 2). First, organizational learning involves dynamics between exploitation and exploration; second,
organizational learning happens in multiple dimensions within and between organizations (p. 3). Holmqvist (2004) found that during the initial process of intra-organizational exploration between departments, the learning transformed into a process of joint exploitation with partners by focusing on particular experiences to be used in the production process. The previous explorative activities were in no way de-coupled to the following exploitative phase. (p. 27)

The study addressed a research gap in linking insights about intra- and inter-organizational exploitation and exploration to understanding organizational learning. Holmqvist (2004) confirmed earlier research in the field of organizational learning that “organizations often learn as exploitation or exploration either within or between organizations” (p. 37).

**Apparel Industry**

The problem of effective CSR practices has plagued the garment industry for decades. Concern increased exponentially after multiple incidents of unethical practices were exposed within the industry. The Bangladesh factory fire in 2013 caused many retailers to “take action.”

Globalization and the systematic elimination of trade barriers have restructured the operations of the garment industry. Outsourcing in search of cheaper labor costs has become a norm. Corporations argue that “the labour cost of production is only a small part of the total cost and, therefore, the cheapest wage is not necessary for cheap and competitive production” (Chang & Wong, 2005, p. 133). Chang and Wong (2005) also argued that profits are increased by obtaining a low cost of production and procurement. The garment industry is constantly restructuring based on a “favorable business climate that includes low wages, low rates of unionization, right-to-work laws, cheap resources, and community subsidies’ (Chang & Wong, 2005, p. 133). They identified the inability of the trade unions to deal with the labor movement in the global garment
industry. Their paper argued that trade unions have failed to be effective beyond national lines. They concluded

that building a new labour solidarity is possible for the labour movement only if it is engaged in organizing from the “bottom-up,” both inside and outside factories in developing as well as developed countries, rather than taking a top-down approach based on market power of developed countries or the institutionalized leverage of international trade unions. (Chang & Wong, 2005, p. 143)

The initial move by the U.S. garment industry was south of the border. Since then, most manufacturing jobs in the garment industry have moved to developing countries that have lower labor costs, thus ensuring a low cost of manufacturing. Being a labor intensive industry, fashion now has most of its manufacturing located outside of the United States, and is constantly looking for new regions for the future. In the 1990s, U.S. brand and retail companies were targeted by consumer movements. Since then, the consumer campaign has been using naming and shaming tactics to link developing countries’ labor exploitation to the brand and retail companies. The argument of “buying power” has been now replaced by the “buyers’ choice” to buy “clean” and not blood stained products (Chang & Wong, 2005).

De Abreu, de Castro, de Assis Soares, and da Silva Filho. (2012), stated that national institutional environments play an important role in shaping CSR practices. They pointed out a study by Griesse (2007) that there is a widespread perception in Brazil that the state is unable to provide an adequate quality of life for all its citizens. This is why Brazilian firms have developed strategies to address social issues as well as environmental ones. “Oliveira (2006) has pointed out that Brazilian corporations are experiencing new pressures from clients, NGOs, international investors, and media to become more transparent and accountable about their social and
environmental impacts” (de Abreu et al, 2012). The implementation of ISO 14001 has become truly attractive to investors, hence putting pressure on companies in Brazil to obtain it. Bureaucracy and lack of pollution control infrastructure is hampering this implementation. On the other hand, China is one of the fastest growing economies in the world. By the late 1990s many Chinese companies were implementing CSR codes of conduct. However, this activity was limited to monitoring audits of the factories themselves. Lattemann et al. (2009) suggested that the pattern of CSR development may be different among emerging countries due to differences in governance systems (Oliveira, 2006). Oliveiras (2006) observed that Brazil’s vocal society demands responsible actions on environmental, social, and labor issues by government and businesses. On the other hand, CSR progress will be limited until the legal system is updated to provide stronger governance.

Islam and McPhail (2011) explored large corporations’ CSR practices. Companies like Wal-Mart, Nike, and Gap have been scrutinized time and again for their CSR practices. In recent years international governmental organizations (IGOs) and non-governmental organizations (NGOs) have become more active in ensuring that multinational organizations implement CSR practices. The NGOs and IGOs network, along with the media, has tried to lobby corporations for commitments to respect workers’ rights. Islam and McPhail (2011) discussed the role of the International Labor Organization (ILO) in progress they made towards the issue of child labor in Bangladesh’s garment sector, which constitutes 80% of total exports. They heavily depend on garments for their economic growth. The pressure for obtaining increasing number of customers and orders results in many companies in Bangladesh ignoring labor rights and protection. There has been progress but there is lot more needed.
Islam and McPhail (2011) concluded that the role of NGOs and IGOs has increased in response to individual nations’ inability to regulate CSR practices in companies. Although the problems have not been eliminated, there is still a reduction in the issues and the industry is making a positive change towards human and workers’ rights. The companies are now voluntarily disclosing their CSR practices and are held accountable for their actions or inactions.

This paper has so far discussed the CSR practices of large corporations. The study of small medium enterprises (SMEs) is critical as the apparel industry includes many SMEs. For a large corporation with financial means, implementing CSR practices is not a burden. A SME, on the other hand, is constantly working on meeting day-to-day commercial demands so CSR implementation imposes a financial and operational burden which it is not able to absorb.

Another aspect of CSR among SMEs is the treatment of foreign workers and citizen workers. Crinis (2010) concluded that the incorporation of foreign workers in Malaysian factories is riddled with problems. The implementation of CSR and codes of conduct have improved conditions to a certain extent, but the problem of no minimum wage in Malaysia exists and leaves room for factory owners to evade the standards. Crinis suggested that CSR does not promise workers decent pay, limited overtime, and better living conditions. This is particularly true for foreign workers. Rivera-Lirio and Munoz-Torres (2010) conducted a survey of business and social agents on CSR in SMEs in the Spanish region of Valencia. The survey identified the crucial role of SMEs’ owner-managers and “the influence their value system exerts on the development of socially responsible activities” (Rivera-Lirio & Munoz-Torres, 2010, p. 587).

Fernando and Almeida (2012) examined the virtuousness of a Sri Lankan family-owned enterprise’s strategic CSR initiatives. They illustrated how strategic CSR could be virtuous as it has a positive contribution to “doing good” for the community despite generating profit.
virtuous image gives the corporation positive publicity and is advantageous to the firm. While this is one case study in one country, it has broader implications for the virtuousness of strategic CSR.

**CSR Practices in the Apparel Industry Supply Chain**

In recent years multiple incidents have exposed unethical practices corporations are conducting. The participants have been slow to realize they are accountable. A code of conduct has been developed as a guideline for organizations to follow. The code of conduct, although a good step, is not effective due to the varied nature of the industry. Many other factors, such as size of the organization, its position in the supply chain, and the country in which it is located make it difficult to propose one single guideline for all. Organizations and managers in these organizations are key decision makers and share an interest in the way organizations and their individual departments function. The quality of the managers’ functioning directly and immediately affects the quality of the organizations’ functioning. As organizations are a part of the society we live in, it also affects the quality of the social setting in which they operate. Supply chain practices are the major source of labor rights violations in the garment industry. Being a heavily labor intensive industry, the issue is critical and global. Studies have been conducted to identify issues relating to buying practices and how they have influenced the supply chain within the CSR context.

Baden et al. (2009) concluded that buyers’ pressure in CSR engagement would act as an additional incentive to SMEs. There is also some support in research that including CSR in procurement practices may result in SMEs being competitively disadvantaged. Another result was that engagement in CSR was motivated by SME owners and managers. They suggested allowing SMEs to describe their achievements in CSR in their own words rather than via a tick-
box approach (Baden et al., 2009) They made the case that incorporating CSR in procurement decisions should be done comprehensively or not at all. The SMEs must believe that genuine engagement, rather than merely meeting the minimum standards, will affect their chances of success in the business (Baden et al., 2009). This will ensure the SMEs devote time and commitment to attaining CSR in all aspects of their supply chain, genuinely rather than just superficially.

Baden et al. (2009) examined the issues surrounding the effective implementation of a code of conduct (Social Accountability 8000) in the supply chain partners and chain director for SMEs. Four case studies were discussed and four propositions were identified and defined. The discussion of the case studies showed that two propositions (1 and 4) were supported and the other two (2 and 3) were partially supported. The propositions 1 and 4) - codes of conduct can improve communication between supply chain partners and between direct and indirect partners, and the bonding practices of the agents, involving self-evaluations, help suppliers monitor them across various countries. The propositions (2 and 3) that the code of conduct can reduce adverse selection of suppliers and can solve moral hazard problems, particularly in case of third-party monitoring of all parties involved, were partially supported. This study is particularly of interest in the apparel industry as the majority of the supply chain consists of SMEs. Additionally, the supply chain is very complex, with multiple parties involved.

Chang and Wong (2005) discussed the role of labor activism after the introduction of CSR in the global marketplace. Their paper built upon the global mobility of capital and the effects it has on labor and manufacturing. They discussed the role of corporations and the freedom and ease with which they are able to relocate their manufacturing in the face of
discomfort. This becomes a constant threat to labor unions and encourages local governments to introduce anti-labor policies to benefit the corporations.

CSR practices have been evolving in the past few decades. In the past decade the world of supply chains in the garment industry has become more global. Many studies have been conducted on organizational behavior, particularly regarding the changing nature of the industry. Harwood et al. (2011) conducted research on the resilience of CSR practices in the face of an economic downturn. They conducted a poll online which resulted in the majority voting to cut down or stop entirely the implementation of CSR practices. A further survey discovered that the main reason for practicing CSR, according to the respondents, was that they felt “it’s just the right thing to do” (Harwood et al., 2011, p. 288). The survey also predicted an increase in CSR practices in environmental and social contexts. This study found that CSR practices were more resilient than was thought in the beginning. Chen, Larsson, and Mark-Herbert (2014) established that “external drivers currently constitute the main reasons for Chinese companies to implement CSR initiatives.” Their study identified pressure from international and domestic groups, Chinese government, and NGOs as the external drivers for CSR. The authors hoped that as CSR gains general acceptance it may become more than a competitive advantage and be associated as a way of doing business.

Cramer (2008) offered a step-by-step guide towards an appropriate implementation of CSR practices in the supply chain. The steps to effective implementation vary depending on the complexity of the supply chain. The step-by-step guide helps organizations choose an appropriate way to put CSR into practice. The global context of the supply chain can result in variety of problems. First, obtaining the support of the suppliers can be difficult and complex. They may reject the requirements as not required or critical for their business. The next problem
identified is whether the suppliers comply with the requirements, particularly when the products come from various regions. Monitoring becomes complex and tedious. Further, the third problem is the need for transparency by both internal and external stakeholders. Finally, many companies cannot organize CSR themselves and at times consider it a waste of time and resources. Combining forces to achieve the same goal is needed for effective implementation of CSR practices.

Jones, Comfort, and Hillier (2007) focused on British retailers’ claims about effective CSR practices in their organizations and their supply chain activities. Retailers have an impact on society in its environmental and social setting. The retailers have a visible role on society and time and again become a focus of society’s investigation through claims of their negative influence on it. The retailers agreed that effective CSR practices have improved their long-term viability and the interests of all stakeholders. They also believe that CSR gives them economic stability “by integrating sustainable development in their businesses” (Jones et al., 2007) in the long run. At the same time, these claims have been refuted multiple times. Many times remedial actions have been taken only because it made business sense.

Brun et al. (2008) conducted research on luxury goods in the Italian fashion market. This study is unique as most other literature deals with supply chain management in the mass market. It is assumed that CSR practices are implemented to the fullest extent in the luxury market. Logistics and supply chain management differs in the luxury goods market and has been studied. They suggested further research and study of CSR practices in that side of the market. I would assume violations might be fewer, although it might not be completely free from them.

Summary

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The study of effective implementation of CSR has been conducted across industries for many decades. There has been extensive literature on CSR practices in the context of the garment industry. The literature suggests that there have been efforts from multiple channels to create awareness of issues surrounding CSR practices.

The literature review covered the evolution of CSR across all industries, then specific to the garment industry. There have been changes in CSR practices in the past two decades. Globalization and the search for cheap labor has led retailers to find regions that have an abundance of cheap labor and have the ability to satisfy their demands. The rapid changes in the supply chain and pressures from buyers to be competitive in the cost of manufacturing resulted in many manufacturers ignoring CSR practices. March’s (1991) exploration exploitation theory and its role in the decision-making process within the fashion industry was discussed. The role of organizational ambidexterity and how it ensures long-term success by balancing the need to innovate and adapt to environmental changes and at the same time extend existing processes and technologies was elaborated. Additionally, the three approaches to organizational ambidexterity and the complexities in organizations balancing exploration and exploitation were studied. The need for a balance between the two to ensure sustained growth in an organization was elaborated. Finally, the apparel industry and its current practices, particularly in the supply chain, was covered. Chapter 3 will discuss the research methodology selected for the study, its rationale, and the steps for collecting and analyzing the data.
Chapter 3

METHOD

This study will explore the operation, decision choices and motivation of managers in the organizational decision-making in the apparel industry. Additionally, will attempt to investigate the CSR implementation practices and any changing perceptions in the fashion industry. This chapter describes the research method and the process of collecting data. First, the chapter discusses the research question and explains the rationale for choosing narrative analysis as the research method. Second, the data collection process is described, including participant selection, the data analysis process, and ethics related to this methodology.

Methodology

This paper examines the operationalization of CSR in organizational decision making. A qualitative approach has been adopted capture the why or why not of this research question better than the simple yes or no of a quantitative approach. Maxwell (2012) has identified the principal strengths of qualitative method as how it can examine meaning, context, unanticipated phenomena, process, and complex casual relationships (pp. 17-20).

Research Question

The primary question this study will ask is: How do apparel industry managers describe the operationalization of corporate social responsibility within their organizations? A sub-question to this study is: What is the nature of any variance of attitudes, motivations and decisions between how different supply chain groups put CSR into practice in their daily operational decisions and choices?

Rationale for Qualitative Research Design
Schmidt (1981) described qualitative research as the study of the empirical world from the viewpoint of the person under study (Krefting, 1991, p. 214). Two underlying principles were discussed by Schmidt (1981): it is naturalistic inquiry, influenced by the physical, sociocultural and psychological environment; and “subjective meanings and perceptions” (p. 214) of the participants are investigated by the researcher. Qualitative research in its entirety is pluralistic, consisting of various approaches, including phenomenology, ethnographic, case research, and narrative. Krefting (1991) proposed truth value, applicability, consistency, and neutrality as critical for evaluating qualitative research.

Bradley (1993) said that in qualitative research structures and strategies are considered suggestive and tentative rather than directive and rigid (p. 434). Sutton (1993) stated that qualitative methods often imply interpretive procedures, relativistic assumptions, and verbally rather than numerically based representations of data (p. 411). Sutton (1993) discussed the need for qualitative approaches to research the context and apply techniques such as sampling theory to improve the accuracy of phenomena represented. Sutton (1993) argued that the problem of context is deeper in qualitative research. The goal of this study is to understand the perspectives of managers within the apparel industry supply chain on the role and the influence of CSR in their organizations’ decision making process. A challenge of CSR in the apparel industry has been the lack of effective implementation across the supply chain. The study will give a perspective across the supply chain through the manager’s lens.

The qualitative method for this study is aimed at producing knowledge that is context bound and does not deny the possibility of understanding many contexts or developing abstractions that may apply across contexts (Bradley, 1993, p. 438). Qualitative methods can be coded and used to identify any patterns, yet they go beyond that by discussing the participants
and their experiences relating to the topic of study. This method enriches the research study by revealing areas that otherwise would have remained hidden. This paper is an attempt to reveal the reasons behind the participants’ behavior, which will enrich the analysis and conclusion.

**Rationale for Narrative Research**

The research method chosen for the study is narrative analysis of the managers’ experiences and their insight into the future role of CSR in the organizational decision-making process. Polkinghorne (2007) introduced narrative research as “the study of stories” (p. 471). Relating the stories to historical accounts, fictional novels, fairy tales, and others, Polkinghorne (2007) added that stories are told by people as a means of conversation. The narrative researchers “study these stories they solicit from others: oral stories obtained through interviews and written stories through requests” (p. 471). Stories have been studied in various disciplines including history, philosophy, organizational theory, and social science.

Narrative research is increasingly used as a research method primarily because human experiences are stories which are repeated to gather information on various life problems and propose solutions to the most complex issues. Moen (2008) agreed with Polkinghorne (2007) in contending that people do not exist without narratives. Therefore, “life itself might thus be considered a narrative inside which we find a number of stories” (Moen, 2008, p. 56).

Borland (1991) views the performance of a personal narrative as a meaning-constructing activity on two levels simultaneously. It constitutes both a dynamic interaction between the thinking subject and the narrated event (own life experience) and between the thinking subject and the narrative event (assumption of responsibility to an audience). (p. 63)

Borland (1991) discussed the practices of researchers and scholars who recorded traditions, arts, and history of a particular culture group and how they felt completely competent to represent the
subject they were recording. The concept of asking the subjects to narrate their own experiences had not been considered. As aptly stated by Borland (1991) “after all, they had ‘been in the field’, listening, taking notes, and witnessing the culture first hand.” Educated in the field and with a perspective the western scholars considered scientific, the need to collaborate with the subjects did not arise. In more recent years, researchers have realized the influence of power in the fieldwork exchange and have questioned the method. The need to keep subjects’ experiences separate from the researcher’s own experiences gave a new meaning to narrative research.

Clandinin and Caine (2008) proposed that narrative research methodology is “both a view of phenomena of people’s experiences and a methodology for narratively inquiring into experience and thus allows for the intimate study of individuals’ experiences over time and in context” (p. 542). The introduction of narrative inquiry as a research methodology has reshaped the field of qualitative research, especially with its close attention to experience as a narrative phenomenon and its emphasis on relational engagement that places relational ethics at the heart of inquiry (Clandinin & Caine, 2008, p. 542). The key principles of narrative include the relationships between the participants and researchers and the relationships that are being studied through participants’ lived experiences over time and in “multilayered contexts.” Clandinin & Caine (2008) proposed John Dewey’s theory of experience as the most cited and accurate philosophical underpinning of narrative inquiry. Dewey’s two criteria of the lived experience and interaction and continuity in situations provide a space for three-dimensional narrative inquiry with dimensions of temporality, place and sociality. The narrative inquirer seeks a grounded autobiographical narrative as a starting point for sharpening the research question and puzzle.

Population and Sampling
The study requires stories and narratives from managers responsible for decision-making in apparel industry organizations. The population are the managers in multiple areas of the apparel industry supply chain. These managers belong to small and medium enterprises and large businesses from India and the United States. The participants from India are managers responsible for operational decision-making in direct manufacturers and sub-contractors. These managers have been working in the industry and/or the organization for a decade or more to ensure they have a deeper understanding of CSR practices and their relation to the industry and organization. Creswell (2012) states that narrative researchers need to focus not on “right questions” but on the stories that emerge, and to recognize that all have stories to tell (p. 150). Additionally, the study focuses on first-order narratives, in which participants tell their own stories and experiences. The participants from the United States are managers and buyers who are decision makers and interact with their counterparts around the manufacturing world. All the participants are responsible for ongoing operational decision making and drive the organization’s future. The stories of their interactions at various stages of decision-making and their experiences while making those decisions is the focus.

The participants are the face of their organizations and will be going to continue to influence the organizations and industry decision making in their daily operations. Their experiences working in the organization and the industry are going to explain the role of CSR in their daily activities and how they have used it to select from alternatives during the decision-making process.

Recruitment and Access

The supply chain in the apparel industry consists of retailers/buyers and the vendor/manufacturer. In the vendor/manufacturer area there are generally a mid to large direct
manufacturer and small manufacturer and sub-contractor. The apparel industry has a large proportion in the small manufacturer and sub-contractor area. To ensure the study will cover all areas of the supply chain, the sample selection is based on the three different roles, retailer, mid to large manufacturer, and small manufacturer or subcontractor. The study has a total of 11 participants. The participants have been selected based on their position in their organizations, their experience in the industry, and their willingness to participate in the study. They have been sourced through snowball sampling, the participants were willing and helped to recruit other participants for the study.

The two first participants were from the retail industry and were fairly willing to speak with me and answer questions. After failing to recruit other participants through snowball sampling, linkedIn was used to recruit more willing participants. Several individuals who would be ideal candidates were reluctant to participate, citing concerns such as being busy or believing they are not suited to answer questions. Nevertheless, the participants who were willing were experienced in the industry and were eager to be a part in the study. This was a diverse group of participants that delivered a broad set of rich and broad narratives for the study.

**Data Collection**

Data collection in case study research is generally extensive as it draws on sources of information such as observations, interviews, documents, and audio visual materials. Yin (2009) recommended six types of information to collect for case research. They are documents, archival records, interviews, direct observations, participant observation, and physical artifacts. Baxter and Jack (2008) suggested data collection for case research is unique as it intends to “collect and integrate qualitative survey data, which facilitates reaching a holistic understanding of the phenomenon being studied” (p. 554). The multiple sources are put together as pieces of puzzles
which contribute to the overall understanding of the whole phenomenon by the researcher.

Baxter and Jack (2008) argued that “this convergence adds to the strength of the data and are braided together to promote a greater understanding of the case” (p.554).

The study used interviews to collect the primary data for analysis. The interviews were approximately 45 minutes long with each participant. The study used primarily Skype/Phone for the interviews. For the participants from India skype or phone was suggested as the means of interview. For the retailer participants from USA, NYC specifically, they were given a choice of skype/phone or in person. The participants choose skype primarily as they were available primarily late in the evenings or during weekends and they found it comfortable. The participants were asked for their preference in the method of conducting these interviews. Before the interview the investigator asked for permission to interview and record the information given as a part of the interview. The participants were told the purpose of the study and confidentiality were addressed. Participants were given the flexibility of withdrawing or stopping the interview, if they were uncomfortable at any time.

**Step One**

The first step toward data collection in case research is selecting the site or sites to study. Creswell (2012), quoting Glesne and Peshkin (1992), questioned research that examines “your own backyard - within your own institution or agency, or among friends or colleagues” (p. 21), and suggested that such information is “dangerous knowledge” that is political and risky for an “inside” investigator. Studying one’s own institution can become a nightmare for data collection in addition to producing skewed or biased reporting.

The proposed study is in the apparel industry and requires participants from varied backgrounds, some of the participants I have closely worked with during my past work. There are similarities
in selecting the participants for the study and its risks of an “inside” investigator as suggested by Glesne and Peshkin (1992, p. 21). The first step in this study had bit of a delay in recruiting the participants. The first two participants were fairly easy to recruit and interview as they were local, interested, and having known the researcher in a professional capacity. The idea of snowball sampling had limited success, and the researcher went on to use social media, LinkedIn, to recruit. LinkedIn has a large pool of qualified participants and many agreed to participate in the study. The participants were not professionally or personally known to the researcher thereby eliminating the risk of biased reporting.

Step Two

The second step is to gain access and build rapport. Gaining access or permission to study in the identified sites enables data collection to be considerably easier. Before gaining access to the sites, the researcher needs to seek permission from the human subjects review board - IRB. The process requires submitting a proposal to the board describing the research topic and procedures. All the participants for this study are managers or owners with at least five years industry experience, hence are considered at minimum risk and a non-sensitive population. The IRB approval was obtained through the University IRB board. With the exception of a couple of edits the IRB was approved without any changes. Gaining access reaches out to the gatekeeper at the site and then to the other participants through the gatekeeper. Gatekeepers generally require information about the study, including why the site was chosen, what needs to be done while conducting the study, how the results will be reported, how disruptive the researcher’s presence will be, and what the gatekeeper and the other participants will gain from this research (Bogdan & Bilken, 1992, in Creswell, 2012). Many participants in the study are owners themselves and hence are their own gatekeepers, reducing the time required to seek permission for the study. In a
couple of instances a few were awaiting approval from their organization to speak to the researcher and did not get back, suggesting they were not allowed or granted permission. It was surprising as the study guarantees no individual names and organization names and the questions do not speak to revealing them. One interested participant wanted to have a list of sample questions so she can take it to the organization’s gatekeeper, which was given to her. The researcher did not hear back from that interested participant.

Talking with the subject will help in building rapport with them and, in turn, assist in building a relationship to be able to gather more in depth data. All the participants will be selected by reaching out to them through various modalities, explaining to the purpose of the research and obtaining their approval. The proposed participants were sent the standard recruitment email, approved by the IRB, to initiate contact with them. Those who responded were provided with the assurance form and consent document to ensure full disclosure for the research study. Three respondents wanted to know a bit more about the research and what role would they be playing in the study. Additional information was provided to satisfy their queries. A brief conversation before the interview with the participants helped to build the rapport with them which made the conversation easy and with fewer hesitation revealing rich data.

**Step Three**

The third step is purposeful sampling wherein the goal is to select a collection of unusual cases with maximum variation in sampling in order to obtain multiple perspectives about the cases. Although there is not a specific sample size requirement, in narrative research it is important to get enough individuals to get a broad set of information and narratives, yet keep the depth of the stories and experiences of the participants. The study enlisted 11 participants from two main sectors of the supply chain – retailer/buyer and manufacturer. There were 6
participants from the retail sector of the industry and 5 from the manufacturing sector. The participants were individuals who had experience in varied retail outlets, specialists, sizes and regions. One participant was from the textile sector of the industry making the participants pool from the retail/buyer pool unusual and broad.

The manufacturing sector of the participants consisted of individuals with large organizations experiences, small manufacturing and agencies working with specific buyers and manufacturers. The participants had experiences working with buyers and retailers from North America and Europe providing the study a rich data. The individual perspectives and experiences was instrumental in the study to highlight the complexities of the industry during data analysis and conclusion. Together, the unusual participants for the study provided a much more in depth analysis in the research study.

**Step Four**

The fourth step is collecting data through documents and records, followed by interviews and observation of the subjects and physical artifacts for all cases. Interviewing and recording procedures have to be organized to enhance the quality of research. Creating an interview protocol with limited open ended questions will help gather useful and rich data. The interview protocol was developed ensuring the questions were open ended. There were 3 introductory questions which helped in making the participants comfortable and making the interview process more conversational to gather rich data. Hesitations and slow responses were noted down while taking extensive notes, wherever possible. The interview was recorded with permission to capture the information and was transcribed using the services of rev.com. The study required interviewing participants in different geographic locations and different work schedules. The local participants had varying schedules and found late evenings and weekends as most
convenient of times to sit down for the interview. All of the participants chose Skype as a means for participating in the interview. Participants from India had been given the choice of Skype/FaceTime or Phone as a means of interviewing and all choose Skype. They were given the flexibility to choose any time they preferred which was primarily late evenings after work. All participants were interviewed outside of their work.

**Data Storage**

The final step in data collection is storing data. Today, the use of technology has made it easy to store data in multiple settings. Additionally, technology is also faulted in data elimination or vanishing in many instances. A few key steps will help in easy storage and access to data. Backing up copies of the data is the key to ideal storage of data. Backing up and storing in multiple settings such as computers, USB drives, and iCloud gives multiple alternatives. The researcher used multiple high quality audio recording devices, such as iPhone, iPod and MacBook Pro to avoid losing data due to technology issues. Once the interview was recorded on iPhone or iPod it was updated and stored on the MacBook to ensure multiple copies of the recordings were available. This facilitated the researcher to continuously listen to the interviews multiple times while on the go and incase of any accidental deletion there would be a backup.

Testing the device before the beginning of the field work is required. Before recording any interview the researcher tested the recording with the participants and then began the actual recording. The participants were advised of the test to ensure smooth communication. The testing was also used to build up a rapport with the participants and make them comfortable during the actual interview. The data was collected entirely by the researcher and is stored in a safe place, locked with a password only the researcher knows and the only person having access to it.
Data Analysis

During data collection, the researcher is bound to face field issues that need to be anticipated. Beginning with entry to the site, convincing individuals and potential participants of the value and advantages of the study and building trust can become challenging. The key here is to preempt questions and skepticism by addressing them initially to eliminate hesitation. While observing might not interfere with the participants being observed, the researcher might make the participants uncomfortable while taking notes. Addressing these issues through open dialogue helps the researcher put the participants’ minds at ease. Depending on the site, challenges will arise that need to be addressed. Interviews, additionally, can result in emotional outbursts by the participant or a refusal to answer. Each issue needs to be preempted and addressed in advance. Documents and any additional materials can be in another language making it necessary to depend on a translator. Ethical issues arise such as protecting the anonymity of the participant and “off the record” information. These issues will be addressed at the beginning of the interview process with a full disclosure by the researcher.

Rosenberg and Yates (2007) quoted Politik and Beck (2004) on data analysis “as an act of methodological rigour, the selection of data analysis methods must correspond to the chosen data collection methods, even when these methods may be mixed later during analysis. The analysis needs to occur simultaneously and incrementally with data collection as stated by Glaser and Strauss (1967). The reality of the data is captured when there is an overlap between data collection and analysis. The overlapping brings about the adjustment of the constructs and their relationships. These adjustments can result in pursuing any emerging themes during the process.

The first step towards data analysis after creating and organizing files for data is reading through text and memoing, making notes to form initial codes. This is highly detailed and
tedious, yet is the most critical step toward successful analysis of the data. The researcher listened to each interview several times taking adding notes while listening and proceeded to read the interview several times to reaffirm the notes to form initial codes. The data and initial codes were reconfirmed using the data analysis software NVivo. Multiple checks were put in place through multiple listening which helped the researcher frame the initial codes more efficiently and improve the quality of the coding process.

Next, step in the process is to describe the case and its context and then begin to redo the codes into themes and patterns. This step requires assessing the general themes emerging from memoing and initial coding. Stake (1995) in Creswell (2012) advocated four forms of data analysis and interpretation in case study research. Categorical aggregation speaks of a collection of instances from the data with the hope that issue-relevant meaning will emerge, whereas direct interpretation looks at a single instance and draws meaning from it without looking at various instances. Patterns are established and the research looks for two or more corresponding categories. Finally, develop naturalistic generalizations that people can learn from the case either for themselves or to apply to a population of cases. To ensure quality and effective data analysis the researcher used a combination of all of the fours forms suggested by Stake (1995) in Creswell (2012). By using all forms of data analysis the researcher was able to see many codes emerging which would not have been possible otherwise. The analysis process took several days with the researcher listening to the interview, reading the interview, reviewing the notes throughout coding.

Researching the topic, reporting, and presenting the results can be complex in qualitative research. The instructions for following the study method are not specific and can be molded to the study. For qualitative methods, one of the most complex parts is the analysis phase. The steps
to content analysis do not appear in a linear manner and do not follow any simple guidelines. Additionally, the challenge is that there is no single right way of doing it. Elo and Kyngas (2008) discussed whether the analysis is of “only the manifest content or latent content as well” (p. 109). Latent content means subtle body language, like sighs, smiles, frowns, and pauses. Elo and Kynags (2008) discussed the concern about latent content as it will require interpretation and may bias the results. The researcher has had lived experiences in the regions where the participants are from to ensure the risk of bias in interpretation of latent content like body language, sighs, smiles etc., as suggested by Elo and Kynags (2008), is minimum or eliminated. In the context of the study, the research question and the goal of the study will decide how the analysis must be done. The reviewing of the data by listening, reading the interviews and notes, multiple times, small but critical codes in the data emerged. The interviewing via skype helped in observing subtle body language and making immediate notes and keeping a journal helped in minimizing or eliminating any non-verbal communications by the participants.

The study used inductive analysis methods to analyze the data. As the research question aims to understand the role of CSR in daily operations in various organizations in different stages of the supply chain, the meanings and interpretation will be different. The inductive process included open coding from the data, followed by creating categories and abstraction. The material was read and listened to several times and coding was created and edited. The categories in the process was created without boundaries based on the data analysis. Researcher interpretation of the data decided what to put in each category. These categories were then used to form a general description - abstraction - using words characteristic of the content. The subcategories were combined as much as logically possible.

**Trustworthiness**
The concept of trustworthiness varies for qualitative and quantitative data analysis because of variation in researchers view in the framework. Josselson (2007) wrote the essence of the ethical conundrum in narrative research derives from the fact that the narrative researcher is in a dual role - in an intimate relationship with the participant (normally initiated by the researcher) and in a professionally responsible role in the scholarly community. (p. 538)

The key to developing trustworthiness in the research depends on fulfilling both roles simultaneously. Krefting (1991) suggested that researchers need alternative models appropriate to the qualitative design that ensure rigor without sacrificing the relevance of the qualitative research. One such model for qualitative inquiry was proposed by Guba (1981). Krefting (1991) suggested Guba’s (1981) model was well developed conceptually, and it has been frequently used by qualitative researchers as of 25 years (p. 215).

Guba’s (1981) model is based on four aspects of trustworthiness that are relevant to both quantitative and qualitative studies: truth value, applicability, consistency, and neutrality. As qualitative differs philosophically from quantitative, so do the strategies for assessing these criteria in each type of research method. The first aspect, truth value, is usually gathered through human experiences as lived and perceived by the participants. Krefting (1991) argued that value is object-oriented and aligns with the term “credibility” as described by Lincoln and Guba (1985, p. 215). The assumption proposed by Krefting (1991) was that there is one tangible reality. In case multiple realities are discovered, the researcher is obligated to reveal these through adequate representation. The study used semi-structured interviews with individuals in multiple organizations to understand their individual realities. During this period the realities discovered were put together, analyzed, and revealed. The participants were from North America and India
where the researcher has had lived experience. Given the familiarity the only 2 out of 11 participants were personally known to the researcher which prevents a bias of predisposition affecting the data.

The second aspect of trustworthiness described by Guba's (1981) model is applicability, defined by Krefting (1991) as “the degree to which the findings can be applied to the contexts and settings or with other groups; it is the ability to generalize from the findings to larger population” (p. 216). Two perspectives of applicability are identified for qualitative research by Krefting (1991). The first perspective is that generalization is not applicable to many qualitative research projects. The underlying concept is that qualitative method is conducted in naturalistic settings with very limited control settings. Hence, each situation is defined as unique and less amenable to generalization. The participants were interviewed in a neutral setting with limited control settings by the researcher. There were minimum interruptions by the researcher to ensure the participants do not feel pressured in any way during the interview. The direction of the interview was based on the participant’s thoughts and where they wanted to take it. After all the interview questions were asked and answered the participants were free to add on their thoughts in general on the topic. This helped gather additional data which was included in the data collection. The second perspective is identified by Guba (1981) as fittingness or transferability of quality data that is accessed. Lincoln and Guba (1985) noted that transferability is more the responsibility of the person wanting to transfer the findings to another situation or population than that of the researcher of the original study (Krefting, 1991, p. 216). Throughout the interview process the participants were providing data as they choose fit based on their individual lived experiences by directing the answers to situation which was not originally in the research protocol.
The third perspective in Guba’s (1981) model is consistency in trustworthiness. Crafting (1991) states that “variability is expected in qualitative research and consistency is defined in terms of dependability. Guba’s (1981) concept of dependability implies trackable variability, that is, variability that can be ascribed to identified sources” (p. 216). The fourth criterion for trustworthiness is neutrality, freedom from bias in research procedures and results. In qualitative inquiry researchers establish neutrality by reducing the distance between them and the participants, for example by increasing the length of contact through observations and interviews. The research will focus on establishing a minimum length of contact to reduce the distance between the researcher and participants. Apart from the semi-structured interview, the researcher had a detailed email conversation with the participants before the actual interview. At the beginning of the interview the researcher had a conversation with the participants just getting to know them to make them comfortable. Connecting with the participants by establishing common grounds like, professional experience, lived experiences in the industry and area of the industry made them comfortable with the process.

All the perspectives were used to develop the research study. In qualitative research developing strategies for each of the perspectives will assist in building the trustworthiness of the study. The strategies for each perspective are based on the concept of the researcher gathering data and interpreting multiple realities of participants. These are used to establish truth values and the credibility of the research and are needed to ensure accuracy in representing subjective human experience. Through the due diligence by the researcher the study has ensured the trustworthiness of the data.
Summary

A narrative qualitative methodology is used to conduct the study. Participants are 11 managers in multiple organizations in the apparel industry supply chain. The goal was to identify 11 managers in all three different areas of the supply chain: retailer, direct manufacturer, and/or subcontractor to the manufacturer. As the problem of effective CSR implementation is impacted in all three areas, this study has yielded fairly in-depth data. Snowball sampling was used initially to identify the managers. Many prospective participants hesitated and did not respond to requests for participation social media platform, LinkedIn, was used to recruit participants. As the three areas are in different regions of the world – the North America and India - many interviews will be conducted through Skype or FaceTime for convenience and cost effectiveness.

All participants will be given full disclosure before interviewing and provided with anonymity. All participants will be provided with the written document of the interview so they can review and edit any data before its use. The study used effective strategies to ensure due diligence in data collection and storage. The researcher ensured the study followed the requirement of a quality and security of the data collection to ensure a unbiased results.

This concludes chapter 3 of the research study, which included the research design for the study, participant recruitment and access, data collection steps, content analysis, and, finally, addressed the trustworthiness of the study.
Chapter 4 Research Analysis and Findings

The purpose of the research was to explore the operation, decision choices and motivation of managers in the organizational decision-making in the apparel industry. Additionally, to investigate the CSR implementation practices and any changing perceptions in the fashion industry. The main research question of this study was to ask: How do apparel industry managers describe the operationalization of corporate social responsibility within their organizations? A sub-question to this study is: What is the nature of any variance of attitudes, motivations and decisions between how different supply chain groups put CSR into practice in their daily operational decisions and choices? The participants for the study include five manufacturer and six retail/buyer representatives. This chapter begins with descriptive vignettes, or initial descriptive profile of each of the participants. These vignettes are brief stories that report each participant’s operational orientation to CSR in relation to their role and experiences. The second section reports on the initial coding and clustering process. That sub-section reports on 24 categories which were organized following identifying an initial 110 codes from the first round of hand-coding. The third sub-section reports on the six key themes which were developed after a cross-case analysis and cross-source analysis were conducted. The third section provides qualitative analysis and coding and presents the participants narratives as well-developed themes. The last section illustrates how the themes address the research question and how they relate to organizational behavior in the decision-making process, as identified in March’s (1991) exploration and exploitation framework, which provides the theoretical lens for this study. The chapter ends with a summary of the analysis process and provides general insights.

Descriptive Participant Vignettes
The following sub-section outlines the output of the initial descriptive analysis of each participant following a review of the transcripts and field notes in relation to the overall purpose of the dissertation. These vignettes move beyond the demographic data presented in Chapter 3 to provide a succinct overview of this group of industry managers. The first six come from a manufacturing perspective (Creative Callie, Experienced Enya, Nimble Nelle, Retail Rimi, Salesman Stanley and Textiles Tanya); the next present the vendors’ perspectives (Engineer Estaban, Sharing Sharmila, Director Dana, Buyer Representative Raju and Agent Anil).

Many of the participants had planned to seek employment in the apparel industry when they entered college. For Creative Callie, a 30+ year veteran of the apparel industry, her passion took her to FIT (Fashion Institute of Technology) for her undergraduate degree. She came to work for her current company, a wholesaler in the kids wear, in 2016. Her experience in the industry related to product development and the area of technical design, and she interacted with design, production and sourcing teams in New York and manufacturing facilities around the world.

Armed with a Home Economics major and a teaching certification in her earlier career, Experienced Enya entered the apparel industry with no major interest or background. Her work in the industry spanned 30 years at the time of the interview, with 20 years working for one organization, a girls’ dresses wholesaler, as an account executive to major retailers and department giants. Her specialized focus on one product made her an expert in the evolution of the apparel industry and across the supply chain. Her long work at one organization provided a lens to view the evolution of the organization and the industry, and the process of change in both.

Retail management is a highly visible profession with a direct connection to the consumer in the area of fashion, and retail managers play a crucial role in how organizations operate
and implement strategies for sustained growth. **Nimble Nell** entered the retail management profession during an internship with one of the premier department stores, navigating the many functions of managing a retail store. At the time of the interview, her career spanned 30+ years working in the front lines of retail and advancing to the role of creative director at the corporate office. The position she held when interviewed involved developing creative direction for women’s apparel. Her position required her to interact with multiple departments in organizations and manufacturing facilities around the globe.

Retail buying in the apparel industry is the most sought after field after design. It has glamour and travel written all over the title. The job of a buyer is vast, varying from organization to organization, depending on the company’s operational structure. **Retailer Rimi**, with approximately 15 years working in the industry, provided insight into this dynamic. Her career began with a retail management program at one of the top department stores in North America. She advanced to a position in the buying division after five years. Her job at the time of the interview required her to interact with the design, production, and sourcing teams to plan her purchases each for each season. Her interactions with the manufacturing facilities, however, were limited to placing the orders with the pool of vendors authorized to produce goods for the organization.

**Salesman Stanley** entered the apparel industry through manufacturing and then moved to the retail side of the business. His experience in manufacturing put him in a unique position to oversee all aspects of the supply chain, from design and product development, to vendor selection and delivery to the retailers. His goal in his interactions with individuals from all departments and across the global supply chain was excellent customer satisfaction. Stanley’s expertise regarding how the industry has evolved reflected that of an experienced and seasoned industry professional: “I go back to the retail side to the late um, probably early nineties. But actually, on
the manufacturing side, uh, probably in around like ninety-two ... Ninety kinda things. About early nineties. Retail probably late eighties,” he explained.

A Fashion Institute of Technology (FIT alumna, Textiles Tanya) had worked in textiles, a specialized area of the apparel industry. Her interest in textiles reached back to her high school days: “I fell in love with design/fashion aspect, and in high school is when I decided to, um, start my application at FIT, Fashion Institute of Technology, in New York City.” Textiles is an area which is highly specialized and is a critical part of the cost-in-product apart from labor. Her expertise provided a view of how the textiles industry interacts with its customers, who are the retail buyers, and the fabric mill to reach a common goal – customer satisfaction through innovation. Linda’s responsibilities included working with the mills to develop and manufacture innovative products with the direction of the retail buyers. She had become an expert in a crucial component of the apparel industry, which is low in visibility but high in accountability.

A civil engineer by education Engineer Estaban worked in the handloom pashmina (Superior Cashmeer) industry that produced shawls, scarves, and carpets, for almost two decades. His primary customers were European, with limited clientele in the United States. His interaction with both manufacturers and buyers provide a perspective into the similarities and differences characterizing the interactions and approach to the industry in the United States and worldwide. Labh’s experience was truly global; he worked in Europe and in Asia both as a manufacturer and a buyer.

Hopeful Sharing Sharmila had been in the apparel industry for over 18 years at the time of the interview. She studied apparel design from a reputable institute and worked in the United States and India. She was the owner of a small manufacturing facility working with small buyers in the United States when we met. She began by consulting with buyers to develop designs and,
following demand, decided to establish a manufacturing facility. Her evolution from a consultant
to a manufacturer and her consistently close interaction with buyers provided a perspective into
the dynamics of manufacturing.

I was consulting with some companies here in India when, uh, you know, a few of my
clients, they want to develop certain things, which is only possible when you are hailing a
design background. So, having said that, I did the development for them and then, uh,
gradually it happened that, okay, we couldn't find a real good supplier or manufacturer
who could manufacture [the desired product].]

Her close interaction with the buyers and other manufacturers, and her experience finally setting
up her own unit, provided insights into the multiple aspects of CSR in small facilities.

The apparel industry has attracted talent from all professions, and Director Dana offered
a perspective from the Information Technology (IT) industry. Her first job in the apparel industry
stemmed from her boredom at her IT job; a family friend suggested she apply for an open posi-
tion as an apparel manufacturer.

They said why don’t you get into the export industry. I had no knowledge of the apparel
industry and I said why would anybody keep me? I do not even know what the whole
garment business is about. Why don’t you go to the interview with this new organization,
and maybe they will want new people, fresh people who are ready to learn the business
ropes. So then I went for the interview and got through.

From that start, she advanced to head a division for the U.S. market, managing the buyers’ entire
experience -- from design to placing the order to product delivery. Dana’s 20+ years in the in-
dustry revolved around satisfying the buyers and retailers needs in all aspects, including CSR
and its evolution within the organization and within the industry in general.
Buyer Representative (Rep) Raju grew up under the influence of the apparel industry through his father, who was working in manufacturing. He explained, “I've always been connected with apparel, my dad's been in this trade. So right from a very young age, I've always been connected.” His consistent interest in the sector led him to seek an undergraduate degree in apparel technology, followed by a masters’ degree, before starting to work in manufacturing and representing buyers in India. He continued: “I did [and internship] in Coimbatore called BSE apparel technology. I did three years of that, and then I went to Delhi for two years of my apparel management, post-graduation.” One of the youngest participants in the study, Raju’s perspective and experience offered a fresh lens into the manufacturing sector.

Agent Anil entered the apparel industry through his education and background in Textile Engineering. He described what he referred to as his accidental entry into the business: “It was very fortunate, or unfortunate, I am not sure. I changed my course from Electronics to Textile Engineering, and I am here.” His experience included working in manufacturing and moving to become manager at the buyers’ local office in India where he supported the manufacturing component of the industry. His extensive experience managing manufacturing for an Asian giant introduced him to the complexities of the supply chain from that perspective.

These vignettes provided a broad overview of each participant’s general exploration/exploitation orientation based on their backgrounds and interview responses. The next section describes the coding process, to include moving from 110 codes into 24 categories. The sub-section ends with an overview of the six major themes that emerged in the next step of the data processing.
Descriptive Reporting of 24 Categories

This section discusses the themes that emerged from the interview transcription and field notes, in relation to the research question: “How do apparel industry managers describe the operationalization of corporate social responsibility within their organizations? It also relates the themes to the sub-question: “What is the nature of any variance between how different supply chain groups put CSR into practice in their daily operational decisions and choices?” The interview data was analyzed using NVivo software and manual coding. The data was assigned 110 codes which fell into 24 categories. Six key themes emerged through a cross-case analysis exploring the commonalities and differences between the story-vignettes gleaned from the data. Following, March’s Exploration Exploitation framework, a deductive analysis of the data was conducted. The following table below shows codes, categories and themes.

Sample Codes, Categories and Themes

<table>
<thead>
<tr>
<th>Example Codes</th>
<th>Category</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children’s charity, Community, Causes, Women’s empowerment</td>
<td>Causes</td>
<td>Organizational compliance policy</td>
</tr>
<tr>
<td>Safety and compliance, Compromise, strict rules/policy, rule flexibility, Local and global manufacturing audits</td>
<td>Compliance process</td>
<td></td>
</tr>
<tr>
<td>Factory choice, Vendor vetting, Vetting process, Family business process, Unaware of process, Fast trend adoption vs. CSR process change, Trend vs. social responsibility, Assumption, Vendor vetting for private label, Lack of communication of CSR</td>
<td>Vendor vetting</td>
<td>Organizational decision-makers</td>
</tr>
<tr>
<td>Final authority in decision-making, Joint decision-making, Different policies, Competition, Role of CSR in decision-making</td>
<td>Decision-making</td>
<td></td>
</tr>
<tr>
<td>Goals, Charity as goals, Role models, CSR goals, CSR goals of the industry, Future of CSR goals in the apparel Industry</td>
<td>CSR process goals</td>
<td>CSR as goal for organizational growth</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Process for CSR goals, Different processes</td>
<td>Change in CSR</td>
<td></td>
</tr>
<tr>
<td>Change, Evolution of CSR goals, Evolution of CSR over the years, Evolution of CSR, Lessons learned, Changed practices</td>
<td>CSR in supply chain</td>
<td>Supply chain influence and motivation on CSR implementation</td>
</tr>
<tr>
<td>Vendor behavior, Supply chain disconnect, Supply chain, Employee/organizational loyalty, CSR influence across supply chain</td>
<td>Influence of CSR on supply Chain</td>
<td></td>
</tr>
<tr>
<td>Influence of supply chain groups on CSR, CSR and supply chain groups relationship, Influence of Vendor sizes</td>
<td>Accountability and motivation of CSR</td>
<td></td>
</tr>
<tr>
<td>Responsibility of CSR implementation, Accountability for CSR implementation, Motivation for CSR implementation</td>
<td>Power shift</td>
<td>Global shift in apparel business practices</td>
</tr>
<tr>
<td>Shift of influence, Shift in CSR influence, Globalization, Change, CSR evolution, Slow change, Future, Moving practices, Shift of power, Balance of responsible practices and consumer demand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive advantage, Social responsibility a smart business strategy, Trust, Lack of trust, Internal transparency, Lack of transparency</td>
<td>Sustainable business strategy</td>
<td></td>
</tr>
<tr>
<td>Buyer Role, Buyer role in CSR implementation, Buyer support, Buyer requirement</td>
<td>Buyer requirement of CSR</td>
<td>Buyer role in conflict management between profits and social responsibility</td>
</tr>
<tr>
<td>Providing work, Responsible for the worker’s job</td>
<td>Conflict between profits and ethics</td>
<td></td>
</tr>
</tbody>
</table>
The descriptive reporting of codes into themes provided insights into the coding process used in the study. The rigorous process involved manual and Nvivo software coding techniques to establish six emerging themes. The sample table above provides an overview of the coding process. The next section presents a detailed analysis of the six themes.

**Six Key Themes Cross-case analysis**

This subsection presents a detailed analysis of the six themes that emerged in the cross-case analysis. Each theme is described through specific quotes and analysis across the participants, to support the themes.

**Theme 1: Organizational Compliance Policy**

All of the participants interviewed cited compliance policy as one of the primary and essential components of CSR. Compliance policy had been either autonomously developed by their organization, or a retailer/Buyer’s organization requested its implementation. Multiple codes were identified as part of each theme. The codes were then clustered into categories based on the narrative data. Three major categories were clustered: Causes, Compliance Process and Organizational policy.

**Causes.** One of the participants identified donating to causes dear to the organization’s leadership as a means of being socially responsible. In addition to donating some of the profits annually, employees in the organizations volunteered for causes for children and hunger. Creative Callie’s organization identified supporting these causes as the main form of social responsibility her organization practiced. Creative Callie explained:

They have a lot of charity work that they do for children. They, uh, we participate in programs like Ronald McDonald House or, uh, I just the one, uh, Meals on Wheels, you
know, things like that. So, we'll go out, we make food, we deliver food, uh, we clean up, all kinds of stuff like that so they're very involved in the community as well.

The organization’s primarily focused on a children’s charity occurred during their twice-a-year children’s fashion show. In preparation, staff discussed different ideas about where to allocate the donations from the event. “Each year when we have our fashion show, actually it's twice a year for the children's fashion show. they talk about the different charities that they want to be involved in and, you know, they just pitch ideas,” she continued. The company executive team was well connected to the charity they supported. In crisis, say a shortage of funding or of any specific items the charity would face, the organization executive team would get involved and assist.

Creative Callie was very connected to the causes and said involvement in these activities helped her feel connected to the organization. A recent hire, Creative Callie saw employees from the manager level up being responsible for some form of social responsibility. She said her experiences in other organizations were also mostly related to charities as a form of social responsibility. Creative Callie recalled situations in previous jobs where the owners/executive teams were deeply connected to the causes they supported, such as AIDS foundations and kids mentoring programs. She attributed the choice of choosing organizations primarily focused on children and youth as donation recipients to the fact that the companies focused mainly on children’s apparel.

Creative Callie’s lens into the apparel industry suggested strong investments in multiple charitable organizations. She noted that the various charitable organizations had multiple fashion donors, and many celebrities became involved in this kind of philanthropy though the apparel industry. She remarked:
But then you have celebrities coming out with their own line and here they have their own line, some of their money's going to, you know, AIDS research, some of their money's going to Down Syndrome, some of their money is going to battered women. So now you can't be a company that's just about profit because you have these celebrities being about profit and, um, social responsibility. So, I think in general the whole fashion industry is stepping up socially but I think really is led by the celebrities who have started their own fashion brands.

She said that, over the years, she has witnessed a shift in apparel companies being more than just about profit. She asserted that the involvement of apparel companies in charitable causes was making them more socially responsible. The limitation of this perspective is that Creative Callie equated donating to causes with the fulfillment of the requirements for organizational CSR.

Nimble Nell also discussed her organization’s commitment to investing in causes, particularly Dress for Success, a non-profit that empowers women to achieve economic independence by providing professional attire, networks, of support, and skills development to seek new employment and other opportunities in life. Nimble Nell’s organization donated professional attire and contributed financially to the cause. Her organization also allocated funds for donations to the Olympics related causes, for whom they designed uniforms and other apparel. Nimble Nell observed:

You know, a portion of the red mitten sale -- a third of it actually-- - goes to the Olympics, so it's a huge amount of money raised on, on [an] item, and a percentage of all the Olympics sales. You know, I know it's a licensing agreement, but that's a very admirable, you know, part of what they do.

Said Nell, with pride in her voice for being a part of the organization.
Compliance process. The participants agreed that following the compliance policy is something on which the organizations do not compromise. The strict implementation of the CSR policy was enforced by the retailers. As Retailer Rimi elaborated, “We had to change our focus to make sure that our vendors were behaving ethically, and working with good factories that treated their people well.” Established processes were in place that guided the retailers’ approach to working with the supply chain. The process was considered complex due to the global nature of the industry. Retailer Rimi explained the issues in detail:

So initially, they check the factory once ... you went over, you met with the factory owner, you did a tour of the factory. The problem that you run into is that the vendor is showing you the one factory that is above great......but then the product gets made in a different factory. Sometimes it gets, um, you know, sort of licensed out to different factories......and you don't have a chance to walk through those factories and so that that's I think the point that the surprise inspection happens.

Sharing Sharmita discussed her company’s process in detail,

I am the [person responsible for implementation of CSR], quite a crucial person in hand to implement certain things because there are a lot, many monetary involvements, which are there and which have to be taken care of. Other than that, I do have people who take care of all the auditing, the social responsibilities or the formalities that have to be taken care of in the, in pen and paper, and certain permissions from the audit boards and also all those things are ... I do have employees, and I do have colleagues who are there to take care of these kinds of things in the ... I mean, in our manufacturing unit.

Director Dana discussed the crucial role of the compliance process in her organization and the industry as a whole. She narrated:
Once the compliance became a protocol in the industry it was everyone. Only the boutique kind who don’t care where the pcs are coming from, which is fair enough as they have a 200 or 300 pc run but all the big companies, “big daddies,” wanted the compliance and social thing happening.

All participants stressed the elaborate process of compliance their organization and the industry in general were striving to follow. Explaining how the manufacturer and the retailer implemented the process, Rep Raju described: that “CSR is extremely elaborate. It is very elaborate. It is one of the value additions that most of the buyers are exceptionally happy, with [ABC]. Because you know we are hands on when it comes to CSR.” Other participants similarly described the process as formal and elaborate. For example, Experienced Enya outlined the process her company had adopted to ensure the factories they were using in their supply chain were re-compliant.

Well, they do audits. You know, factory audits. They send out a questionnaire. When they're…interviewing prospective new factories. And there are certain standards that the factories have to stand to and adhere to. And if they don't pass those audits, they don't do business with them.

Experienced Enya further explained the process stating:

What I know of the formalities --the questionnaires and the audits -- they still go, they'll go back to that. You know, we have an office in China. And we certainly try to help the factories, uh, bring up their standard and adhere to it and maintain it.

Salesman Stanley said he did not see any difference in the processes of compliance, except in the speed of the audits. The process would be the same no matter the location. He said he agreed with the process, and he explained:
I would say there was ... [the] only difference I could see would be global versus domestic. So non-North American. So domestic we had more, we could fast track it a little bit differently. But there was no real mechanism to say we could do it within hours. Or anything. If a crisis came up it was, a much longer process than that. But, but I believe in North America…it could be done in days if it had to be done, to address a certain situation. But globally, again, I didn't have enough visibility to know if there was anything um, that could be done that quickly. I mean it was a slow process. To me it was a slow process, which is probably good.

**Theme 2: Organizational Decision-makers of CSR**

Participants observed that the primary responsibility of CSR implementation rested on the decision makers within the organization. The retailer’s responsibility was to ensure the vendors were scrutinized effectively to guarantee their CSR policies are being implemented to their satisfaction. Additionally, according to the participants, once a CSR policy was established, the implementation responsibility lay with the decision-makers in the organization. The interpretation of the policy, the data revealed, fell upon the employees in the organization who were responsible for making decisions regarding CSR as part of their daily job responsibilities. This theme emerged through multiple codes, translating into two categories: decision-makers and vendor vetting.

**Decision makers:** The participants exhibited similarities and differences when discussing who was involved in the decision making process to implement CSR within their organizations. Because the supply chain in the apparel industry is interdependent, many organizational members and teams had a larger scope of influence on making decisions. To some vendor participants, it was simply the case of instructions from the buyers to comply. As Engineer Estaban
pointed out, “[The] buyers said, this is how you have to do it and it would be done.” Agent Anil, on the other hand, said the process was initiated by buyers representatives in the manufacturing side of the supply chain. As agents for the buyers, Esteban said these individuals were responsible for assuring that manufacturing facilities were compliant with the current CSR auditing requirements.

Engineer Estaban elaborated on the process of how his organization worked with manufacturing facilities representing retailers in India,

So, usually we will never go to any other factory unless if it is routed through the New York office, and audited by a 3rd party and your internal auditor, and we will not use any such factory to produce our goods, because we are, we have couple of top brands in kids wear, so we don’t have any room for …… making any mistakes or a non-compliant product. So, it is a, like…full…fool-proof procedure to have factories in our matrix.

Explaining a bit more about the role his organization played in decision-making around CSR implementation, Engineer Estaban stressed the need to follow strict product guidelines during manufacturing, particularly because the company dealt primarily with children’s garments.

Sharing Sharmita, also highlighted her organization’s commitment to social responsibility: “If there was something good for the society, they would not change it for anything.” Sharing Sharmita said she thought her organization was particularly focused on making social responsibility practices a top priority and not compromising on this issue:

Delivery and execution [are the] responsibility of different types of people, and that is their job to deliver on time because there were issues; but the social responsibility was on the top, it was a top priority for the organization.

The decision makers
**Vendor vetting.** Nimble Nell was primarily engaged with the creative side of the business, and her responsibilities were limited to working with the vendors and manufacturers already established and vetted by the social compliance and sourcing departments. Primarily dealing with their representative in Asia who processed all the compliance decisions, Nimble Nell was involved with the vendors and manufacturers very early on in the process. Explaining how the agents were engaged in decision making regarding the implementation of CSR practices, she stated, “So they certainly do all the testing that's required. They are very, very strict, very stringent. I don't know, you know, I've never read the um, compliance manual start to finish, but it, it's very comprehensive.”

Nimble Nell explained that the manufacturing facilities were vetted through a detailed process:

In terms of the factories meeting all the, the compliance and I guess you could start at what did the building look like, what did the staff, um, um, you know the requirements of, of um, who did they hire, and, and their ... how they maintained their factories, or worked with their staff. All of that was checked regularly. I mean for example, it would be vetted at the front end. So, if we went to visit a vendor, they would have, all of their, you know, what their capabilities were and whether they passed, or whether they failed inspection, or what. All of that was well done by the global sourcing team ahead of time. Dealing with Olympic fashion products made it extremely important for Nimble Nell and her organization to ensure that all the paperwork required was organized and compliant. This was essential because of the very public nature of the business, which worked with multiple organizations involved in manufacturing products distributed in Canada and in Asia. There was no difference in the compliance requirements for local manufacturers versus the Asian manufacturing
units. The decision-making in many cases was a joint effort between the design and compliance teams. As Nimble Nell clarified,

we wouldn't bring to the table and insist that we should go with that factory, if global sourcing hadn't vetted the factory first. We might bring a new factory to the table, but they would have to undergo all of the, you know, third party--inspection and pass and everything else.

**Theme 3: CSR as a Goal for Organizational Growth**

Two categories emerged under the theme of CSR as a goal for organizational growth. Multiple codes in each category were identified. The categories are discussed through narrative examples from the selected participants.

**CSR process goals.** Participants were asked to identify their organization’s CSR goals. To this query, Agent Anil responded, “I would say …. [to supply] the best, most compliant and chemical-free garments to the end-customer.” Agent Anil summarized that the goal of his organization was to produce the highest quality product in the most compliant fashion. Rep Raju, meanwhile, had a unique perspective on his organization’s CSR process goals, and he explained:

In terms of compliance related also, I think there is, zero tolerance when it comes to, see we are eventually, XYZ (organization substituted) a company [that] wants to reach a state where there [are] absolutely no problems at all when it comes to CSR fulfillment.

Rep Raju stressed the importance of ensuring the CSR process as a major part of organizational goals, and as a way of corporate life.

Salesman Stanley's response to the question regarding his organization’s goals for the CSR process was very balanced. He emphasized that “the bigger the companies are, I think the stronger their relationship and the more they understand [CSR]. I think the smaller companies are, the
more it seems like a ... maybe not as a strong relationship.” He admitted that the industry is not perfect, but that many organizations had been making sincere attempts to implement the CSR process as a primary goal, in part to achieve organizational growth. Salesman Stanley said he had observed that, in times of crisis, CSR compliance stood out as the most important factor to sustain in the organization. He stated:

You want the delivery ... You want the price. Do you want the compliance? What if ...

and to me it's always, "what is the most important?" And I, there' one [example] for sure from Adidas. The compliance was, [CSR]overrode everything.”

In short, the participants asserted that organizations have the firm belief in the process of CSR, and compliance must take the lead in any situation.

**Change in CSR goals.** Agent Anil detailed how his experiences in the manufacturing division supported his belief that change had occurred regarding CSR goals in his organization and in the industry more broadly. He elaborated, stating:

I think it has changed now. Because, even if you talk about India, earlier we never, we never used to, even, since I have.... I [have been] working with [the] apparel industry since the last 16 years. Ok? And earlier ...our main aim was to make the garment and export it. Even, in...recent years, even we, as a big market for retail, retail [for] domestic consumption, we have started looking into social compliance and make sure...whatever the goods we produce are meeting the social compliance and without any child labor or ......bonded labor, ....these things. So now, it has [gotten] into the blood of each and every garment manufacturer that the garment or the product [that] we manufacture, should be...free from all social evil.
This change or shift from not being concerned about CSR, to having it become an integral part of the policies of most manufacturers in the industry was a shift he said he firmly believed had happened. This is admirable but the question is: Do others in the industry believe this to be true?

Director Dana had a different perspective regarding the shift toward placing CSR at the top of the list of the goals of the companies. She said she believed a shift had occurred, but that it was incomplete and part of an ongoing process. She explained this complexity, stating:

It is an ongoing process …to educate the ladies and to educate the labor. If you are somebody who is having some issues, you can just come up and talk about it to us, and even management [has been] involved and senior management like us were involved. There were people who were given the names and everything and they were taken care [of], so that if a lady tailor has an issue she could go and talk to a woman and not feel shy about it and [she is] not going to worry …that she is complaining.

Thus, Director Dana was observing that everyday there was learning happening and that change indeed was occurring. Director Dana’s organization was one that was constantly adding or editing strategies to improve on the implementation of and compliance with social responsibility. In this global world, by travelling and talking with people in the industry, Director Dana said members of her organization would gain new perspectives and would attempt to make changes “which helped the social cause to become better.”

Director Dana discussed how sometimes a power struggle would arise between the buyers’ requirements and organizational policies. Director Dana observed:

What I have seen in so many years, if you are not compliant then you are not there and it is the top agenda. Whatever the buyer says goes, but sometimes you also have to put your foot down and say it is not possible. Fine you have power over the labor but sometimes,
because the labor is not educated…people can misuse the power. That has to be there, an understanding that not everything is possible.

Participant observed that constant conversation on what buyers observed when visiting factories globally occurred and was very well received; in many cases, ideas they brought back were implemented if they benefited the workers. Elaborating on her experiences in the industry, Retailer Rimi said:

I think since the time I started to now, things have been more, uh, more and more, things have been added on to improve, uh, you know? The whole process of manufacturing, to improve the whole process of employment and everything, you know, like, I think it's just, as you grow, you grow the things and you go ahead with a much more better plan and a much more better set of ... So that's how it has been. Change our focus to make sure that our vendors were behaving ethically and working with good factories that treated their people well.

Retailer Rimi said she believed that practicing social responsibility in an organization was a simple but smart business strategy. While discussing if a conflict existed between social responsibility and profits, Retailer Rimistated:

It's never been a question of social responsibility over price because, and we'll worry about what the factory is doing later. That's always been the first and sort of main concern, and not just because, you know, everybody's good people. It's also just smart business making, so, that's, that's the one thing that I've noticed.

Theme 4: Supply Chain Influence on Motivations for CSR Implementation

This theme is divided into three distinct categories. Each category will be discussed using the participants’ narratives.
**CSR and the supply chain.** Many participants expressed concerns regarding how retailers’ social responsibility goals were related to the entire supply chain. Creative Callie, for example, said she was concerned about implementation of CSR across the supply chain. She explained:

> I think the companies need to align with the, supply chains because I don't think when it comes to corporate responsibility that the companies even mention their goals to the factories and the vendors. I think it's, uh, they're two totally separate entities even though, you know, these people make the product, we sell the product. So, I think first of all, if we would have, uh, I guess a vendor's summit, if you will, and just sit our vendors down and say, 'Hey, listen, this is the direction we're going in here at this company. I know that you're heading up [the] Bangkok office, you're heading up our Indonesia office, but we all need to be aligned, um, with how we present ourselves.'

The concept that all entities across the supply chain needed to align in regards to CSR was essential to ensuring that all of the parties involved in design, production, and retail included CSR as a part of their operations. Differences in the degree to which CSR was a priority across the supply chain questioned the effectiveness of its implementation. Creative Callie said she perceived that factories and manufacturers generally were not concerned with the proper implementation of CSR:

> Well, honestly, our factories and stuff don't really care about corporate responsibility. We do push back a lot, with our factories, for example, on things that are not compliant, not safe, not whatever. So, from my experience I don't see where manufacturers really care. This, Creative Callie noted, was true for larger suppliers too, putting the onus for implementing social responsibility on the retailer:
It's on the company. I think a lot of factories, a lot of suppliers, like YKK [which] is one of our big suppliers, they, they really don't care. They will manufacture whatever you want. And if it works, it works. If it doesn't, it doesn't. They leave the corporate responsibility, safety, all that stuff up to you. So, I don't really see where vendors are about [on] any of that.

Rep Raju, on the other hand, said he believed that vendors and manufacturers do their bit of social responsibility as a value added to the products the buyers and retailers are looking for. As an agent for the retailer, Rep Raju said he believed compliance and social responsibility were the responsibility of him and his team. He stated:

So, the initial idea is to actually audit all the factories that we are proposing to the buyer ourselves and we should be convinced that, you know, they are up to the mark. It's only after that that we actually propose a vendor to a buyer.

Rep Raju observed that the additional work he and his team did made the retailer more effective in CSR implementation. He added:

Once a vendor is proposed, any buyer in today's day, 90% of them have their, you know, compliance team who initiates or, you know, lays down a list of things, how they want things to be. And they mostly are constantly in touch directly with the factories because they want the direct access. But what we do as a company is we give them the value addition of regular updates of what has been happening at the factory so it becomes easier for them.

These conflicting views across the supply chain regarding the implementation of CSR constitute an interesting theme that warrants further exploration.
Influence of CSR within the supply chain. Director Dana spoke about her experience in the industry and gave her perspective regarding how CSR has influenced in the supply chain. She said she believed that CSR had become a top priority in the industry alongside the commercial aspects and products sold. Director Dana explained:

See, its put…to a top priority and is looked at commercially and [as a] need of the hour [for]the supply chain. Because if you do not have goods to see…you cannot keep on harping that this was not done. There are times where the buffers give in, okay fine you need this, we can work on this organization but in three months you need to be in the “green zone.”

The practical aspects and challenges of implementing of CSR in the supply chain played a major role in how the different supply chain groups reacted to social responsibility. Director Dana described the balance needed between effective CSR and its influence on the supply chain. Her experience confirmed that CSR has had a major influence on the supply chain, particularly on the manufacturing sector. She observed that “now it has become a way of life. If you are not compliant you do not exist. This has become a way of life, you can’t do without it. You have to be compliant.”

Salesman Stanley asserted that the extent to which CSR has an influence was related to the size of the organization. “But the bigger you are, the more influence you're going to have,” he noted. Nimble Nell had a very similar view regarding the influence of CSR on supply chain groups, and she said she thought that working in large organizations makes it even more important to see the influence. Nimble Nell had experience with organizations that chose to be more responsible and enforce compliance over products and profits, making CSR the top priority. Nimble Nell explained this dynamic stating, “And I know, we would take losses, you know,
we have. I mean, not a lot of examples, but one comes to mind where, we walked away from the garment after we were told they were not compliant.”

Director Dana said she believed her organization practiced CSR with conviction and that the leaders’ firm beliefs in being socially responsible drove the organization’s influence. “What they do is they do it with full conviction, but it does take time. I would not say it happens overnight or magical or something. But it takes time and they do it with lot of conviction,” Director Dana observed. These examples of walking away in the case of non-compliance, to being compliant if one is large and making it a way of life with conviction, provided a complex understanding of how CSR has influenced organizations in the apparel industry supply chain.

**Accountability and motivation for CSR.** Director Dana said she strongly believed that her current and past organizations were highly motivated to practice social responsibility. “I mean if they had to do something and it was important then, whatever, I would say if it was a choice of social responsibility or profitability then they would have chosen social responsibility,” she explained. Elaborating on those individuals who were accountable for CSR and what motivated them, Experienced Enya had a very interesting perspective:

And, we ought to continue to-, touting that, you know, letting the world know that and showing what can be done when the retailers, the supply chain and the manufacturers work together. You know, not only is it making the world a better place, it's showing good working relationships-You know, it's, it makes it for a better understanding of the business, it's something to be proud of.

Director Dana said she believed the global nature of the business had helped motivate her company’s top executives to practice effective CSR. Explaining the company’s motivations, Director Dana stated:
See because everybody is well travelled and because they meet lot of people and when you have conversations and you discuss certain things and you feel that it is important for the organizations they have always added it on. I have not seen them put their foot back and said oh we are not going to do this or this is not going to happen and stuff. Her organization was practicing certain activities which were above and beyond what the buyers and retailers wanted.

A lot of things have been added on because it was a requirement by the customer. And when it was a requirement of a customer…anything else which helped the social cause to become better was added by the organization. So, it was more like…teamwork -- like [it] would be a requirement but if we combine it, it gets better for them and better for us and all.

Director Dana reflected on her fascination with how the role of religion in her life had motivated her to have compassion for the less fortunate, and how this conviction transferred into her commitment to social responsibility in the workplace. Director Dana explained:

I think every human would do that. I follow Buddhism, so I don’t know in today’s world. I always [think] …you have to have compassion for the other, [seek] more than money fame, and other stuff like that. Religion influenced me -- yes, absolutely, I believe the higher you go the more compassionate you become.

Theme 5: Global Shifts in Apparel Business Practices

This theme emerged from two main categories. Multiple codes were identified from the data analysis. The two categories are discussed below, supported by the participants’ narratives.

Power shift. Nimble Nell described the existing environment in the apparel industry and the power struggle that, from the retailers’ perspective, was taking place within the supply chain.
The increased number of retailers competing for the limited market share and attempts to procure competitive pricing, she said, were causing a power struggle within the industry and were affecting the way the supply chain operated. Nimble Nell elaborated:

You know, it's, frightening, and I think, I mean, it's also frightening when I look at the kinds of things I was buying and what all I was paying. And, I mean, certainly the quality doesn't compare, but there's some pretty decent things on the marketplace, and then, I, I think that the deals are so out there, so we're buying it, whether we need it or not.

Participants discussed how providing options for the consumers and competing for their disposable income created an ongoing price war. Retailer Rimi commented that this dynamic and the patterns of growth in the industry had shifted some power to the vendor. She observed:

I'm not sure it's changed over the last couple [of] years, except that vendors have maybe more information...... with a lot of the companies, vendors can now kind of access our system's billing. Pull out the information related to their product. They maybe have more, more control over how they want their business to be run. They have more say.

Retailer Rimi noted that the distribution of power was based on the size of the organization for all groups in the supply chain.

Where you bought the product, the product was yours. You did with it what you wanted.

But in the larger companies, when you're dealing with branded products, you then, have to come to the table at the end…and help meet, make your margin dollars.

Concluding her remarks on the role of retailers and the power of the buyers in the organization, Retailer Rimi suggested that balance was needed between the fulfillment of CSR practices and consumer demand for competitive prices:
Like, everybody now believes strongly that buyers, we have to find companies that you know, don't pollute, and, treat their employees responsibly, and you know, don't have child labor. But then you have to balance that off with the fact that customers want to pay $5 for t-shirts.

She added that, increasingly, power had shifted to the consumers.

Agent Anil discussed the role of manufacturing in the power struggle. He pointed towards consumer satisfaction as the main goal, noting that consumers had the most power, stating,

There is lot of room for improvement. But, like, India is going in the right direction, like, to make sure we, whether we work for European customers or American customers, African customers, make sure we work based on the customer requirements, not only considering the manufacturing side, so, because, we have to make sure that, like, the end customers, who buy the garment, should be happy and [that there is]...compliance per their local requirements.

**Sustained business strategy.** Comparing the number of stores opening, Nimble Nell pondered whether or not the industry, given the strategies it was using, was sustainable long-term. Analyzing growth in retail outlets in Toronto, Canada alone, Nimble Nell wondered:

Just in the Toronto area. Well, we have Nordstrom's now, and they don't open one store. They go ... and open three big stores. We have Saks, we have, so many stores, Uniqlo. We have Muji, we have, you know, all the big flagship stores are here. Malls are continuing to open. I mean, we had a lot of growth, a lot of immigration coming in, but I just don't know how sustainable it is.
Nimble Nell said she worried about the trend of how retailers were opening locations in Canada and at the same time Macy’s was letting go thousands of workers; she reiterated that this complexity permeating the industry put into question the sustainability of strategies employed. She elaborated:

I read the other day that one in eight [retailers] in Canada [is closing], and I, I don't know since you've been here, and then you, you know, also start to hear Macy's is letting go [of] 10,000 people. You know, there's a huge change going on in the marketplace.

In short, Nimble Nell’s biggest concern was the constant competition to lure consumers towards lower pricing and the effect this had on industry sustainability. She goes on to relay her concerns of the effect of this in the CSR implementation in the fashion industry.

At the time of the interview, Nimble Nell said the industry was prioritizing continuous growth and product diversification. Explaining how the growth was leading to an influx of retailers producing a diversity of products in the industry, she stated:

Here's another thing for your [study]... um, [a company] may have started [with] a blouse line, and then it did sportswear, and then they get, if they're successful, they get into shoes. The shoe companies, and you're making $300 million and you think, "Wow, I have enough money. I'm going to start making clothing." So you start to grow, grow, grow. So I just see every element or every factor, just growing, growing, and fewer people that, you're right, you don't need a shirt every three days.

Nimble Nell elaborates how retailers are pushing product in with the expectation of consumers to walk into the store every week to make a purchase. This concept of getting the consumers to shop frequently had led to a flooding of products in the marketplace and price wars. She argues against this strategy by stating that we do not need to shop every week.
Experienced Enya had a very positive view on the industry and on her organization, even in the environment of fast fashion as a business strategy. Enya said she believed in her organization’s CSR strategy and that she was convinced it was something the company leaders would continue doing in the future:

I just still say, I just keep going back [to] … it's doing the right thing, sticking to your guns. Not letting the…factories or the companies or the retailers lower their standards. I think if you start at a very high standard, you want to maintain that.

Most participants agreed with Experienced Enya that a strategy that prevented negative publicity was important. Experienced Enya concluded that her organization “didn't want to be a manufacturer that's in the news for, uh, going to a factory that had child labor.

**Theme 6: Buyer Role in Conflict Management Between Profits and Social Responsibility**

Buyers have been long considered to be at the top of the supply chain by many in the industry. This theme discusses the buyers’ role through two categories that emerged from the data.

**Buyer requirements for CSR.** Creative Callie said she strongly believed that it is the buyers’ and retailers’ responsibility to ensure that vendors and manufacturers implement CSR policies. Explaining her point, Creative Callie stated,

So, I think they need to make sure out vendors are also, if they're promoting their, uh, company to get other companies, you know, to do business for they need to be aligned and say, "Hey look, this is our thing. We profile children in need. We do this, we do that. You need to be aligned as well." And, and educate them on what we're trying to do.

Creative Callie said her understanding was that vendors had limited desire to know what the organizational and CSR goals of the buyers were and, in many cases, they were not interested in learning about it. Creative Callie elaborated:
They just know what clothes we make, what style they're going to get this season but as far as where we're trying to go? Uh, in a social, you know, responsibility, I really don't think they know or care so I think that's the first thing is to educate the suppliers on what we're trying to do. Yeah.

Retailer Rimi’s perspective was similar to Creative Callie’s:

If you could check and see to make sure that the, the vendor, when they thought you bought the company, the country, that you still check to make sure they're making the products where they should. They, they would be making the products. Um, that, basically that you can't, can't always trust over-seas factory owners to tell you the truth.

Rep Raju asserted that the buyer drives the CSR initiative in the supply chain. His experience in the manufacturing industry provided insights into how the supply chain reacts to the initiation. Rep Raju’s said he understood that the industry is not sophisticated or developed enough to be self-driven, but that the role of the buyer in how CSR is implemented in the supply chain is essential. Speaking as a buyer, Rep Raju asserted:

I definitely believe that buyer is the one who drives it, but yes, I think with time now, we've also understood, India also as a country has understood the importance of it and want to contribute. But I still personally feel [the buyer] is [the] driver, the requirement is initiated from the buyer's end.

He concluded that, even if all groups along the supply chain understood the value of being socially responsible, the buyer was still the first in promoting the initiative.

Director Dana said she believed that organizations and retailers cannot survive without being socially responsible and compliant. Although the buyer may pressure for CSR compliance to be implemented, and the vendors had to follow, Director Dana contended that sometimes the
vendors were not always wholly committed to CSR. Their focus on profits and products, she said, frequently took over commitments to social responsibility, and, in this case, it would fall upon the manufacturer occasionally step in and drive CSR. Discussing how the manufacturers from time to time represented the force behind socially responsible practices, Director Dana explained:

Whatever [the] buyer says goes, but sometimes you also have to put your foot down and say it is not possible. Fine, you have power over the labor but sometimes because the labor is not educated…so people can misuse the power. That has to be there as an understanding that not everything is possible.

Director Dana goes on:

If it is a department chain or compliance which needs to happen for the sake of the organization, that is again put priority be it the retailers or manufacturers. What I have seen in so many years, if you are not compliant then you are not there and it is the top agenda. She contended that the buyers, retailers, and manufacturers shared the same responsibility for implementing and assuring compliance with CSR, and she emphasized that this must be top on the agenda of any organization and a priority for all groups.

**Conflict between profits and ethics.** The question of conflict surfaced when a dispute arose between the buyer and the vendor regarding the price of the manufactured products. The goal of the buyer, participants said, was to obtain the merchandise at the lowest cost possible to increase profits for the retail organization. Many times, the dispute would be won by the buyer setting the prices. Rep Raju discussed this dispute:

That's something that buyers actually need to understand. We've tried explaining these things to the buyers saying that, you know, not that we actually want to get away with it.
We want to give you all of this, and we feel it is the right thing to do. But you really need to actually look at giving an up-charge to the vendors, because labor charges are going up. Labor charges are going up, factory maintenance charges are going higher because of, you know, certain requirements which are there. Nothing is..no price is coming down. Except for the price which we eventually get from the buyer. So, that's something that the buyers really need to look at. Because you know, other than that, I think everything else is in place today.

Rep Raju said he was concerned that the buyers did not understand the conflict vendors faced when it comes to price and social responsibility. Rep Raju explained:

There's a lot of effort that's involved in CSR. There's a lot of money involved in CSR. I think even from the buyers end, they need to look at the pricing bit of it. I am being very fair, honest here. [The] whole thing is, there is no point in requesting the most stringent of methods where the price does not actually, what do you call, support you to do this.

Raju stressed that buyers needed to realize the direct conflict between price and CSR and be open to paying for these activities.

Director Dana said she believed her organization could resolve conflicts by putting social responsibility first and noted that “because everybody is well travelled and because they meet lot of people and when you have conversations and you discuss certain things and you feel that it is important for the organizations they have always added it on.” Discussing the various social responsibility practices the organization added on and how it resolved conflicts, Director Dana added:

What was outside of the box, they were using unskilled labor and they were training them, giving employment to people and all that. That was one of the very good things.
For somebody who did not even know how to put thread into a needle and train those people to run machines was like amazing.

Her understanding of how the groups were implementing CSR was based on the concept of a singular goal -- to be socially responsible. She described in simple terms her understanding of how conflicts were being resolved:

"See, its put on to top priority and is looked at commercially and the need of the hour of the supply chain. Because if you do not have goods to see and you cannot keep on harping that this was not done. there are times where the buffers are given in, okay fine you need this we can work on this organization but in 3 months you need to be in the green zone"

Again, participants cited the understanding between the buyer and vendor as essential to conflict resolution.

**Deductive Analysis: March’s Exploration Exploitation Framework**

This part of the chapter uses March’s exploration exploitation framework to analyze the data. The analysis begins with the research question and sub-question informing the study. Three sections provide detail for the analysis and discussion. -- The first examines the operationalization process in the supply chain; the second identifies any variance among the supply chain groups; and the third discusses the future of CSR in the apparel industry. Finally, the summary of the data analysis is presented.

**Research Question**

This study addresses this primary research question: How do apparel industry managers describe the operationalization of corporate social responsibility within their organizations? The
sub-question for this study is: What is the nature of any variance between how different supply chain groups put CSR into practice in their daily operational decisions and choices?

**Operationalization of CSR Across the Supply Chain**

The research question asked how managers described CSR implementation within their organizations and across supply chains. The goal of this study was to analyze the responses from different supply chain groups and to understand how CSR practices were being implemented in the apparel industry. The participants’ experiences in their current and past organizations provided the data to answer the questions. Data analysis focused on identifying the processes leading to compliance with CSR goals and examined operationalization practices in different supply chain groups; the analysis subsequently identified changes in CSR practices across in the supply chain. The participants agreed that a general form of operationalization of CSR existed in their organizations and across the supply chain. Using the narratives of each participant’s stories, themes emerged outlining the processes the participants’ organizations had followed, formal or informal. Additionally, through participants’ stories, it was determined that changes that were taking place, and the evolution of CSR, and the implementation procedures characterizing the industry became apparent.

**Processes Supporting CSR Implementation Goals.** The process of CSR implementation was generally viewed by the participants as a combined effort from all the parties in the supply chain. Exploring the perspectives of buyer and retailer representatives in the industry, the interviews revealed that these actors clearly set guidelines for the implementation of CSR for the manufacturing vendors and partners. In many larger organizations, however, a separate department ensured that the CSR goals for the organization were met. While elaborating on the vetting processes for the manufacturing partners, Nimble Nell, for example, explained that her organization used an
outside agency with very high standards to track CSR goals and to assure their enforcement and fulfillment: “So, they certainly do all the testing that's required. They are very, very strict, very stringent. I don't know, you know, I've never read the compliance manual start to finish, but it, it's very comprehensive.” Nimble Nell said that the process, even though extremely stringent, did not exclude other departments, like design, from being involved in selecting the vendors. Instead, selecting the vendor partners and assuring compliance became a collaborative effort. As a senior member of the creative team, Nimble Nell and her colleagues recruited vendors they thought were capable of bringing the creative aspect to the table. The final approval of the vendor was ultimately given by the sourcing team who worked with the external agency to ensure that the vendor was following all the necessary CSR compliance to be considered a reliable and ethical partner.

The interviews with the participants revealed very early on how the participants equated the fulfillment of CSR goals with compliance audits and related documentation. Experiences Enya outlined her organization’s CSR process which involved compliance audits the vendor had to meet.

Well, they do audits. You know, factory audits. They send out a, a questionnaire when they are interviewing prospective new factories. And there are certain standards that the factories have…to stand to and adhere to. And if they don't pass those audits, they don't do business with them.

Addressing the practice of meeting CSR goals in her organization, Sharing Sharmila said, “our factory managers framed CSR in terms of compliance.” She elaborated on this process, stating:
Our Company sets CRS goals by keeping in mind the initiatives to reduce waste and emissions, that could potentially reduce costs. It also calls for investing in employee work conditions such as health care and education which enhances productivity and retention, [and in] hiring efficient and educated manpower. Also, sometimes providing skill training to unskilled people, and placing them as per their eligibility. The environmental aspects of CSR are also extremely broad.

Agent Anil’s job responsibilities in the area of CSR included ensuring that the organization did not work with a factory unless it was routed by the head office in New York and audited by them. Agent Anil explained the process:

First of all, it comes from the New York office, and then they transfer the responsibility to Bangalore office. And my MD [Managing Director] is a global quality head as well. So, he is the main authority to go …like… give the approval to audit in the factory for social compliance and qualify for [it] to manufacture goods for us.

Sharing Sharmila provided elaborate detail in this area, outlining in two parts the process of CSR implementation at her organization. She first described the compliance requirements and audits, and then she discussed the organization’s commitment to women’s social well-being, relating that the company invested in trainings in economic self-sufficiency to help women acquire the capacity to become more financially independent and to support their families. Discussing the compliance part of the process, Sharing Sharmila stated:

Sure we have to get compliance, like social compliance is one of them. So, several things need to be audited, the building needs to be audited, and, uh, you know, we have to check the status of the labor of the workers who are working there. So, all these things are taken into consideration, their working hours, their…overtimes.
She said she considered compliance as the basic requirement of the CSR process; hence it was seen as routine to ensure compliance requirements were fulfilled.

Sharing Sharmila then described the organization’s commitment to the social cause of supporting women’s self-sufficiency. She discussed her role in this process, the reasons why the organization made this commitment, and how it related to CSR implementation and goals. She explained:

What we do is we work with a lot of, women in these villages. Okay. There's a, we see that it's a way of giving back to society because, you know, the earnings, straight away, go to these women [in] these rural areas and this is, like, thereby improving their lifestyle, their everything, you know? Education, it's, then, trailing into the next generation because they're able to earn well for themselves. So, I think that's also a kind of social compliance, although, as a company, we are those things but we are able to give it back to those people who are unable to come out of their houses and ... So, basically, you know, it's also supporting… economical growth.

Rep Raju said his experience had led him to believe that no manufacturing facility could initiate a business in an international environment without being compliant, as required by the buyer’s organization. As a buyer’s representatives’ whose responsibilities included ensuring that manufacturing was carried out in compliant facilities, Rep Raju explained that

…the initial idea is to actually audit all the factories that we are proposing to the buyer ourselves and we should be convinced that, you know, they are up to the mark. It's only after that that we actually propose a vendor to a buyer.
He stressed that forging a relationship between a buyer and a factory began only after the factory had met the compliance benchmark. He added that the process continued with regular checks and routine visits to the factory, ensuring the factories remained compliant.

Director Dana’s organization’s process for CSR was somewhat in line with that of Sharmila’s organization. Discussing specific areas in which her organization was involved, Director Dana explained:

They had adopted a village of women where they had taught the women to do embroidery and all that, and they made them part of their staff and put them on daily wages and gave them independence of money. In Haryana, women are only to do work in the kitchen, you know, and it was a big initiative where we taught them embroidery and all that and, even unskilled…they trained the unskilled labor also.

In regards to compliance, Director Dana said:

Once the compliance became a protocol in the industry it was everyone. Only the boutique kind who don’t care where the pcs are coming from which is fair enough as they have a 200 or 300 pc run but all the big companies, “big daddies” wanted the compliance and social thing happening.

**Changes in CSR practices.** Evolution is a necessary part of growth, and the apparel industry is no stranger to change. Specifically, in terms of CSR practices, the industry has changed and evolved to improve and adjust to the concept and its implementation. Participants for this study had different ideas on the degree to which change had occurred, but they agreed in general that the industry practices have evolved and have come a long way. The compliance audits were highlighted as the first item discussed as becoming an established norm within the CSR imple-
mentation process. Almost all the participants stated that being compliant was the first step to doing business. Director Dana remarked, “What I have seen in so many years, if you are not compliant then you are not their and it is the top agenda.” Experienced Enya’s experience was similar. She noted that “they do audits. You know, uh, factory audits. And if they don't pass those audits, they don't do business with them.” Agent Anil, meanwhile, discussed the structural level within the organization to which compliance ranked as a priority, stating, “First of all, it comes from New York office, and then they transfer the responsibility to Bangalore office. And my MD [Managing Director] is a global quality head as well. So, he is the main authority to go…like…give the approval to audit in the factory for social compliance and qualify for manufacture goods for us.” Finally, Nimble Nell observed: “I mean for example, it would be vetted at the front end. So, it was, it was, um, we, um, vendors … if we went to visit a vendor…they would have, all of their, you know, what their capabilities were and whether they passed, or whether they failed inspection, or what. All of that was well done by the global sourcing team ahead of time.”

The change occurred as the different organizations and groups across the supply chain, primarily buyers and retailers, became more and more aware. The evolution of change in the CSR practices can be interpreted as an aspect of the global development of the supply chain and the growth of the industry. Retailer Rimi discussed the changes in the practices in her organization as new executive team members joined the company. They brought with them an array of experiences in this area, and their arrival triggered their experiences; subsequently changes were introduced into the practices in organization. Experienced Enya described the changes in the process as moving from informal practices to more formal commitments. With formality, she ob-
served, came stringency in compliance, especially for the factories. She said, “I'm sure they improved upon them. I would say so. I think it's more formal. I think the requirements, they [are] more stringent at adhering [to them]. For the factories to adhere to them.” Experienced Enya then commented on how her organization had put together a very comprehensive and effective system, in the form of a questionnaire.

Salesman Stanley also discussed the changes in the implementation of CSR practices in his organization’s supply chain, with reference to the “onion peel back” philosophy:

Most companies deal directly with a factory. And when they say, "well that's my order and that I want a thousand hoods," I deal with that factory. I, necessarily go to the next level [and] would say, "Where do they get the fabric from?" And then, "Where are that trims that it gets." Uh, say that they uh, that, that the thread's from etc., etc.”

Again, talking about the “onion peel back” philosophy, Salesman Stanley said he wondered how many organizations actually looked into the next level, beyond the audit. He noted that the audit did not include the questionnaire which asked questions related to where the manufacturing factory was purchasing their fabrics and other raw materials, and, if a satisfactory answer was given, the factory was accepted. Salesman Stanley, however, said he believed this was not enough and, in his own work, he had deepened his investigations to ensure that the suppliers to the manufacturer he deals with were equally compliant.

Nimble Nell noted that changes in the process were in part a result of the retailers becoming more aware of where their products were made and of the general rules of social compliance. She said many retailers had progressed from ignoring the situation and not caring about social compliance to ensuring the factories were compliant, even before the compliance audit was conducted, completed, and passed. She said a complete turnaround had occurred at her organization
stating, “And I know, we would take losses, you know, we have. I mean, not a lot of examples, but one comes to mind where, we, we walked away from the garment after we were told they were not compliant.” Nimble Nell said she believed formal, stringent policies were essential to ensuring compliance and that they were particularly effective because of the high visibility of her organization. She said that because the organization held multiple governmental contracts and because it was one of the larger stores in the country, it was more vulnerable to intense checks and scrutiny from the public. Despite the effort invested in stringency, she said their strategies had positioned the organization as a leader in the area of CSR practices.

The differences in the changes the participants outlined can be categorized into two parts. One, audits had become an integral part of the supply chain. Direct manufacturers dealing with the retailers and buyer had to be audited and compliant to be a part of the supply chain. Two, the compliance at the next level of raw materials suppliers who supported the manufacturers was not very clear. It was mostly being left to the direct manufacturers to ensure compliance at this stage of the process.

**Variation of CSR in Supply Chain Groups**

Two distinct implementation strategies emerged from the interviews. The distinction was related to the two separate parts of the supply chain – Buyers/Retailers and Vendors/Manufacturers.

**Buyers/Retailers:** The participants from the retail sector were consistent in how they implemented CSR within their organizations. Most confirmed that the audits were the first step toward CSR compliance in the supply chain. Nimble Nell was very specific about how her organization implemented the audits as the first CSR contact point in the organization. She said the
global sourcing department was responsible for ensuring the vendors working with the organization were compliant, and the audit was conducted before Nimble Nell and her creative team could work with them. There were a few times, she said, when the creative department wanted to bring in a new manufacturer with expediency, but they could not begin work until after the compliance audit was passed. “We might bring a new factory to the table, but they would have to undergo all of the, you know, third party--inspection and pass and everything else,” she explained.

Retailer Rimi emphasized that practicing CSR was profitable, remarking that “there's also good business sense, which is you don't want to be outed as a company that does business with factories that don't treat their people well or has child labor.” Retailer Rimi said the new conversation or question between retailer and manufacturer thus became: “What vendor produces the best quality product, um, under the best circumstances? In short, she noted that organizations -- both retailers and manufacturers -- did not want to be identified as practicing unethical labor management. Continuing her narrative regarding how CSR was being implemented in her organization’s supply chain, Retailer Rimi observed a distinction in terms of transparency:

So, I think that that's the difference is that we're very transparent about what we buy from them, but like I can't tell you where, you know they don't tell us what the factory they make their products in, they don't pay, you know, there's a lot less transparency on their end. Partly because they're trying to protect as much of their profit margin as they can.

Retailer Rimi said this lack of transparency on the part of the vendors part made her wonder how CSR was being implemented by the manufacturers in the supply chain.

Experienced Enya asserted that CSR implementation at the textile mills was not as stringent as at the retail or factory level: “I feel like that in the textile part of it, it's much more ... I don't wanna
use the word lenient, but it's not as stringent as the retail level or even the factory level.” Experienced Enya then cited the reason she believed there was low labor involvement in the textile mills she uses in Korea stating,

The fabric mills that we do work with ... Like I said, we work predominantly 99% in Korea. And within their country, they also strongly enforce social compliance laws, not just for ... I mean, just the country in general.

Experienced Enya said she believed her organization had a very effective compliance package and that the suppliers generally adhered to it. “They put together a very good, uh, questionnaire for the factories to answer…and adhere to,” she explained. Believing that the organization had, good intentions, Experienced Enya continued:

Honestly, they always wanted to do the right thing. You know, because they really and truly just can't get away with it anymore. You know, so many companies, I know Walmart comes in and does their own audits. And other companies come in and do their own audits, so they really kinda have to stick to it. And it's a good thing.

Asserting that retail organizations in general have come a long way to implement effective CSR practices, Experienced Enya said she believed most treat is the regulations as law. She said the message from her organization to the vendors was, “If you want to do business with us, you'll adhere to that [CSR audits]”.

Salesman Stanley remarked that his experiences had led him to believe that CSR implementation is effective with the direct vendor, but he was not sure if it moved beyond the supply chain. He did say the shift in CSR implementation and compliance was a positive development.
**Vendors/Manufacturers:** In general, the participants concurred that vendors generally take cues from the CSR compliance policies established by the retailers and buyers. This was revealed throughout the data analysis across interviews with retail and manufacturing participants in the study. The participants from manufacturing discussed that many of their organizations take CSR beyond the compliance audits. Sharing Sharmila discussed this dynamic:

> Apart from that [compliance audits], what we do is we work with a lot of, women in these villages. There's a...see that it's a way of giving back to society because, you know, the earnings, straight away, goes to these women of these rural areas and this is, like, thereby improving their lifestyle, their everything, you know? Education, it's, then, trailing into the next generation because they're able to earn well for themselves. So, I think that's also a kind of social compliance, although, as a company, we are those things but we are able to give it back to those people who are unable to come out of their houses and... So, basically, you know, it's also supporting an economical growth.

Sharing Sharmila stressed that the compliance audit was necessity even given the extra commitment her organization had made to help the workers grow in their self-sufficiency skills to become empowered economically. Rep Raju, on the other hand, discussed how his organization, which is a representative [Asia office] of a North American retailer, talked in detail about compliance and certification, focusing rather more strictly on these CSR practices. Making it clear that his office’s delineated responsibility was to follow directions regarding CSR practices set by the head office, Rep Raju discussed the process his organization followed: “So, usually we will never go to any other factory unless it is routed through the New York office and audited by [a]3rd party and your internal auditor, and we will not use any such factory to produce our goods.”
Additionally, Rep Raju also discussed how his organization went beyond the compliance auditing of the manufacturer to reach the raw material supplier to ensure proper and complete implementation. “We do audits from the raw material supplier to [the] garment manufacturer. So, at each and every stage, we ask our suppliers to be more compliant.” Rep Raju said he has seen major changes occurring in manufacturing, in relation to CSR, during his 16 years working in the apparel industry:

I think it has changed now. Because, even if you talk about India, earlier we never… used to, even, since I have… I am working with apparel industry since [the] last 16 years. Ok?
And earlier, we…our main aim was to make the garment and export it. Even, in the recent years, even… as a big market for retail… [for] domestic consumption, we have started looking into social compliance and make sure … whatever the goods we produce are meeting the social compliance and without any child labor or… bonded labor… these things. So now, it has [gotten] into [the] blood of each and every garment manufacturer that the garment or the product that we manufacture, should be… free from all social evil.

Director Dana talked about her organization’s role in ensuring that labor was protected from the aggressive strategies of the buyers, and about the importance of not agreeing to everything the buyer demands. She explained:

What I have seen in so many years, if you are not compliant then you are not there and it is the top agenda. Whatever [the] buyer says, goes, but sometimes you also have to put your foot down and say it is not possible. Fine, you have power over the labor, but sometimes, because the labor is not educated… people can misuse the power. That has to be there as an understanding that not everything is possible.
Understanding the complexities facing factories with compliance issues, Director Dana stated that compliance is critical but that manufacturers were also given opportunities to address their issues. She explained:

“If you do not have goods to see…you cannot keep on harping that this was not done. There are times where the buffers are given in, okay fine you need this, we can work on this organization but in three months you need to be in the “green zone.”

Agent Anil’s responsibility as a buying agent for multiple retailers included not only ensuring that the compliance audit was conducted, but also carrying out constant updates and checks of the manufacturing units to guarantee consistency. Her duties differed slightly from Rep Raju’s, who was working for only one retailer in North America at the time of the interview. Agent Anil said she believed that CSR implementation had become the norm, with the audits as the first step. She claimed:

It [CSR] has become more stringent today. I mean, earlier it, I mean, in today's day, it has become almost a way of life, that you know, unless and until, there's a lot of importance given to CSR, because you know there's no stones unturned…we feel it’s for the right reasons and we support it, so it's only for better things have changed, it's not for the worse.

Commenting on the manufacturing aspect, all of the participants recognized that the first step towards CSR implementation was compliance audits. They also agreed that the industry had changed significantly in regards to CSR practices from it being something unheard of to becoming an integral part of organizations’ daily operations. In short, a manufacturing facility could find it difficult to exist unless it complied to become a part of the supply chain. Another aspect
recognized by the participants was the reasons why these changes have occurred – most con-
tended that CSR implementation was better both for the organization and for the region in which it operated.

**Future of CSR in the Apparel Industry**

Participants in general had positive attitudes about and were encouraged by the future of CSR in the apparel industry. The idea that implementing CSR was the right thing to do and that the direction the industry was going was appropriate and positive was a recurring theme. For ex-

ample, Experienced Enya expressed,

I just still say, I just keep going back that it's doing the right thing, sticking to your guns. Not letting…the factories or the companies or the retailers lower their standards. I think if you start at a very high standard, you want to maintain that.

Retailer Rimi, meanwhile, explained,

So, it's never been a question of social responsibility over price because…we'll worry about what the factory is doing later. [Social responsibility has] always been the first and sort of main concern…not just because, you know, everybody's good people. It's also just smart business making, so, that's, that's the one thing that I've noticed.

Salesman Stanley attributed the progress in part to the globalization of the industry, stating:

So yeah, I think we've come [far] in a lot of ways in 30 years, and I think we're gonna come a long way in ten years ... But, I think it's always gonna be in the fact that um, the, the global leaders have to be continuing the lead when it comes to this [CSR].

Experienced Enya, meanwhile, pointed to the importance of consumer demand for CSR:

It's really driven by the consumers. If they only want to buy a product that was from a re-
tailer that meets those goals and standards, then those manufacturers will have no choice
but to meet those standards, but if the customers don't really care and they only focus on aesthetics and price, there won't be any changes.

Sharing Sharmita commented on the changes:

Initially, when I started, when all the compliances were not there. There were many clients whom, whom we could not work with. So, you know then, it was, uh ... I mean, I think that it will be a free open state for all clients to come and work with me.

Director Dana also noted the extent of progress, admitting that CSR “can never be perfect, but yes an organization operating in 90% [compliance] is in good hands. And finally, Raju commended the industry for the direction it was taking:

There is lot of room for improvement. But, like India is going in the right direction, like to make sure we, whether we work for European customers or American customers, African customers, make sure we work based on the customer requirements, not only considering the manufacturing side, so, because, we have to make sure that, like, the end customers, who buy the garment, should be happy and the compliance per their local requirement.

The future of CSR in the apparel industry as described above in the participants’ own words was, at the time of the interviews, headed in a very positive direction.

The initial implementation of CSR began with compliance audits, which required the manufacturer to answer a few questions posed by the retailer/buyer. Since that moment, there have been many strategies adopted to improve and the effectiveness of implementation. Discussing their experiences, the participants expressed that they felt the apparel industry had come a long way since then and was moving towards the direction of a becoming a leader in socially responsible business practices.
The participants, while discussing their motivation for committing to CSR, revealed varied reasons for promoting and implementing the practices, from good business policy to CSR being the “right thing to do.” Many participants said their organizations had gone beyond the required compliance because it was a good business strategy, and it simultaneously supported the workers and addressed some of the social problems in the regions of operations.

Chapter 4 Summary

This chapter presented the research findings for the data collected relating to how organizations operationalize CSR across the supply chain. The narratives of the eleven participants, six from the retail side of the apparel industry and five from the manufacturing sector, answered questions revolving around the research question: How do apparel industry managers describe the operationalization of corporate social responsibility within their organizations? Additionally, the data was analyzed for variance between how different supply chain groups (retailers and manufacturers) implemented CSR within their organizations. The data was analyzed and presented in three parts: First, each participant’s story was summarized to establish their background. Next, the data was cross analyzed based on the participant’s narratives and presented through six themes. Finally, the third section described how the data addressed the research question and sub-question.

The findings partially support March’s (1991) trade-off between the exploration of new knowledge and the exploitation of current knowledge. The current knowledge is what is considered useful by the participants across the supply chain related to CSR practices in the apparel industry. The participants mostly agreed that the first step of practicing CSR was conducting compliance audits. They considered the advantages and benefits of conducting audits prior to any other activity critical for the manufacturing units in the supply chain. Within March’s (1991)
framework, current knowledge in CSR practices would be compliance audits, which emerged as the main theme across the data. The findings also support the participants’ expressed beliefs that compliance was not only the first step but that it was the right thing to do.

The data also supports the crucial role the retail organizations played in implementing compliance. Retail organizations generally initiated CSR practices, and they were followed, in the case of the participants in this study, by all the manufacturers. The findings reveal that factors motivating compliance varied, depending on the participants’ experiences. Motivations included CSR was the right thing to do; it represented a good business strategy; and CSR had become a necessity for organizations to become and remain industry members.

As previously noted, many of the participants’ organizations surpassed the basic compliance requirements and adopted innovative practices to support a broader concept and implementation of CSR. In this context, measures that reached beyond compliance included practices such as charitable giving or other forms of support for social causes, such as training women in self-sufficiency to engender economic empowerment. Often in broad consultation with their members, many of the organizations identified a social issue or cause to support, and they moved ahead to provide various forms of assistance. The result was twofold – the organization both helped to solve social problems, and it became every more sustainable and socially responsible.

The participants generally agreed their organizations did not want to end up on the roster of entities that were exposed to tragedies, like the Rana plaza collapse in Bangladesh in 2013, but did not respond from a socially responsible stance. In addition to the humanitarian aspect, participants agreed that it simply makes good business sense to be compliant. The exploration of new knowledge through adopting new strategies to become socially compliant and to lead the industry in this direction emerged in the themes. When probed on what else was being discovered and
implemented in this arena, many participants discussed how their organizations were taking initiatives even before their buyers required audits. The manufacturing participants generally held the perspective that they had taken the initiative to move towards compliance, attempting to engage in additional CSR practices before approaching retailers and buyers. These actions revealed a commitment to go above and beyond minimum requirements, which boded well for the company’s reputation and also increased profitability.

The overview of the findings reveals a balance of exploration and exploitation in the CSR practices in the apparel industry. Although a slight disconnect arose amongst the participants regarding the understanding of what constituted effective CSR practices, the overall understanding, purpose, and goals of CS practices in the apparel industry was coherent. The data also reveals a difference between how the supply chain groups believed CSR was being implemented and how effective it was across the industry. Where the retail side of the industry did not necessarily believe it to be as effective as other sectors did, and even though certain gaps were revealed, overall the interviews with the participants documented that the manufacturing industry representative believed they had been effective in implementing CSR practices above and beyond the basic requirements.
Chapter 5: Interpretations, Conclusions, and Future Research Recommendations

This research study attempted to understand the operationalization of CSR practices across the supply chain in the apparel industry. Specifically, the study explored CSR practices through the participants’ experiences in the industry. The narrative research method applied in the study discovered how CSR is being implemented in the apparel industry. The evolution of CSR through the participants’ stories and lived experiences was used to uncover differences in the implementation of CSR. This chapter is divided into four sections: (a) Overview of study, (b) Interpretation and Conclusions, (c) Implications for Theory, (d) Implications for Future Research and (e) Implications for Practice.

Overview of Study

The purpose of the study was to understand the operationalization of CSR practices in the apparel industry by examining the daily decision-making practices of managers in the supply chain. Additionally, the study attempted to explore any variance between the supply chain groups. As discussed in Chapter 2, CSR in the apparel industry is complex and is viewed through various lenses. Oliveira (2006) discussed the differences in governance systems which could hamper or promote CSR implementation. Islam and McPhail (2011) identified the role of NGO’s and IGO’s in ensuring organizations implement effective CSR practices. Scholars have also explored the influence of buyer pressure on CSR implementation which moved the industry to consider it a way of life and to believe that “it’s just the right thing to do” (Harwood et al., 2011, p. 288).

The study used a narrative research method to capture the stories of managers across the apparel industry global supply chain. The findings of the research provide specific insights into how different supply chain groups operationalize CSR and what they see as the differences in
CSR implementation. In addition, the findings also look at the participants’ experiences to explore supply chain influence and motivation on CSR implementation while studying the global shift in apparel business practices. March’s (1971) exploration exploitation theory was used to understand how the participants managed conflict between profits and social responsibility.

The primary research question guiding this study asked: How do apparel industry managers describe the operationalization of corporate social responsibility within their organizations? The sub-question to this study queried: What is the nature of any variance between how different supply chain groups put CSR into practice in their daily operational decisions and choices? Six themes emerged from cross case analysis and through deductive analysis to answer the research questions, in three parts. The themes that emerged were described in detail in Chapter 4.

**Interpretations and Conclusions**

Six conclusions emerged from the findings of the study.

**Conclusion 1: Implementation of Compliance Audits Play a Major Role in Practicing Effective CSR**

This conclusion emerged from Theme 1 which discussed the organizations’ compliance policy as understood by the participants. The theme explored the various types of compliance participants had observed, from safety measures to causes for adherence to rules flexibility. Differences and similarities in the compliance process in the local and global manufacturing units were discussed. Multiple participants across the supply chain identified the implementation of compliance audits as the first step towards practicing CSR in their organizations. Discussing CSR with the participants from the retail side of the industry, five out of six spoke about how their organizations were implementing CSR through compliance audits. Experienced Enya spe-
cifically spoke about how her organization was highly effective in taking their customer’s requirements and adding additional measures to bring compliance to a higher level. The initial contact with the factories with which Experienced Enya’s organization worked began with sending the factories a compliance questionnaire to complete. With the help of their China office, their factories passed the audit to begin working with Experienced Enya and her team.

Salesman Stanley and his organization would only begin working with a factory once the compliance audits were completed and the factory had passed. He explained that the auditing process was extremely detailed and tedious. He said, local, North American, manufacturers were just as rigorous as any global manufacturing facility in the auditing process and in standards in general. The only difference was the speed of the process given that local manufacturers were faster in completing the process, largely because they were located in the same time zone as the company headquarters. Retailer Rimi, an experienced buyer, stressed that factory compliance needed to be the primary focus of the industry. She explained that the compliance audit process included visiting the factory and ensuring that the compliance requirements – outlined on a checklist -- were being met. She noted a problem of misrepresentation could occur through the facility if the factory that was the point of contact for the final product was subcontracting other associated manufacturing locations. She said her organization had attempted to address this issue by including surprise inspections as a part of the compliance audits.

Manager participants from the manufacturing facilities agreed that the compliance audit was the first essential step towards CSR implementation. They further agreed that most retailers required compliance audits to be conducted and passed before any business with a facility was conducted. Describing how the compliance audit had become protocol in the apparel industry, Director Dana further explained that, with the exception of “boutique” retailers who order very
small quantities, everyone else in the industry was committed to the factories adopting socially responsible practices. All participants were quick to point to auditing as key to socially responsible practices in their organizations. Participants acknowledged that some issues and loopholes persisted, but they were generally confident that their organizations and the industry in general was heading in an appropriate and ethical direction in regards to CSR.

March’s (1991) framework of exploration and exploitation is applicable to this conclusion, as revealed in the discussion by managers regarding how they were exploring auditing as the core procedure of CSR within their organizations. Managers were effectively exploiting compliance auditing within the supply chain as the critical component to grow their profits and to assure efficiency.

The compliance audit and how it was initiated and implemented varied from organization to organization. The larger the organization, the stricter the audit; larger organizations often led the initiation and implementation of the audit process in their supply chain, and, in many cases, they also led the direction of the industry in terms of CSR. This conclusion, however, also asserts that that the compliance audit is generally initiated by the retail and buyer sides of the industry. The managers discussed the audit implementation as an existing and functional operational process; they agreed that, at times, it was the only CSR policy their organizations were employing. The managers said they believed the compliance audit was the initial step towards effective CSR practices, and they explained that, once that phase was implemented, the organizations would begin to slowly explore additional socially responsible business practices while maintaining and improving their production and supply chain efficiency, thus trying to balance the exploration and exploitation activities.
An analysis of Conclusion 1 using the Schwartz and Carroll (2003) three-domain model suggests that the compliance audit has been the center of effective CSR and that it permits managers and organizations feel that they meet all the three components – economic, legal and ethical aspects -- in their operations. The data simultaneously revealed, however, that the compliance audit was not enough to claim strong fulfillment of CSR practices. For example, the participants agreed that loopholes existed in the supply chain and in the auditing system, but that the compliance audit remained an essential step towards a more ethical supply chain and industry. In the framework of the Schwartz & Carroll (2003) three-domain model, which treats legal and economic aspects equally, the compliance audit cannot be considered to effectively and equally manage both of these components, as well as ethics; thus, implementation of further measures is required to reach the ethical standards that the model comprehensively outlines.

**Conclusion 2: Managers View CSR Implementation in the Apparel Industry as a Part of an Organizational Goal to Help Them Grow**

This conclusion emerged from Theme 3 which discussed CSR goals for organizational growth. Participants shared stories and experiences related to how CSR was connected to organizational goals in general and to daily decision-making. While specific process goals varied across the participant interviews, the concept of identifying CSR as an organizational goal remained consistent. Conversations with the participants revealed the evolution of CSR in the organizations over a span of years, arriving at a point where the practices had become an important component of the goals of the organizations. Moreover, CSR was perceived to contribute to the goal of organizational growth.
All of the participants had observed significant changes in the apparel industry during their careers. Globalization and the subsequent evolution and diversification of the apparel industry had simultaneously created problems and solutions. For example, Salesman Stanley said he believed globalization contributed to the shift in the industry towards increased social responsibility, which had led to a substantial removal of the social and environmental evils previously associated with it. Salesman Stanley explained that the industry had grown in compliance to the extent that it was no longer just a requirement for manufacturers located in the Asian sub-continent; North American facilities had also adopted CSR compliance practices. He reiterated that the overarching goal for his organization – and, from his perspective, for the industry in general – was to produce products that were free of all “social evils,” which he said was a noble pursuit.

Participants discussed the process of social responsibility becoming a part of their organizations goals in different ways. All of the participants identified a shift in the industry attempting to become more socially responsible through implementing CSR and compliance audits, but the shift varied depending on the participants’ experiences and their position in the supply chain. Director Dana asserted that the shift was ongoing, that it was not complete, in her organization and beyond. Her organization, in addition to the compliance audits, had invested in training unskilled women, resolving personal or work related issues in the workforce, and constantly adding and reforming CSR strategies to move beyond minimum requirements. This involved, for example, making changes towards greater stringency, or supporting a social cause. Director Dana narrated a certain degree of a power struggle between her team and the retailer’s team regarding labor rights and other dynamics; she said disagreements would arise regarding the manufacturer’s demands. She said the key to negotiations was the reality that CSR goals had become a part of the
operational structure of the organization, which fueled growth and provided a reputation that the facility was well-known for being socially responsible.

The participants agreed that the focus of the industry had shifted in a positive direction, with retailers ensuring that vendors and manufacturers were implementing ethical practices and that manufacturers were not only implementing compliance rules, but that they were also protecting and empowering their workers. According to the participants’ responses, the entire supply chain had evolved and refocused its goals to include CSR as a part of the broader organizational objectives. Salesman Stanley said his experiences had led him to believe, however, that larger organizations maintained a closer relationship with CSR in their business priorities than smaller ones. He discussed the factors taken into consideration during crisis situations, and observed that larger organizations always tended to see resolution through the lens of prioritizing compliance, which overrode other objectives and made it a critical organizational goal.

Balance of exploration and exploitation ensures sustainable organizational growth, according to March’s (1971) framework. This conclusion has discussed the shift in the operational goals of the participants’ organizations in the apparel industry supply chain. In addition to identifying the compliance audits as the first step toward effective CSR practices, the participants in the study discussed how exploring CSR through audits has now evolved to become a major component of organizational and industry goals. This shift is still new and growing, as discussed by the participants, but it has become a fast-growing concept in the apparel industry. The industry before the shift had practiced greater exploitation and minimum exploration. The shift towards including CSR in the organizational goals was tipping the scale to create a balance between exploration and exploitation.
CSR becoming the way of life with in the organizations in the apparel industry also corresponds to the location of the industry at the center of the Schwartz and Carroll (2003) three-domain model. Larger organizations have instituted the rule within their organizations that compliance process overrides everything else.

**Conclusion 3: Managers Believe that Supply Chain is Highly Motivated for CSR Implementation and that it is a Way of Life**

This conclusion emerged from Theme 4 where the participants discussed the influence of social responsibility across the supply chain. The discussion identified stories regarding vendor behavior and supply chain disconnects as well as the influence of CSR on the supply chain, the influence of supply chain groups on CSR practices, and responsibility and accountability as motivations for CSR implementation. Implementation of CSR across the supply chain was perceived as very complex and was of concern to the managers. Participants simultaneously expressed that they believed that retailers seldom shared their organizational and CSR goals with the vendors and manufacturers, which created a disconnection in the CSR supply chain. Callie expressed her concerns regarding what she perceived as disregard from the manufacturers for adopting and ensuring socially responsible practices. This, she said, had resulted a dynamic where the retailers took primary – and sometimes complete --responsibility for CSR.

Conversations with the vendors and manufacturers provided a completely opposite view from that of Creative Callie and other retailers. Rep Raju, for example, articulated that vendors and manufacturers are very concerned about CSR and use it to add value to the products they manufacture and supply. Although participants said the requirement and initial request for compliance audits came from the retailers, Rep Raju said it was vendors like him and his team members who took responsibility for the implementation audits and for ensuring that the factory not
only met the standards but that it exceeded them in many cases. Salesman Stanley and Rep Raju said they had observed that the constant monitoring of the factory was ensuring that compliance was maintained and not violated; they said this gave them an edge over the rest of the supply chain in effective CSR implementation. The conflicting views articulated by the participants regarding how the supply chain was implementing CSR revealed a disconnection in the links between the supply chain groups.

Although the supply chain is believed to position CSR as a part of organizational goals and critical actions, participants expressed the belief that effective CSR was also perceived as important from the commercial vantage point. Explaining that room for flexibility existed, Dana said she believed that the supply chain groups needed to work together to ensure the efficacy of CSR practices; in the case of an issue arising or a slip occurring, she said it was essential for vendors and retailers to work together to find a solution. In addition, Director Dana said she also perceived that her organizational had a strong drive to pursue socially responsible business practices. With that drive, she observed, came a strong conviction that the implementation of CSR – from the audit to new strategies – had become a way of life for the organization. Director Dana asserted that one factor motivating her organization to implement CSR was the extent to which the owners and top executives were well travelled. She also said they were inclined to contribute to society, which they believed would in turn benefit and improve the organization. Her own personal motivation to implement CSR had its roots in religion, Buddhism specifically, and in her compassion for the less fortunate. She carried these values into the workplace. On the retail side of the industry, many participants stated that implementing CSR had become a top priority for their organizations, and that, the larger the organization, the more important the influence of CSR. Nimble Nell said her organization was even willing to take losses rather than work with a
non-compliant manufacturing facility. She explained that her view was in part based on her the high visibility of her organization to stakeholders -- any negative publicity, she said, could directly influence the bottom line, thus a direct relationship with CSR and profitability existed. Experienced Enya, on the other hand, had a very different interpretation of CSR in relation to her organization’s goals. She reaffirmed that CSR built a strong relationship between retailers and manufacturers,’ and that this in turn helped all parties acquire a better understanding of the business. She said this was something an organization should be proud of.

No matter how CSR affected their organization’s economic goals, participants from larger organizations said they believed that CSR or compliance came before anything else. The reasons for this prioritization varied from the fall out that could occur as a result of non-compliance, to concerns regarding negative exposure, to “it is the right thing to do.” Schwartz and Carroll’s (2003) three-domain model does not provide any insight into motivation versus actual implementation. Participants expressed that the industry as a whole has been shifting towards becoming more compliant, but it has not completed the shift. Analytically, the ideal position for an organization in the CSR model is in the center where all the three components of the model – ethical, economic, and legal -- are met equally. Some participants, while not specifically referring to the model, provided information that suggested that the larger organizations have a better chance at achieving a location in the center than smaller organizations because they can implement more stringent compliance auditing processes, and their high visibility in the markets puts them at greater risk of exposure, which significantly motivates them to adopt strong CSR practices.
This conclusion does point to the exploration of CSR implementation in organizations and in the industry, which can be perceived as tipping the scale a bit towards a balance. As discussed above, the reasons the participants cited for motivation were varied across the supply chain, but taking action put motivation into effect and began to provide assurance that exploration activities and policies would be adopted in the organizations and in general in the industry. The effectiveness of CSR implementation in terms of compliance audits requires further investigation to more deeply understand the extent to which CSR is balancing exploration and exploitation. For some participants, implementing the audit was and ultimate goal and was considered sufficient to ensure the practice of CSR; others contended that audits were just an initial step, and that a broader agenda of practices needed to be adopted.

**Conclusion 4: Conflict between Profits and Social Responsibility is Managed Differently across the Supply Chain**

This conclusion emerged from Theme 6 which discussed the buyers’ role in conflict management between profits and social responsibility. Participants across the supply chain identified buyer requirements as playing an overarching role in balancing conflict between profits and social responsibility goals within organizations and in the supply chain in general. Buyers and retail representative participants said they considered it their responsibility to educate the vendors and other members of the supply chain regarding their organization’s CSR goals. Creative Callie and Retailer Rimi agreed that vendors and manufacturers alike were generally unaware of or uninterested in social responsibility and that their focus was primarily on profits; educating these sectors and insist on positioning social responsibility as a major goal in additional to profits fell, therefore, upon the retailers. This dynamic commonly led to the emergence of a lack of trust among the supply chain partners. This meant that buyers and retailers exhibited minimal trust in
their manufacturer and vendor partners in regards to CSR and its implementation. These participants expressed the belief that the primary and only goal of the vendor was profits, but this was not identified as such by the vendors and manufacturers themselves. The vendors and manufacturer participants contradicted this notion, stating that they believed social responsibility was required for them to operate in the industry.

The participants did agree, however, that the driving force of CSR in the supply chain – its identification and initiation – was driven by the buyers and the retailers. Rep Raju held the opinion that that the manufacturing side of the industry lacked a degree of sophistication to be self-motivated, a perspective that reinforced the notion that the buyers and retailers were the main driving force behind CSR implementation. Director Dana, meanwhile, contended that, although buyers generally initiated CSR, there were occasions when they were not fully committed to CSR because it was seen to conflict with the profit goals of the organization. This dynamic, she explained, sometimes put the manufacturer in a position to protect the social responsibility goals of the organization, while defying the buyer. The participants agreed in general, however, that if an organization was not socially responsible, it would be difficult for it to exist in the supply chain.

Participants reflected that the key conflict between profit and CSR affected the vendors because, when the CSR requirements were enforced, the costs to implement the practices were not provided for by either the buyer or the retailer. CSR practices, such as compliance audits or training the workforce, required money. Vendor participants Rep Raju and Director Dana said they had observed that at times, the buyers were ignorant to the costs involved in implementing effective CSR practices on the ground. A concern existed that buyers were failing to understand the connection between CSR and price of the product; they required and initiated strong CSR
practices, but no negotiations regarding who should bear the expenses occurred, making it extremely difficult to effectively implement social responsibility.

Interestingly, the supply chain groups viewed putting CSR at the top of the agenda of priorities as a solution to these conflicts. Suppliers and vendors, in this scenario, would both view social responsibility and compliance as part of the bottom line, and in some cases of conflict or failure to comply, the manufacturers were generally given assistance and guidance to get on track with the requirements. Key in this dynamic was the existence of an understanding and a relationship between the vendor and the buyer.

Conflict management between CSR and profits was viewed through different lenses, based on which supply chain group the participant was from. Part of the conflict was the way in which the different supply chain groups viewed each other’s attitudes and actions regarding CSR, profit, and priorities. Buyers and retailers claimed they initiated the CSR practices in the supply chain and that the vendors and manufacturers did not effectively practice it or consider it important. On the other hand, the vendors and manufacturers admitted that CSR was usually initiated by buyers and retailers; however, they said these groups did not understand how CSR influenced prices during buyer negotiations. In short, both supply chain groups perceived that they were indeed putting CSR at the top of the agenda of goals in their organizations. The vendor participants also expressed that the buyers needed to exhibit greater understanding of their implementation process and the corresponding costs involved.

Organizational ambidexterity has been discussed as a strategy to create a balance between exploration and exploitation. This conclusion discussed how organizations are in constant conflict between profits and social responsibility. By creating a separate department which deals with social responsibility, many organizations have crafted a hybrid or dual structure model (a
compliance department and manufacturing or buying departments) as proposed by O’Reilly and Tushman (2008). These dual structures work on their respective goals; when inconsistencies arise, they are addressed in different ways depending on the organization, its size, and its role in the supply chain.

**Conclusion 5: Managers’ View of CSR Operationalization in the Supply Chain is Varied**

This conclusion emerged from the deductive analysis, based on the framing of the research question. All of the participants pointed to compliance audits as a form of social responsibility practiced by their organizations. The operationalization of CSR was addressed by first understanding the CSR implementation goals of the organizations and of the supply chain, followed by an examination of the changes that have taken place in CSR through the supply chain lens. All of the participants described compliance as the first step to establishing relationships across the supply chain. The buyers and retailers, when initiating a relationship with a vendor, began by ensuring that the vendor was compliant. If the vendor failed the compliance audit, the relationship was terminated without hesitation. For larger retailers, the risk of working with non-compliant vendors was too great. The visibility and scrutiny the larger organizations faced from consumers made compliance audits a mandatory requirement for all the vendors in these companies’ supply chains.

Vendors and manufacturers, however, did view the compliance audits as the first step towards being socially responsible and as essential to engagement in the industry. Participants assumed that, in today’s business environment, if a vendor or a manufacturer was not compliant, they did not exist. Beyond compliance, vendor participants described various other activities which promoted social responsibility practices in the regions and in the industry in general. Providing skills training for workers to economically empower them, working with women in
villages to help them support their families, educating the workers on finances and health to improve their quality of life -- these activities, which were unique to the vendor and manufacturing supply chain groups, were on the list of additional measures participants described had been implemented in the area of CSR.

Buyers and retailers viewed the compliance process as the most basic goal of CSR. Beyond this step, one retail participant discussed in detail the charity contributions her organization made as a type of social compliance. Giving back to causes of interest to the organization’s executive team was identified by the participant as the main additional form of social responsibility practiced. Two participants discussed how their larger organizations had very stringent compliance processes in place that required extensive and detailed implementation measures. These organizations had independent departments that wielded the power to almost veto working with any vendor or manufacturer based on the results of the compliance report. One participant, when asked if the department made exceptions, said she could not think of any instances when a vendor or manufacturer had been accepted if compliance was sidelined. Her extensive experience in the organization convinced her that compliance was indeed at the top of the organizational agenda, with little flexibility otherwise.

Another participant discussed how his philosophy of operationalizing CSR included more than compliance audits with the vendor and manufacturer. He was committed to moving beyond the direct vendor to others who supplied materials to the manufacturer. He utilized the same principle of compliance even further down the chain, with the vendors or with the other suppliers who worked with a vendor in completing orders for the retailers he represented. He compared implementation of CSR practices to “peeling the onion” -- all involved in the supply chain, from the outer levels to the core, had to comply. He also added that this practice was not widespread –
it was something he and his team had decided was important to implement. Two participants said they believed that their organizations were leaders in CSR practices because they ensured the factories passed compliance audits before they would begin working with them. One of them, however, expressed concern that the industry was not focusing more seriously on the environmental aspects of CSR.

Two major categories reflect the differences in how supply chain members interviewed were operationalizing CSR. One, all across the supply chain, compliance auditing was an integral part of an organization’s CSR goals, making it the first step. Next, different supply chain groups implemented an array of additional CSR practices to enhance their levels of fulfillment. Thus, operationalization was diverse amongst the participants’ organizations and varied across the supply chain.

The literature review discussed the ways in which deep-rooted differences exist within organizations, based on the culture of their members, which can influence program implementation. The example cited in the literature review was Company Supported Employee Volunteerism, a construct for CSR. The data from this study aligns with the literature review in that the differences in opinions and actions of the participants regarding CSR implementation emerged as visible and consistent with their role in the supply chain. Differences also surfaced from the data regarding how the participants viewed each other’s roles in CSR implementation across the supply chain. Further research on the apparel industry is needed that explores the influence of culture on CSR – regarding both meanings and implementation practices -- to better understand these differences.

The three-domain model does examine how managers perceive CSR operationalization. Interviews conducted for this study revealed that almost all of the participants considered that
their organization’s CSR implementation was effective and that the company was a leader in the industry. The retailer and buyer participants contended that their role in CSR implementation was setting the guidelines for the manufacturers and vendors. Beyond that, they admitted they were not fully aware of how CSR was being implemented in the manufacturing facilities. On the other hand, the manufacturers and vendors said they believed the retailers and buyers were not fully aware of or committed to effective implementation of CSR. They said guidelines were used and that in fact, in many situations, manufacturers went above and beyond fulfilling minimal requirements, but they did not see similar commitments from the buyer and retailer sides of the supply chain.

**Conclusion 6: Managers See the Future of CSR as Bright with Room for More Improvement**

This conclusion specifically emerged from the deductive analysis of the research question, and it is based on March’s exploration exploitation theory. The general attitude all of the participants towards CSR was positive and they saw a bright role for it in the industry’s future. They said that, over the past few decades, the industry had evolved and increasingly embraced CSR practices as part of daily operations. The participants agreed that their organizations had fully accepted that they must be compliant and socially responsible to be players in the industry. In the future, participants said they believed that processes would continue to improve to make CSR more effective.

Two participants from the manufacturing side of the industry shared their experiences of how CSR in the apparel industry had become a norm. With longstanding careers in apparel, both of these participants had observed this change in the industry, from a time when buyers and re-
tailers had little concern for social compliance, to at least basic CSR practices becoming mandatory in order to establish a relationship with a vendor. In short, the participants noted that the industry had come a long way to establish CSR as a priority in daily operations. One participant said they considered social responsibility an evolving process and that 100% compliance is not feasible. The goal, however, would be to come as close to 100% as possible. Another commented that the future of CSR is very bright in the apparel industry. That participant connected social responsibility to consumer demands and satisfaction.

The retail and buyer participants from the industry held similar, positive views regarding the direction of CSR in the apparel industry. One participant said the belief that it is the appropriate thing to do had become widespread; hence, her organization and the industry would continue practicing basic requirement and adding additional effective CSR practices. Two participants expressed concerns that the factories’ implementation of CSR was a reflection on the broader organization’s reputation, and they advocated making practicing CSR it almost a requirement for all sectors of the industry. Additionally, the participants asserted, all these factors combined made good business sense. One participant said that, in the future, zero room would exist for any concessions or flexibility on CSR requirements for the vendors and manufacturers.

Participants were in sync about the future of CSR in the apparel industry while realizing that there would always be a need for improvement. Their motivations for being committed to CSR varied from it being the right thing to do, to it ranking high as an organizational goal, to the need to meet consumer requirements and demands. The participants said they recognized the necessity for CSR in the industry knew that implementation and operationalization would continue evolving with the practices increasingly becoming more important as organizational goals.
March’s (1971) exploration exploitation framework is effective in an organization when there is a balance between the two. The two – exploration and exploitation – are activities organizations engage in to ensure sustained growth. The industry, as seen by the participants at the time of the interviews, was trying to create a balance between these dual dynamics by growing in ways that permitted the effective implementation and management of CSR practices. The participants acknowledged that there was a lot more to do but that the direction the industry was taking was positive. In short, the participants shared a positive outlook and expressed that exploring activities throughout the industry, similar to those described by March (1971), were becoming a norm.

Similarly, the interviews with the participants also revealed that the three-domain model outlined by Schwartz and Carroll (2003) – or the balance of economic, ethical, and legal components are weighted equally -- could be plausible in the future and could be integrated as a regular priority in the decision-making process. In the scenarios described by the participants, some organizations tended to tip towards the ethical aspect of the model; in others, this factor was the weakest. Economic pressures still often eclipsed ethics at some of the participants’ organizations. However, all of the participants noted that the compliance audits becoming an integral part of organizational decision-making and operational processes represented a significant step forward in raising the ethical component to equal status with the other two factors.

**Implications for Theory**

March’s (1971) exploration exploitation theory was used to frame this study and to guide the research and data analysis. Researchers like Levie and Ropsenkopf (2006) discussed how the balance of exploration and exploitation influences inter-organizational learning and relationships. March (1971) suggested that organizational ambidexterity can ensure sustained success in an
company because it balances the need to innovate and adapt to changes, but it also allows room to maintain and extend existing processes and technologies. Although, organizational ambidexterity may not be possible for smaller organizations, a well-identified plan which has realistic deliverables might be effective in both small organizations to ensure sustained growth.

Researchers O’Reilly and Tushman (2008) appropriately suggested that, for organizations to survive in the ever-changing business climate, they need to explore new spaces by exploiting their existing capabilities. This study has revealed that organizations in the business of fashion have adapted to changes by exploring the world of CSR and by exploiting their capabilities to improve their production and design efficiencies. This study affirms March’s (1971) exploration exploitation framework, applied to the apparel industry. A lack of clarity exists, however, regarding the degree of exploration and exploitation required for an organization to be able to survive and maintain sustained growth. The component of the framework required to guide organizations to plan their balance is understanding when to explore and when to exploit. This aspect is left to organizational decision-making. The idea of balance between exploration and exploitation is proposed in vague terms in the framework which can, in some cases, discourage success due to lack of clarity regarding the strategic implementation of the exploration of newer activities and the exploitation of existing capabilities.

The concept of trade-offs between exploration and exploitation emerged in the interviews conducted for this study. Levie & Rosenkopf (2006) claimed that trade-offs occur in separate domains. This study found that trade-offs did occur within organizations and between departments, and that the department were interdependent on each other. The trade-offs examined in this study happened when one department superseded the other in decision-making. Manufacturing and
production, for example, worked on efficiency and exploitation of existing capabilities of the organization, while the compliance and CSR departments worked on exploring social responsibility. The participants in the study suggested that when issues and conflict arose, the CSR department won. The trade-off here was possible because the two domains were interdependent, and the stronger domain superseded the weaker in cases of upheaval.

**Implications for Future Research**

A fair amount of research has been conducted on CSR practices in the apparel industry, using both qualitative and quantitative methods. Most of this research, however, is limited to one part of the supply chain, either the retail or the manufacturing sector. The conclusions from these studies, therefore, have only addressed one slice of the story. This limits across-analysis of the supply chain and thus restricts the discovery of integrative research results. Future research could take multiple directions, beginning with a quantitative study of participants across the supply chain. Such a scholarly pursuit would include more participants, make the sample size larger and bolster the strength of the data.

Future research could also include a case study with one retailer and its supply chain network to study in detail CSR implementation and its operationalization across the retailer’s networks. This could provide useful insights into a simple supply chain network and its discrepancies and challenges. A need also exists to compare cases of two or more retailers and their supply chains in the area of CSR operationalization. This could provide a cross-case study analysis which could help those organizations, and their similar counterparts, understand issues surrounding CSR within their own organizational networks and beyond.

The literature also lacks studies that apply leadership theories and their influence on CSR implementation. This research could ask, for example: What role do organizational and industry
leaders play in ensuring the proper implementation of CSR? Studying leadership in the industry, while simultaneously examining the evolution of CSR, could provide important insights into the situations and environments in which CSR is effective or ineffective, and the reasons behind this variance. Another area requiring attention is how the supply chain members understand the meaning of CSR, which differs throughout the industry and amongst its various members, who may or may not be directly involved in the implementation of the practices. What CSR meant to different actors emerged from this study; participant commonly equated CSR with compliance audits, but others described a broader meaning that was supported by a diversity of activities underway in their organizations. In a couple of cases, the researcher provided participants with a meaning so they could examine its relationship to their perceptions of industry dynamics. Ineffectiveness of CSR in the apparel supply chain was often related back to lack of understanding of the meaning of the concept; further research could address this confusion.

**Implications for Practice**

The conclusions drawn from the findings provide a comprehensive understanding of how the apparel supply chain members view CSR in their organizations. From the interviews with individuals from various organizations, this study has narrated stories and developed vignette’s paying attention to the operational practices of CSR, to the role of CSR in organizational goals and growth, and to how CSR practices and the organizations themselves have evolved over the past few decades. The analysis and findings also discussed how participants across supply chains understand CSR and its context in relation to their organizations. This section includes several sub-sections on the implications of CSR and its evolution for various sectors impacted by this study. These emerged from the conclusions based on the data analysis conducted for the study. They are discussed below.
Implications for Global Policy Changes for the Apparel Industry

The first conclusion revealed that, for all of the participants, “compliance audit” had become synonymous with CSR. This identified the underlying fact that CSR has been identified in similar terms across the supply chain. The implications of this finding constitute a useful background to CSR in the supply chain and a base from which to begin to understand the effectiveness of CSR implementation in the industry. The findings provide useful information regarding disconnects that existed in relation to how industry representatives and researchers define CSR. Taking a lead from how the participants described effective CSR in their organizations, the second implication is that decision-makers view CSR as a part of organizational goals. A slight difference surfaced, however, regarding the participants’ perceptions of the role of CSR goals across the other part of the supply chain. This implication is based on the varied lenses of the participants. The retailer and buyers viewed CSR as an organizational goal -- partly due to high visibility; they commonly responded to this goal by becoming involved in causes or charities and by learning lessons, for example, from tragedies such as the Rana Plaza factory collapse. The participants clearly considered CSR implementation in their organization and across the supply chain as necessary, but different motivations behind the inclusion of the practice in organizational goals were revealed.

Implications of the study for the industry include the need for deeper and increased involvement in CSR implementation from all sectors. This will prove more effective if and when all the groups in the supply chain work together to create a comprehensive program of CSR which includes compliance and any additional activities and/or regulations which will help enhance the social responsibility of the industry.
Implications for Global Practices

In the current global scenario, a shift is occurring, from support for globalization to a demand for localization. While this may be possible in many industries, there is a limited scope of localization possible in the apparel industry. This is because it is a high labor-intensive, low-technology industry which requires raw materials not necessarily available locally. But as part of the recent shift of buying local, trends like Made in USA are being highlighted. One of the participants from the retail sector suggested that effective CSR is so complex, and increasingly costly, that greater effectiveness and efficiency might result if the manufacturing component shifted back to the local sphere. The thought was not shared by most participants, but the trend is definitely occurring. Multiple issues prevent local manufacturing -- a lack of raw materials and the high cost of labor are two primary obstacles. To some extent, technological advancements can reduce or eliminate certain barriers so that local manufacturing becomes more and more possible.

Despite these issues, all of the participants agreed that a bright future is ahead for the implementation of CSR in the apparel industry. The implication of this finding is that the industry will be working towards addressing the inconsistencies in the practice of CSR across the supply chain. A more comprehensive understanding of how CSR is operationalized across the supply chain is needed for this to be possible. The participants agreed on theses prospects for the future of CSR in the industry and discussed how essential it is for compliance processes to become more streamlined across the supply chain.

Implications for Organizational Design or Partnership Agreements

The next implication takes its cue from Conclusions 3 and 4, which asserted that managers and organizations have come to consider CSR a way of life in the industry and that they are
constantly attempting to maintain a balance between profits and social responsibility. These findings strongly suggest that industry managers across the supply chain have adopted CSR as a way of life and that a significant level of commitment to social responsibility exists. The participants’ consistency in describing CSR as a way of life across the supply chain revealed that social responsibility has penetrated all levels of the industry, to a certain extent. The influence of retailers and buyers on the manufacturing side of the supply chain was identified as significant. The participants from the manufacturing sector discussed a high awareness of CSR requirements, to the extent that they have become an integral part of the process and the goals of manufacturing organizations. In some instances of crisis or an intensification of buyer demands for CSR, manufacturing participants demonstrated resistance to compromise social responsibility in order to accommodate either their other requirements of profits.

The current organizational design and partnerships characterizing the supply chain are independent throughout each part of the chain. A shift towards building partnerships between the key players in the supply chain has been occurring, with the goal of establishing comprehensive CSR policies within individual organizations and across the entire supply chain. This shift will likely assist in building more elaborate CSR practices and implementation strategies throughout the industry. The establishment of partnerships will be a key component of the growing influence of CSR in organizational design and growth.

**Implications for Education and Training for Apparel Industry Professionals**

The current educational trends in CSR for the apparel industry are generally limited to the minimum, with a couple of basic courses offered. Fashion has primarily addressed only sustainability and the environment. A lack of understanding of the concept of CSR and all it includes is
absent among industry representatives. In this study, buyer and retail participants revealed extensive knowledge of CSR requirements in the supply chain process. It was acknowledged that retailers have taken a leadership role in establishing the requirements for CSR and have initiated the implementation of the practices across the entire supply chain, specifically in the form of compliance audits. The implementation process has evolved with the goals of making it more effective and of influencing the supply chain in its entirety. The focus has been on following the process and keeping records to make sure all involved are aware of their responsibilities. Improvements have been made in the process of following compliance.

Reviewing the research conclusions and the current educational and training practices a clear disconnect between education and the industry dynamics becomes apparent. Although current training in the industry requires students to learn through internships and experiential education, this process is still localized to the area of the supply chain of the student and the organization. Education and training practices need to correspond with all sectors in the industry to access the latest evolution of CSR practices and their implementation procedures.

**Implications for Change Agents**

This study revealed that CSR is a part of regular operations in the participants’ organizations, but its implementation was not consistent among the supply chain groups. This variance is based on the motivation for practicing CSR and the participants’ understandings of how it can become an incentive to business growth. The implication also exists that supply chains do not appear to have a clear understanding of the role each part plays in CSR implementation and to what extent. Participant buyers and retailers contended that CSR was effective through the implementation of compliance audits, but that these should be the responsibility of the manufacturer. There
was little motivation to adopt CRS practices beyond the audit, and it was common that manufacturers would only implement CSR policies only after the buyers and retailers required it, in most cases.

The study has evolved my understanding of the meaning of CSR in the industry, the variance in the meaning if it, and how it is being operationalized in the supply chain. My extensive experience across the supply chain in the apparel industry has informed me of specifics of how CSR is implemented; the study confirmed my view that managers across the supply chain consistently believe that CSR is critical for sustained organizational growth. The changes happening in the apparel industry and across other industries are consistent, but most organizations need a consultant or a change agent to dynamically incorporate CSR in organizational designs and decision-making processes.

**Chapter 5 Summary**

This chapter presented six conclusions based on the themes from Chapter 4. The chapter began with an overview of the study, followed by the discussion of the six conclusions. The conclusions summarized the expressed beliefs among the participants that CSR is a synonym to compliance audits. The study has suggested that CSR and compliance are synonymous and are an integral part of the organization and of the supply chain. Apart from compliance, other social responsibility activities in which organizations were engaging were primarily discussed with the manufacturing participants. The perception from retailer and buyers was that they were the ones who initiated the compliance requirements, but that manufacturing was ultimately responsible for implementation. The chapter also discussed how the compliance audits have become a part of
organizational goals. From funds allocated to charity organizations to the establishment of a process to include CSR in organizational goals, the industry has recognized the value CSR adds to organizational success.

Regarding motivations for CSR implementation, this chapter discussed that participants felt highly motivated in the process for multiple reasons. For example, participants were non-compliant, they risked being the center of a scandal such as the Rana Plaza collapse, which could lead to a loss of credibility with the consumers and with partners. The retail participants were specifically of inappropriate responses to something like a tragedy, and of scandal in general, because these erode consumer confidence. Retailers focused on the proper process of making sure compliance audits were in order before beginning working with a manufacturing vendor. Another motivation for implementation was that is it simply the right thing to do, a response given by almost all of the participants. This chapter also discussed how this study concluded that the industry was indeed focused on balancing profits and social responsibility, and in many cases, social responsibility took precedence over all other major concerns.

The conclusions also discussed the different views from the supply chain and the managers on how the CSR was operationalized. The retailer and buyer initiated the implementation but how the CSR is implemented varied with how the manufacturing interpreted CSR and its purpose in the organizational goals. The manufacturing vendors viewed CSR as compliance audits for the buyer and additional activities such as, women’s empowerment, training unskilled labor etc.. The chapter also revealed how the future envisioned for CSR is evolving and bright. The study shows CSR as an integral part of the industry and understands that the future of CSR is to be more engaged and involved in organizational success and goals.
Finally, the implication of CSR as an integral part of organizational goals and of organizational success and growth was also discussed as was the existence of a general disconnect amongst the supply chain groups regarding the meaning of CSR and is proper implementation. Consistency of responses did exist regarding the implementation of compliance audits and the need for them. In sum, however, it was obvious throughout the interviews that the participants across the supply chain did not share a clear or consistent understanding of CSR.

This chapter concluded with future recommendations for research including the need for further research using quantitative methodologies and case study approaches. Suggestions were also made to conduct studies probing the relationship between CSR and the apparel industry through a leadership lens. Finally, the researcher recommended that an effort be made to clarify how the industry understands the meaning and definition of CSR.
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