



**Investigating Socially Responsible Purchasing Perceptions: Perspective  
from the Food and Drink Supply Chains in Nigeria**

A thesis submitted for the degree of Doctor of Philosophy

by

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## **Dedication**

Dedicated to God almighty, the maker of heaven and earth for giving me the grace to complete this journey despite all odds. To him be all the glory, honour and adoration

I also dedicate this PhD thesis to my darling husband, Rev Olugbenga Ogunyemi and our lovely children. God bless you richly.

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## Declarations and Publications

I declare that, to the best of my knowledge, no part of the work in this thesis has been submitted in support of an application for another degree in any other university.

Part of this thesis which was produced during the PhD are included in the following working paper/publications:

Ogunyemi, T., Management Summary (CIPS): Impact of Socially Responsible Purchasing on Supply Chain Performance, [Online] Chartered Institute of Purchasing and Supply Leading global excellence in procurement and supply. Available at: <https://www.cips.org/Documents/Knowledge/Procurement-Topics-and-Skills/4-sustainability-CSR-Ethics/Sustainable-and-Ethical-Procurement/Management%20Summary>

Ogunyemi, T., Ayios, A. and Spiegler, V. (2016) 'Socially responsible purchasing practices and supply chain performance in the food and beverage industry' proceeding of the 27th International Conference (POMS) on Production and Operations Management, Orlando Florida, USA

Ogunyemi, T. and Ayios, A. (2016) 'Supply chain operational performance: Does socially responsible purchasing have an influence?' European Operations Management Association (EUROMA) 23rd International Conference, Trondheim, Norway.

Ogunyemi, T., (2016) 'The impact of socially responsible purchasing practices on supply chain performance' British Academy of Management Conference, Newcastle, United Kingdom.

Ogunyemi, T. (2016) 'Socially responsible purchasing: Impact of drivers and barriers in the supply chain operation performance. Empirical research in the food manufacturing sector' Peer-reviewed Extended Abstract - 5th World Production and Operations Management Conference P&OM Havana, Cuba.

Ogunyemi, T., Ayios, A. and Aktas, E. (2015) 'The impact of socially responsible purchasing practices on supply chain performance' (Working Paper), proceeding of the 24th International Conference on Purchasing and Supply Chain, International Purchasing and Supply Education and Research Association (IPSERA), Amsterdam, Netherlands.

Ogunyemi, T. and Aktas, E. (2013) 'The impact of green information systems on sustainable supply chain and organisational performance', proceeding of the European, Mediterranean & Middle Eastern Conference on Information Systems, Windsor, United Kingdom. <http://bura.brunel.ac.uk/handle/2438/7936>.

## Abstract

The purpose of this research was to examine how social issues are perceived and addressed in the food and drink sector, focusing on the narrower context of Nigerian purchasing practices, identifying the drivers, and barriers to the adoption of socially responsible purchasing (SRP) in the organisational supply chains. This research is underpinned by the stakeholder and institutional theories with the use of Carroll's CSR pyramid to explain the perceptions of stakeholders and the level at which each of the practices is in the pyramid.

An in-depth study was conducted in multinational and indigenous food and drink organisations in Nigeria. Data was gathered from practitioners comprising of employees, managers, and executives by means of questionnaires and semi-structured face-to-face interviews to triangulate data sources. Drawing on the data collected, respondents' perspective of the meaning of socially responsible purchasing provided new insights into the phenomenon with various meanings and contestations. The findings suggest that socially responsible purchasing practices have a moderate positive influence on the organisations' supply chains within an unstable economic environment. Some of the practices were perceived to be voluntary and having an ethical underpinning while others were related to legal responsibilities. The findings suggest that the moderate influence is due to internal and external factors within the institutional environment.

This research context was restricted to private organisations in the food and drink sector in Nigeria which might limit the generalisation of the findings. However, the findings may be transferable to other sectors of the economy where socially responsible purchasing issues are addressed in the supply chains.

In practice, SRP is perceived to be an important element of CSR and supply chains despite the barriers to its implementation. The practices should be properly implemented to help in the sustenance of organisational supply chains. This research will be insightful for other industrial sectors as well as developing economies in Africa.

The findings advance the stakeholder and institutional theories by providing an in-depth perception of various stakeholders and SRP practices within the institutional environment of organisations' supply chains. The research has contributed to enriching the literature on CSR and supply chains sustainability in Nigeria which has a relative shortage of literature on CSR and supply chain.

**Keywords:** Responsible Purchasing, Social responsibility, Corporate social responsibility, supply chain performance, food and drink industry, Nigeria

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Chapter Three: Research Methodology

## **PART II: Analysis and discussion of Findings**

Chapter Four: CSR in Supply chains: Meanings and contestations

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# **Chapter one**

## **Introduction**

### **1.1 Introduction**

Socially responsible purchasing is referred to as the utilisation of the purchasing power of private and public organisations to purchase goods and services that have a positive social impact (ICLEI, 2007). This thesis seeks to explore the influence socially responsible purchasing have on the success of the organisational supply chains in the food and beverage manufacturing sector. Specifically, the research population is the food and beverage manufacturing sector in the Nigerian economy. The sample comprises twelve organisations classified by this research as manufacturing organisations by use of the Standard Industrial Classification definition of manufacturing industries. The classification means, the branch of manufacture and trade based on the fabrication, processing, or preparation of products from raw materials and commodities. An investigation into the organisations' supply chain process about some of their suppliers was carried out.

The thesis aims to achieve five primary objectives. First, the thesis attempts to investigate the general perception of what socially responsible purchasing mean in the food and beverage sector. Second, the study seeks to identify the primary drivers that facilitate the successful adoption of socially responsible purchasing practices. Third, the thesis aims to investigate the major barriers that impede the adoption of socially responsible purchasing practices. Fourth, the study seeks to determine the leading supply chain success indicators and how the practices influence the success of organisational supply chains.

The remaining part of this chapter will explain the background to the choice of the research, the problem of the study and its significance and contributions. The chapter will equally describe the study's conceptual framework and finally the organisation of the entire thesis.

## 1.2 Background to the research

A supply chain is identified by Braziotis et al. (2013), as a set of primarily collaborative relationships and activities that link companies in the process of value-creation to provide the end consumer with the proper value mix of products and/or services. Given the importance of the food and beverage sector and the maturing subject of social sustainability in supply chains, there is a need for research to provide an understanding about the complexity of supply chain social responsibility in varieties of capitalism (economic and political system). Also, an investigation into the framework of supply chain social responsibility in the sector to support expert implementation across all levels of the food supply chain will be carried out. This thesis will address the context-dependent deficiencies in implementing corporate social responsibility in the supply chains. Based on several instances, social responsibility appears to be gaining importance in the food purchasing and supply chains due to both the consumable nature of the product required for existence and the labour-intensive nature of the purchasing and supply chains. For example, some apparel retailers are faced with scandals over the use of sweatshop or child labour (Henkle 2005; Nijhof, Forterre et al. 2008). There was scrutiny on Toy manufacturers (Bjurling 2004) and significant mobile manufacturers (Chan, de Haan et al. 2008) for not complying with international conventions on workers' rights. Again, there have been campaigns against sustainability practices of suppliers and producers of food products including the treatment of animals (Ordonez, 2000). The food and beverage industry has a unique role in increasing economic opportunity because it is familiar to human life and health. However, food and beverage organisations have been under attack regarding the nutritional content of their food. As a fundamental human need, food and beverages always have played a central part in our lives (Sperry, 2014). Propelled by the increasing disposable income, the food, and beverage sector has been experiencing a marked change in consumption pattern (Market and Market, 2013). Also, increasing government regulations are having an impact on food manufacturing companies and their business strategies (Market and Market, 2013).

Responsible purchasing and supply chain performance represent the growing and critical areas for research (Leire and Mont, 2010). Despite the fact that the keen attention paid to social responsibility in the supply chain, the research area of socially responsible purchasing is relatively new. Little studies have been carried out regarding the practice of including social and ethical aspects in purchasing (Leire and Mont, 2010). Little knowledge and

practice exist regarding the incorporation of social elements into procurement activities by both businesses and public organisations. Logistics research has only recently touched upon social issues, such as safety, environment, and diversity (Mont and Leire, 2009). Thus, there appears to be a gap between the societal desire of more socially responsible purchasing and the slow implementation and uptake of socially responsible purchasing at the aggregate level across companies and organisations. And although many companies have some policy for including social aspects in dealing with suppliers, the extent of deployment and integration of these policies differs significantly (Mont and Leire, 2009).

Companies' stakeholders place a demand on them regarding their social performance (Elci and Akpan, 2007). The business community is being challenged to be more innovative and competitive, more productive and profitable, and more responsible and sustainable. There are pressures to deliver more value to shareholders, more security, and opportunity for employees. There are more collaboration and transparency with stakeholders on the solutions for issues such as those relating to corporate governance, environmental protection, corruption, human rights, human resource management practices, consumer protection, supplier relations, health and safety, and others. Seventy-seven percent of consumers said that it is essential for companies to be socially responsible (Survey by Landor Associates 2012). Consumers buy products based on a combination of cost, quality, availability, maintainability and reputation factors and then expect the purchased products satisfy their requirements and expectations.

The academic literature point to some examples: apparel retailers that have faced scandals over the use of sweatshop or child labour, (Henkle 2005; Nijhof, Forterre et al. 2008). Toy manufacturers (Bjurling 2004) and major mobile manufacturers (Chan, de Haan et al. 2008) came under scrutiny for breaching international conventions on working conditions and workers' rights.

Nowadays, sustainability of companies depends not only on financial attributes but also companies' contribution to the welfare of society. Purchasing activities have a crucial role in this sustainability (Vassalo et al., 2008). The improvement in purchasing activities can increase company performance. For achieving sustainability performance, some practices in the supply chains possibly will have to be managed differently and/or changed (Ashby et al., 2012; Taticchi et al., 2013). Managers can make better decisions when they know the aspects

and benefits of socially responsible purchasing that helps in improving their performance (Vassalo et al., 2008).

Purchasing and supply chain focal point is on sourcing, pricing and buying the right materials, at the right price and at the right time to provide a service or product. Purchased products and services account for more than 60% of the company's costs (Vassalo et al., 2008). Efficient purchasing can assist an organisation to reduce costs, maintain quality and manage the levels of risk to its supply chain (BusinessCaseStudies, 2014). Organisations are expected to contribute to the development of a sustainable society by actively introducing products and services that are not only economically appealing and environmentally friendly, but that advance the fulfilment of a social need (Sarkis et al., 2010). A supply chain's performance should be measured not just by profits, but also by its impact on environmental and social systems by having an effective supplier performance management system, excellent customer satisfaction and engaging with the society (Pagell and Wu, 2009).

Consumers care about purchasing from socially responsible brands now more than ever and how a company treats its employees, and the environment is becoming of great concern for shoppers. A survey from marketing agency found that most Americans care about buying products from companies that do good in the world (GMG, 2016). GMG's survey of 1,012 Americans showed that 30% of respondents said that they expect to increase the number of goods and services they buy from socially-responsible companies over the next year (the number was 18% the previous year). 60% of people said that buying goods from socially-responsible companies is vital to them (fastcoexist.com, 2013).

In recent times, it's becoming increasingly evident that besides managing organisation's own social and environmental impacts, aspects and impacts of the entire supply chain need to be managed, since suppliers' performance affects the buying organisation's performance and reputation (Bacallan 2000). Purchasing activities, therefore, become important for developing and setting social and environmental criteria for organisations' suppliers and for improving overall supply chain performance. (Mont and Leire, 2009).

An issue in the rise of corporate social responsibility (CSR) and socially responsible purchasing is the fact that the actions of large companies are increasingly being driven by 'intangibles'. Business valuations are not based on only financials anymore. Over 65% of

drivers are now intangible and CSR cuts across quite a few of them. These drivers include organisational reputation and brands, employees, ethics and values, supplier and distribution know-how, statement of goals, and the value of a company's public support base. These drivers then add a financial incentive for companies to integrate CSR and socially responsible purchasing into their practices (Chartered Institute of Purchasing & Supply, 2013).

Socially responsible purchasing is also a possible opportunity for companies to work with their suppliers. For example, to "identify new power sources for vehicles, new energy sources and an increasing emphasis on minimal environmental footprints," and to ensure that they move forward with more confidence in possibly risky areas such as low-cost off-shore sourcing. These dangerous areas raise key socially responsible purchasing issues such as bonded labour, child labour, and corruption (Chartered Institute of Purchasing & Supply, 2013).

Given that company practices are likely to be different depending on their institutional origins, it is interesting to know how this works out in practice in a situation where they all operate in the same setting such as Nigeria, where the reality, problems, and needs of the society are similar. This research undertakes to fill the knowledge gap in the literature. It examines dealing with social issues within the narrower context of Nigerian purchasing practices, the drivers, and barriers to the adoption of socially responsible purchasing and the overall influence of the practice on the success of supply chains with a particular focus on the food and beverage manufacturing organisations in Nigeria, a developing economy.

### **1.3 Defining Socially Responsible Purchasing**

Socially responsible purchasing continues to be an area of interest from scholarly and managerial perspectives. Socially responsible purchasing implies all elements of the supply chain which include employees, suppliers, and customers (Carter, 2004). Socially responsible organisational buying is that which attempts to take the public consequences of corporate buying into account or bring about positive social change through organisational buying behaviour (Drumwright, 1994). Socially responsible purchasing tends to concentrate

on upstream life cycle stages, production methods and conditions such as health and safety, wages, workers' right, minorities, human rights, gender and racial equality (Lobel 2006). Socially responsible purchasing is the utilisation of the purchasing power of private and public organisations to purchase goods and services that have a positive social impact (ICLEI, 2007). Socially responsible buying is seen to be the inclusion of the social issues advocated by organisational stakeholders in purchasing decisions. The agents that bring social demand to the attention of individual organisations are said to be the stakeholders (Maignan et al., 2002). Purchasing social responsibility was empirically established to include stand-alone activities such as sourcing from minority-owned suppliers, environmental purchasing, safety, human rights and philanthropy issues at supplier plants (Carter and Jennings, 2004). There is a significant difference in the way organisations choose their socially responsible purchasing activities (Mont and Leire, 2009). Some businesses combine both environmental and social perspectives in their operations while some do not. Even though there was an establishment of green purchasing in some organisations, the social and ethical issues have not received adequate attention (Mont and Leire, 2009).

Carter and Jennings also posit that the notion of social responsibility at the corporate level has been extended to purchasing function and termed as purchasing social responsibility. They argue that Purchasing social responsibility activities are purchasing activities that meet the ethical and discretionary responsibilities expected by society. These are the top second levels of Carroll's pyramid, Carroll maintains that the responsibilities of business go beyond a base level of economic responsibility, to include legal, ethical, and discretionary responsibilities Carroll (1979, 1991). Salam is of the opinion that purchasing managers span the boundary between the firm's internal functions and its external stakeholders, including suppliers and third parties (Salam, 2009; Cavinato 1992; Webster 1992). Salam also posits that these managers are advantageously positioned to affect a firm's involvement in socially responsible activities. There is a cross-country variation of socially responsible purchasing perception within the supply chains. In the Nigerian context, most of the food and beverage organisations perceive socially responsible purchasing practices as being philanthropic. This philanthropic action is at the top level of Carroll's pyramid - philanthropic responsibilities. It agrees with some previous authors such as Amaeshi and Adi, (2006); Jamali, D. (2008); Amaeshi, K., Adegbite, E., and Rajwani, T., (2016); Idemudia, U. (2011). Nigeria represents a good empirical context to investigate the perception of socially responsible purchasing in supply chains. The Nigerian context helps to understand this phenomenon better due to the

dynamic economic environment. The next section provides a discussion on the Nigerian food and beverage industry.

#### **1.4 Nigeria and the Food and Beverage Industry**

The choice of Nigeria and the food and beverage industry is not arbitrary. Nigeria is Africa's largest economy with GDP of \$510 billion. It is 26th in the world and has immense growth potential. A stagnant, conflict-driven and unstable Nigeria will be a threat to regional and global stability (Juma, 2015) which will have a considerable impact on its social responsibility initiatives and its supply chains. There is a reformation of the system as agricultural input are made available to the farmers. Recently, the private sector distributes fertiliser to the farmers, and the government provides a subsidy. The institutional environment and responsibility context in the country, categorised as having a weak regulatory quality, high corruption, and low in government effectiveness (Kaufmann et al. 2008), provides a useful case study to examine CSR - supply chain relationship in non-enabling institutional contexts (Amaeshi and Adegbite, 2014). It is also a rich empirical place to explore issues of CSR in institutional supply chains helping to identify the local and universal adaptation (Bondy and Starkey 2014).

Before independence in 1960, the Nigerian economy was mainly agrarian both in production for domestic consumption and exports. The businesses and organisations that produce, manage, regulate, and distribute food and beverages comprise the food and beverage production industry. They are an essential part of the society (Central Bank of Nigeria – CBN, 2000). Of the various sectors that make up the Nigerian economy, the food and beverage sector makes up the highest composition with about 35% (NBS, 2014).

The food and beverage sector has the responsibility of feeding a populous and developing nation. The Nigerian food and beverage manufacturing sector is the strongest and largest sector/segment in the manufacturing industry. The sector has shown strong growth over the years (Cadbury Nigeria Plc, Annual Report, 2015). The sector's products are becoming an essential part of the nation's diet, particularly in urban areas. The industry is a leading manufacturer of dairy products, pasta, hot beverages, noodles, etc. (Gorondutse, 2014). The sector is one of the most globally competitive industries dominated by multinational

companies while the leading manufacturers of food and beverage products in Nigeria are mostly subsidiaries of major global players. The population of the country is quite large, and there are fears that the demand for products will outdo the capacity of organisations to satisfy it (Gorondutse and Hilman, 2014). Also, Nigeria like many other developing countries is facing the challenge of making provision for adequate food supply for its growing population (Ojinnaka, 2011). The future of food and beverage industry in Nigeria appears bright and the sector will continue to grow as Nigeria is seems to be less dependent on oil and gas and is moving towards agriculture, manufacturing and the rest (Anudu, 2017).

The food industry consists of restaurants, caterers, confectioneries, processed foods/grains, dairy companies, and candy manufacturers. The beverage industry consists of two major categories and eight sub-categories. The non-alcoholic category comprises of soft drink manufacture; fruit juices bottling, canning, and boxing; soft drink and water bottling and canning; the coffee industry and the tea industry. The alcoholic beverage categories include distilled spirits, wine and brewing. Well-known companies such as Nestle and Coca-Cola all belong to this sector. As a fundamental human need, food and beverages always have played a central part in our lives (Sperry, 2014). However, the industry has been under attack regarding the nutritional content of their food. The Industrial Revolution had two significant impacts on the food and beverage industry. The first was that new mechanical systems allowed the development of cheap production of canned, bottled, and processed goods. The second was that wages increased in the cities and people could manage to spend more money on food and beverages. People shifted from a diet of predominantly bread and grains to one that included meats, vegetables, and dairy products. Soon, consumer demand led manufacturers to develop an ever-growing variety of foods and beverages (Sperry, 2014).

Food processing essentially remained unchanged until the 19th century with the invention of canning by Nicholas Appert and pasteurisation by Louis Pasteur. These innovations changed the food processing method into a long-lasting food product that was bottled or canned (Sperry, 2014). During wartime, the food and beverage industry shifted, as food is often a valuable commodity. Availability and regulation determined the prices. Most countries involved in World War II rationed food and adjusted prices to stabilise the economy. This increased innovation in the food processing segment with the inventions of juice concentrates, artificial sweeteners, food colouring and more advanced preservatives, such as sodium benzoate. These innovations led to the current food processing market in place today

with convenience foods, such as prepared snacks, frozen TV dinners and instant meals, and other foods that are available right away (Sperry, 2014).

However, consumers nowadays are enlightened and therefore are always demanding fresh and healthy foods rather than the ones preserved with preservatives. The food and beverage organisations face challenges of maintaining fresh products in the supply chains. It is essential to efficiently manage every supply chain no matter the type of product. It is more important to efficiently manage the supply chain when fresh ingredients and products are involved. Fresh foods usually have shorter shelf lives and therefore need to be treated faster along the supply chain that is from the farm to the warehouse, to the distribution centres and then to the stores and or restaurants. Maintaining a fresh supply chain can be difficult especially when suppliers violate regulatory laws, or there are transportation challenges. Organisations, therefore, need to be up and doing and live up to the expectations of consumers. Statistics show that nine in ten adults (i.e. 87%) feel that fresh foods are healthier and 80% believe they are tastier. The studies also reveal "that 78% of consumers are making a strong effort to eat fresher versus processed foods" (Materials handling and logistics, 2016). The organisations tend to distinguish themselves by providing fresh ingredients used to produce fresh products. The organisations maintained the right temperature for storage and shelf life.

As a result of the economic crisis, consumers are looking to save as much money as possible. One significant way that consumers are doing so is by buying more foods and making their meals, not eating out. This act is causing food processing companies to become more innovative to decrease the cost of goods sold, work on attracting more customers and increase profit margins (Sperry, 2014). The increase in obesity all over the world has a major effect on the food and beverage industry. There has been an increase in demand for healthy foods and nutritional labeling that are informative. Both trends have caused companies to release lower calorie foods. Companies want to be seen as a healthy brand and are encouraging activities, such as youth sports, that show this healthy image. To curb consumers' usage of them, foods known to lead to obesity have the tax placed on them (Sperry, 2014).

Rising costs of factors of production are also a significant factor in the food industry. Since the prices of commodities went up in the past year, food companies have had to raise prices of the final product as well. With the economic collapse, this affected them two-fold, as

consumers were less likely to want or even have the money to pay the higher prices (Sperry, 2014).

The industry also has to work on their reputation, as in previous years, there have been incidents of unsafe food released. These occurrences have two significant potential consequences: loss of consumer confidence and increased regulation (Sperry, 2014). Research has shown that the trust consumers have in their suppliers or companies have reduced compared to what it used to be, and nearly half of them have changed companies or switched brands in the past year, either to save money or because they believe the new food will be safer. Government control of the food processing has increased with the passage of new laws as well (Sperry, 2014).

Recently, the food and beverage industry's profit margins have decreased. However, due to the falling cost of commodities, these margins should increase in the coming years. Food is a necessary part of life and will always be essential. Those are some reasons why this industry has an above average future outlook. The beverage industry in Nigeria is dominated by the bottlers for some of the key global brands. The major business constraints in Nigeria remain quite low purchasing power, high import dependence, and an expensive operating environment (leadcapital, 2008). The importance of corporate and brand reputations is expected to become increased, as consumers are trying to stretch their money further and competition is increasing. As competition is growing, the only way companies can separate themselves from others is by brand recognition. Some consumers are now very concerned with the reputation of a company, or their brand image, with regards to the safety and quality of products. Increased innovation in the industry will result in newer, healthier products and reduction in production costs, both of which should increase profit margins (Sperry, 2014).

### **1.5 Problem statement and motivation for the study**

The extant literature on comparative corporate social responsibility (CSR) assumes functioning and enabling institutional arrangements, such as strong government and civil society, as a necessary condition for responsible business practices (Amaeshi et al., 2016). However, CSR in developing economies is often characterised by challenging and non-enabling institutional challenges (Amaeshi et al., 2016). The food and beverage sector is

currently under much pressure to improve in the face of global competition (Gorondutse 2014). The sector is one of the major contributors to the growth of all economies. However, the industry is connected with various social and environmental issues (Valta et al., 2015). The stock-in-trade was as a result of the available market, and a significant number of potential buyers resulted in being dumped into the Nigerian market, and there was no consideration of the health implication of most of these products – their only concern is to maximise profit, to the detriment of Nigerians.

The social consideration in the supply chains is of paramount importance as the people are inevitable for organisations to be sustainable. The goals of the Nigerian government are to build and sustain an efficient purchasing system that meets international best practices. Again, the goal is to ensure the observing of the environmental and social concerns in the procurements (Bureau of public procurement, 2012). More work needs to be carried out in this area of social concern. It is also an area which is underdeveloped within the agency (National Agency for Public Procurement, 2016). This underdevelopment, therefore, makes the social consideration in purchasing or procurement an area of interest for organisations and the government. The social issues, for example, are the treatment of employees, use of child labour, fairness in the workplace, equality amongst employees. All these are issues of concern in the Nigerian industrial environment.

Significant research has been carried out on socially responsible purchasing. However, little knowledge and practice exist regarding the incorporation of the social aspects into procurement activities by both businesses and public organisations (Mont and Leire, 2009). There is a significant difference in the way organisations choose their socially responsible purchasing activities (Mont and Leire, 2009). Some organisations combine both environmental, social perspectives in their operations while some do not. Despite the establishment of green purchasing in some organisations, the social and ethical issues have not received adequate attention (Mont and Leire, 2009). Failure to grasp the significance of these problems can lead to significant disruption in firms and their supply (The Chartered Institute of Purchasing and Supply CIPS, 2005). Again, there has been much debate and mixed empirical findings as to whether socially responsible behaviour on the part of organisations improves or reduces their performance (Salam, 2008). Thus, this research explored this issue in details, provides further insights and contributes to the field of debate. Addressing the gap between the societal desire for more socially responsible purchasing and

the slow implementation and uptake of socially responsible purchasing at the micro and aggregate level across organisations is necessary. Although many organisations have guiding policies and principles for the inclusion of social aspects in the relationship with their suppliers, the extent of deployment and integration of these principles and policies differs significantly (Mont and Leire, 2009).

"Social sustainability aspects specifically have been overlooked in many initiatives while economic feasibility and environmental impact have taken priority. Incorporating social sustainability factors into supplier selection decisions and achieving effective socially responsible purchasing (SRP) have accelerated in importance as a result of the potential risk to organisations' reputation" (Cole, Rosanna, 2015).

This research contributes towards filling the knowledge gap by examining how social issues considered in the narrower context of the purchasing practices, the drivers, and barriers to the adoption of socially responsible purchasing. It also provides an understanding of the overall influence of the practices on the success of the organisations' supply chain, particularly in the Nigerian context.

## **1.6 Research Objectives**

The purpose of this study is to investigate the influence of socially responsible purchasing on the success of organisational supply chains in the food and beverage industry in Nigeria using both causal and survey research designs. The aim is to resolve the research gap left by the literature regarding discovering specific and novel evidence that may account for the variability in earlier study outcomes. Furthermore, the study focuses on the evaluation of manufacturing sector to ensure the influence of recent responsible purchasing practices of the industry on the success of their supply chains. The study, in particular, will seek to:

- i) explore the perception of socially responsible purchasing in the Nigerian food and beverage industry.
- ii) ascertain the drivers that facilitate the successful adoption and implementation of socially responsible purchasing practices.
- iii) investigate the barriers that impede the adoption and implementation of socially responsible purchasing practices.

iv) to identify the supply chain performance determinants in the studied organisations and the influence of socially responsible purchasing practices on the success of organisational supply chains.

v) highlight any other findings that are of interest and contribute towards the subject of socially responsible purchasing and providing recommendations for further research.

## **1.7 Research significance and contribution**

This research contributes to the limited literature on CSR specifically socially responsible purchasing practices in Africa by strengthening our understanding of socially responsible purchasing practices within the institutional environment of manufacturing organisations in Africa. It also contributes to the literature on supply chain sustainability by providing an understanding of the complexity of supply chain social responsibility in varieties of capitalism. This thesis makes two main contributions. Firstly, it shows the diversity of socially responsible purchasing practices undertaken by manufacturing organisations in Africa. It suggests that such practices within the supply chain go beyond the philanthropic responsibilities. The findings of the research advance the stakeholder and institutional theory by providing an in-depth perception of various stakeholders and how SRP practices influence the sustenance of organisational supply chains within the weak institutional context. The research has contributed to the CSR and supply chains literature with the utilisation of Carroll's Pyramid.

Secondly, the research adds some meaning to the view that for CRS activities to be successful, there is a need for enabling institutions (Campbell, 2007). It has highlighted a better understanding of the local drivers of and barriers to socially responsible purchasing practices in Africa and achievement of overcoming such barriers for CSR practices for their potential in Africa.

Regarding policy implications, this study will help governments in developing countries to provide a more meaningful engagement with manufacturing organisations in addressing institutional gaps through well applied CSR activities in which socially responsible purchasing practices is paramount. Regarding practice relevance, findings from this research can provide useful insight and knowledge on local factors that might impact on and

contribute to the successful adoption and implementation of socially responsible purchasing practices in the food and beverage manufacturing industry.

### **1.8 Structure of the thesis**

This section gives a brief representation of the structure of the thesis. There is a presentation of seven chapters in this research. Chapter one introduces the study with a brief discussion of the research problem and objective and the research significance. Chapter two presents contextual literature review by giving a detailed account of previous similar studies and the thesis-related developments. In chapter three, there was a discussion of the research methodologies applied to qualitative and quantitative techniques of examining the proposed conceptual model. In chapter four, there was a presentation of the meaning and contestations of CSR in the supply chain. The thesis continued in chapter five by examining the drivers of and barriers to socially responsible purchasing while chapter six provides detailed discussions of the success implications of CSR in the supply chain. Lastly, chapter seven presents conclusion and further recommendations to both practicing managers and policy makers. The next chapter discusses literature review and conceptual framework.

## Chapter Two

### Systematic Literature Review and Conceptual Framework

#### 2.1 Introduction

Responsible purchasing and supply chain performance represent growing and important areas for research, but there have been few systematic literature reviews to date that examine both fields together. Despite the keen attention paid to social responsibility in the supply chain, the research area of socially responsible purchasing is relatively new and little has been studied regarding the practice of including social and ethical aspects in purchasing (Leire and Mont, 2010).

Operating successfully in any business environment today requires companies to become much more involved in how their suppliers and customers relate. As global markets expand and competition increases, making products and services that customers want to buy means that businesses must pay close attention to where materials come from, how their suppliers' products and services are designed and assembled, how finished products are transported and stored, and what their direct consumers and end product users are really asking for (Wisner, Tan and Leong (2014).

Businesses are facing tough challenges to succeed in a globally competitive market. Customer demand is changing rapidly in terms of sophistication of the products and services demanded. As a result, companies need to become more responsive to customers and market needs, with a greater number of customer-specific products and/or services, with processes that are more flexible, with coordinated suppliers and resources through a number of organisations along the supply chain, whilst reducing costs (Nudurupati et al., 2011). In order to respond proactively to these challenges, management requires proper monitoring and, up-to-date and accurate performance information on its business. This performance information needs to be integrated, dynamic, accessible and visible to aid timely and robust decision-making to promote a pro-active management style that would lead to agility and responsiveness (Nudurupati et al., 2011).

There is a demand on companies by stakeholders regarding their social performance (Elci and Akpan, 2007). The business community is being challenged to be more innovative and competitive, more productive and profitable, and more responsible and sustainable. There are pressures to deliver more value to shareholders, more security and opportunity for employees, and more collaboration and transparency with stakeholders on the solutions for issues such as those relating to corporate governance, environmental protection, corruption, human rights, human resource management practices, consumer protection, supplier relations, health and safety, and others. In a 2012 survey, 77% of consumers said that it is important for companies to be socially responsible (Survey by Landor Associates 2012). Consumers buy products based on a combination of cost, quality, availability, maintainability and reputation factors and then hope the purchased products satisfy their requirements and expectations. However, consumers observe very small differences in the products offered by organizations dealing in food and beverages, as any new offering is quickly matched by rivalry (Gorondutse and Hilman, 2014). The companies, along with their supply chains that provide the desired requirements will ultimately be successful.

Some companies use a vast array of unethical and irresponsible strategies to promote their products, expand markets and increase profits. However, this trend is changing since a high level of monitoring are in place and adhering to rules and regulations have become important. Whereas business norms, based on ethical values and respect for employees, consumers, communities and the environment should be paramount interest to them (World Health Organization 2003). The food and beverage industry has a unique role in expanding economic opportunity since it is universal to human life and health. Propelled by the increasing disposable income, the food, and beverage sector has been witnessing a marked change in consumption patterns. Also, increasing government regulations are impacting food manufacturing organisations and their business strategies (Market and Market 2013).

Purchasing forms an essential link between organisations and gives the trigger for moving materials through supply chains. Purchasing is faced with the challenge of late arrival of materials, wrong quantities and poor quality, wrong materials delivered at the wrong time and at a high price (as a result of poor means of transportation, environmental pollution, expensive raw materials, etc.) which in turn will affect the end consumers (Monczka, 2010). Organisations are expected to behave ethically, develop and enforce ethics policy with respect to their purchasing management throughout their supply chain. However, some

organisations are believed to be uninvolved in this unethical practice. The exhibition of unethical practices and compromising conduct in the buyer-supplier relationship will result in low-level reputation.

Supply chain management has the objective of meeting the requirements of end consumers by supplying appropriate products and services when and where they are in today's business environment, there is a demand for companies by stakeholders regarding their social performance, and seeking information such as suppliers' history, responsible product and processes, treatment of workers and their community as a whole. (Elci and Alpkın 2007). Companies are therefore making efforts to respond to this demand. For example, Starbucks stated that Conservation International has helped develop their buying guidelines that address their principles for ethical sourcing and helped their farmers grow coffee in a way that's better for both people and the planet (Starbucks Corporation 2014). There is an acceleration in the move by organisations, governments, non-profits and other businesses in integrating social and environmental objectives into the purchasing process as a means to reduce their environmental footprint, leverage social benefits and foster a sustainable economy (van Weele, 2010).

Social sustainability is part of corporate social responsibility (CSR) which comprises actions not required by law, but furthering social good, beyond the explicit, transactional interests of a firm (Sarkis et al., 2010). While environmental sustainability emphasises the management of natural resources, social sustainability is concerned with the management of social resources, including people's skills and abilities, institutions, relationships and social values (Sarkis et al., 2010). Organisations are expected to contribute to the development of a sustainable society by actively introducing products and services that are not only economically appealing and environmentally solid but that advance the fulfilment of a social need (Sarkis et al., 2010). According to Pagell and Wu (2009), a supply chain's performance should be measured not just by profits, but also by its impact on environmental and social systems (probably by having an effective supplier performance management system and good customer satisfaction).

The literature on socially responsible purchasing in the manufacturing sector has seen a growing interest but there is a lack of adequate systematic reviews of the literature and research into integrating it with the supply chain performance determinants (see table 2.2.).

Socially responsible purchasing is an emerging topic in the area of supply chain sustainability. It is important to conduct a study on how the practices influence the success of the organisation's supply chains by integrating key indicators of socially responsible purchasing with supply chain performance determinants and an establishment of the relationship. The research, therefore, aims to evaluate the different socially responsible purchasing policies and practices which support the supply chain process and their influence on the success of the organisations' supply chains. This research also identifies and summarises the managerial implication for further practice. This study aims to respond to this need by providing a systematic literature review of socially responsible purchasing with focus on the food and beverage manufacturing sector. In particular, this study aims to answer the following questions:

1. a) How do employees perceive socially responsible purchasing in the food and beverage industry?  
b) What are the main socially responsible purchasing practices carried out in the food and beverage industry?
2. What are the major drivers of socially responsible purchasing practices in the studied sector?
3. What are the main impeding factors affecting the successful adoption and implementation of socially responsible purchasing practices in the sector?
4. What are the main supply chain performance determinants in the industry's supply chains?
5. What influence does the socially responsible purchasing practices have on the success of the organisations' supply chains?
6. What are the managerial implications and further research?

Corporate social responsibility can be defined as, "corporate activity and its impact on different social groups" (Sethi 1995). Throughout this review, the constructs such as socially responsible purchasing and purchasing social responsibility have been operationally taken as having the same meaning. The working definition (which paraphrases Carroll's definition of corporate social responsibility) is purchasing activities that meet the ethical and discretionary responsibilities expected by the society. The study presents the results of a systematic literature review of socially responsible purchasing in relation to supply chain performance covering the period from 1960 to date. The literature review reveals that the earliest relevant paper was published in 1960, which leads to a period of analysis covering the

years from 1960 to date. The review provides a structured overview of prior research and findings and identifies gaps in the existing literature that may be addressed in future research.

## **2.2 Systematic Review Methodology**

Systematic literature review is a method of making sense of large bodies of information, it helps in mapping out areas of uncertainty, and identifying where little or no relevant research has been done, but where new studies are needed.

Socially responsible purchasing and supply chain performance represent growing and important areas for research. Several studies have been conducted on socially responsible purchasing but there is a lack of adequate systematic reviews of the literature and research into integrating it with the supply chain performance determinants. This section presents an integrated view of the published literature on socially responsible purchasing in relation to supply chain performance and development of theory.

To mark out articles of scientific value and prolong influence on the academic discussion in purchasing, socially responsible purchasing or purchasing social responsibility and supply chain performance research, a systematic literature review was carried out by the author. Combining existing evidence in a systematic way is an effective tool in the building of knowledge, and can be as important as conducting new research (Light and Pillemer 1984; Cooper 2016). This approach is of value in social sciences and the business management literature. This study adopted a systematic literature review approach based on the five steps outlined by Denyer and Tranfield (2009). The five steps include: question formulation, locating studies, study selection and evaluation, analysis, and synthesis, and finally reporting and using the results. The steps are discussed below.

### ***2.2.1 Question formulation***

This step requires deciding on the phenomenon of study. The literature on socially responsible purchasing has seen a growing interest but there is a lack of adequate systematic reviews of the literature and research into integrating it with the supply chain performance determinants. The research questions were formulated based on existing literature. Therefore, this study aims to answer the questions mentioned above.

### ***2.2.2 Locating studies***

The decision to identify the search engine and search strings was achieved by the consultation and discussion of the authors. Thereafter, five search engines were chosen based on relevance: Scopus, Emerald, ABI Inform, Business Source Premier (EBSCOhost) and Science direct. These were chosen based on the fact that the context for the study is supply chains and they were identified as the databases with the best coverage for the discipline. They provided more than 10,000 academic publications that composing all major operation and supply chain journals. They have provided a significant hit rate for the relevant literature of supply chain management across multiple disciplines, which were the key consideration of this review. An initial exploratory reading of literature relating to the area of research identified a set of keywords at the outset.

According to Denyer and Tranfield (2009), systematic reviews aim to locate, select and perform an appraisal of the research relevant to particular review questions. The keywords used initially were somewhat broad to ensure that there are no objectionable results. In this research, the keywords selection relating to sustainability, socially responsible purchasing and supply chain performance were classified into different categories with similar meaning. Since some studies used slightly different keywords for the same concept, the “\*” sign was used at the end of some keywords to broaden the scope of the review. The keywords were selected based on exploratory search and study of research by previous authors. The search was limited to peer-reviewed scholarly articles and keywords are selected as follows and summarised in table 2.1.

**Table 2.1: Keywords selection**

Subject	Related words
Socially Responsible Purchasing	"socially responsible purchasing", "sourcing", "procurement", "purchasing polic*", "practic*", "social"
Sustainable	"Sustainab*", "environment", "green" "social" SCM
Supply Chain Performance	"Performance measure", "metric", "indicator", "improvement", "KPI", "determinants"
Supply chain	"supply chain", "manage*", "logistics", "operation*", "process"
Moderators	"Enabl*", "driver", "barrier" "determinant",

### ***2.2.3 Study selection and evaluation***

According to Jesson et al. (2011), the inclusion and exclusion criteria that will be applied must be explicit so that the articles can help provide answers to the research questions. Therefore, a decision was taken to review the title, abstracts, and journal for relevance. The selection criteria used are listed below:

- Subject - The paper had to be relevant to socially responsible purchasing, social responsibility and sustainability, supply chain activities (product development, sourcing, production, and logistics) and supply chain performance.
- Language – the paper had to be written in English.
- Journal type – peer-reviewed and scholarly journals.

However, since socially responsible purchasing is an emerging topic in the area of social sustainability and an adequate systematic review has not previously been carried out, quality of the papers was not used as a criterion. A general wider literature review was carried, afterward, the papers where streamlined based on the criteria mentioned above and the papers were reduced to 124. It was important to include relevant articles relating to socially responsible purchasing and supply chain performance. The search was carried out using all

keywords combinations and resulted in 1,194 hits. Focus on the paper title and/or keywords based on relevance reduced the number of papers to 578. Duplicated results from each database were cross-checked and this further reduced the number of papers to 257. The abstracts and full paper check of the potential 257 papers were checked against the criteria stated above. In the end, 124 core papers met the criteria and therefore were selected for detailed study and analysis.

#### ***2.2.4 Analysis and synthesis***

Analysis of the papers was done descriptively and thematically and focused on categorising the papers by title, year, author name, the aim of the research, variables, methodology, focus/scope, industry, findings, limitations and future research.

#### ***2.2.5 Reporting and using the results***

The full texts of the 124 selected core papers covering areas of responsible purchasing/CSR and supply chains were read in relation to the research questions. The 124 papers identified through the systematic literature review are analysed in this section with respect to the year of publication, focus, methodology, sector/location, and journal in order to understand the trends in this body of literature relevant to responsible purchasing and supply chain performance (see table 2.2). About 57 percent of the papers (70) focus on purchasing related issues, 27 percent (34) focus on supply chain performance while only about 16 percent (20) discussed both. The papers were published between 1960 and 2014. Through the 1990s and into the early 2000s the number of papers published was 14. From 2001 through to 2014, 107 articles were published, which constitutes over 86 percent of the papers in this study. This signals an increasing interest in social responsibility especially in the area of purchasing.

The survey study (about 48 percent of papers), and the case study (about 24 percent of papers), were the most frequently used methodologies and they seem to be used consistently in the publications. The literature review consists of 19 percent of the papers which can be used to develop theory. The 124 papers identified by the review were published in different journals. However, 22 percent of the papers were published in the *Journal of Business Ethics* and *Supply Chain Management: An International Journal*. On the other hand, the *International Journal of Operations and Production Management* has 9 papers (over 7

percent) whereas, about 9 percent of the papers (11) was published in Journal of Supply Chain Management. This shows that socially responsible purchasing and another aspect of purchasing are within the business ethics and operations management and supply chain field.

A consideration of the geographical location of the authors' affiliated institutions and location of the study shows that about 35 percent of the papers originated from the USA which is the highest suggesting a strong interest in responsible purchasing and supply chain performance in the USA. The UK and Asian economy account for the second largest proportion of papers of about over 15 percent.

In determining the industrial sectors that have made a contribution to the body of knowledge on responsible purchasing and supply chain performance, the researcher discovered that thirty-seven publications studied the manufacturing sector which constitutes the highest number of papers reviewed. Seven papers studied both service and manufacturing sectors, while fifty-three studied various sectors. Five papers considered the public sector while only one considered the service sector.

**Table 2.2: Summary of the systematic literature review**

Focus	Year of Publication	Methodology	Sector	Location	Journals
Socially Responsible Purchasing/CSR- 70 out of 124 papers Supply chain performance – 34 papers Both – 20 papers	2001 to 2014 – 107 out of the 124 papers 1990s to 2000s – 14 Prior to 1990 - 3	Survey study only – 22 out of 124 Case study only – 23 Literature review only – 17 Interview only – 7 Statistical methods only – 4 Website & Others – 10 Case study and interview – 10 Survey and interview – 5 Other combinations - 16	Manufacturing – 37 publications Service & Manuf. – 7 Public – 5 Service – 1 Multinationals, retail & other sectors - 53 None – 14	USA – 43 papers Asian economy – 19 UK – 19 Various countries - 7 Others – 36	Journal of Business Ethics - 16 Supply Chain: An Int'l Journal-12 Int'l Journal of Operations and Production Management – 9 Journal of Supply Chain Management –11 Int'l Journal of Production Economics - 5 Journal of Production and Supply Management- 3 Journal of Public Procurement -3

From the review, it was discovered that 86.29% of the papers were published between 2001 to 2014 which shows that socially responsible purchasing in relation to performance is an emerging topic and of interest to scholars and practitioners. The survey and case study methods had the highest number of papers while the manufacturing sector was the most studied sector of the economy. In the course of this research, more related scholarly articles and literature on corporate social responsibility (CSR) written by authors such as Idemudia, Adegbite, Amaeshi amongst others, were searched and utilised in order to keep up to date with the current debate on the research focus.

### **2.3 Prior Research on Supply Chain Sustainability**

A systematic literature review of earlier studies shows more focus on the environmental and economic perspectives. There was no adequate coverage of the social aspects of supply chain sustainability and there was no in-depth coverage of the key factors of socially responsible purchasing in relation to performance. For instance, some scholars (Linton, Klassen, and Jayaraman, 2007; Carter & Rogers, 2008; Bai and Sarkis, 2010) focus only on the economic perspective whereas some others (So, Parker and Xu, 2012; Saxena and Khandelwal, 2012) focus on environmental performance only. Some papers focus on responsible purchasing (Carter, 2004, 2005; Carter and Jennings 2002; Worthington et al. 2008; Blome and Paulraj 2013). However, there is no adequate systematic literature in the area of socially responsible purchasing. This research presents a systematic view of the published literature on the social aspect focusing on socially responsible purchasing in relation to performance whilst answering the research question. In order to meet this objective, next are some relevant terms based on the literature.

In the business environment, an organisation's level of competitiveness will be affected depending on the level of importance attached to supply chain function. Sustainable purchasing is a growing global trend and a relatively new area (van Weele, 2010). There is an acceleration in the move by organisations, governments, non-profits and other businesses in integrating social and environmental objectives into the purchasing process as a means to reduce their environmental footprint, leverage social benefits and foster a sustainable economy. While there is an academic recognition of the need to integrate environmental, economic and social sustainability, given the broad nature of these fields, there is a need to

develop a better and more focused understanding of sustainability specifically in relation to the social perspective (van, Weele2010).

Purchasing and supply chain management started to evolve as an area of important academic enquiry in the early 1990s. The focal point of enquiry and subject matter in this field continues to expand (Chicksand et al. 2012). Purchasing has continually evolved in response to changing conditions. It has developed new methods and moved into new areas to give an essential service that works within the supply chain of every organisation (Monczka et. al. 2015). Research on socially responsible purchasing has received increased attention in recent years. It is important for organisations to be strategic while aiming towards being responsible in their purchasing and supply chain process. 'Strategic purchasing' may be defined as the process of planning, implementing, evaluating, and controlling strategic and operative purchasing decisions for directing all activities of the purchasing function towards opportunities consistent with the firm's capabilities to achieve its long-term goals (Carr and Smeltzer 1997; Zheng, et al. 2007).

## **2.4 Sustainability in Supply Chain Management**

### **2.4.1 Supply Chain and Sustainable Purchasing**

A supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request. The supply chain includes not only the manufacturer and suppliers but also transporters, warehouses, retailers, and customers (Chopra and Meindl, 2007). Sustainability is the strategic, transparent integration and achievement of an organisation's social, environmental and economic goals in the systemic coordination of key inter-organisational business processes. This is for improving the long-term economic performance of the individual company and its supply chains (Carter and Easton, 2011).

Purchasing or procurement is the process by which companies acquire raw materials, components, products, services, or other resources from suppliers to execute their operations (Chopra and Meindl, 2007). It can also be defined as the process in which the supplier sends products in response to customer orders. "Sustainable procurement is procurement that is consistent with the principle of sustainable development such as ensuring a strong, healthy

and just society, living within the environmental limits and promoting good governance" (Walker and Brammer, 2009, p.128). According to Van Weele (2010), sustainable purchasing is the consideration of environmental, social, ethical and economic issues in the management of an organization's external resources. In this way, the supply of all goods, services, capabilities, and knowledge that are necessary for running, maintaining and managing the organization's primary and support activities will provide value not only to the organization but also to society and the economy. The adoption or implementation of successfully sustainable purchasing can, however, be influenced or hindered by a number of factors.

## **2.5 The concept of purchasing and sourcing groups**

Purchasing has received attention in formal, published books and articles as far back as the early-mid 1800s. In the early days, purchasing was recognised as the function that reaches outside the boundaries of the firm to acquire goods and services in support of the operation function (Leenders and Fearon 2008). All organisations purchase materials from suppliers, use them in their operations to manufacture products and pass the end product to customers. Purchasing was incorporated into the term supply chain management during the past twenty years and does not only consider immediate suppliers but also sub-suppliers (i.e. different tiers of suppliers) and the entities downstream from the firm that facilitate the transport of products and services to markets (Krause et al. 2009).

Purchasing forms an essential link between organisations and gives the trigger for moving materials through supply chains. According to Lysons and Farrington (2012), the objective of purchasing is to buy materials of the right quality, in the right quantity from the right source delivered to the right place at the right time at the right price. From another viewpoint, Wisner, Tan, and Leong (2014) stated that purchasing is a key business function that is responsible for acquisition of the required materials, services and equipment.

The primary goals of purchasing are to ensure the continuous flow of raw materials at the lowest cost, to improve quality of the finished goods produced, and to optimize customer satisfaction. Purchasing can contribute to these objectives by actively seeking better materials and reliable suppliers, working closely with and exploiting the expertise of strategic suppliers to improve the quality of raw materials and involving suppliers and purchasing personnel in

new product design and development efforts. Ford et al. (2003), in agreement with Wisner, Tan, and Leong (2014), observe that the issue facing managers is no longer about buying the right products at the right time at the right price but of managing and developing relationships with key suppliers over a long period. This is also in agreement with the definition of purchasing as involving the determination of what is to be bought, selecting suppliers, contracting, monitoring and evaluating the final outcomes (Murray, 2009). It also involves specification of how outputs and outcomes will be achieved (Murray, 2009). Purchasing is the process of procuring the proper requirement, at the expected time, at the lowest possible costs from a reliable source (Winthrop.edu). The flow of materials into an organisation is usually initiated by a purchase order sent to a supplier meaning that a purchasing department finds suitable suppliers, negotiates terms and conditions, organises delivery, arranges insurance and payment and does everything needed to get materials into the organisation.

An organisation acts as a customer when buying materials from its own suppliers, and then it acts as a supplier when it delivers materials to its own customers. For instance, a wholesaler acts as a customer when buying goods from manufacturers, and then as a supplier when selling the goods to retailers. The product moves through a series of organisations as they travel from original sources of raw materials through to final consumers of finished goods/products. The organisations moving materials inwards from suppliers is referred to as upstream while the organisations that move materials outwards to customers are called downstream suppliers.

According to Blome and Paulraj (2013), the purchasing function can be considered to be well-positioned to increase the organisation's ethically and socially responsible activities that cover the whole supply chain. The basic activities of purchasing often seem to be shorter-term rather than strategic. This has been the traditional view, but it is misleading as procurement has a great impact on an organisation's long-term performance and even its survival (Monzcka et al. 2010). Chen, Paulraj and Lado (2004) posit that given the strategic importance, the purchasing function has become increasingly important to its success of organisations. The purchasing function is in a unique boundary-spanning position that can significantly impact the relationship between the organisation's internal constituents and its external stakeholders i.e. suppliers, contractors, buyers and the community (Carter and Jennings 2004). Blome and Paulraj (2013), also stated that given that purchasing is a key

boundary-spanning function in the successful management of the supply chain, it can play a unique role in enabling comprehensive CSR objectives within firms.

In their analysis of the use of sourcing units in public institutions Johnson, Leenders, and McCue (2003) made a comparison of their results with studies that concentrated on the private sector. The results show that sourcing groups are infrequently used in public compared to private organisations and this may be due to the fact that public organisations are inactive in developing a new product. Nollet and Beaulieu (2005) defined a purchasing group as a formal or virtual structure that facilitates the consolidation of purchases for numerous organisations.

## **2.6 Dimensions of socially responsible purchasing**

According to Lee et al., (2009), public boycotts of companies' products such as Shell, Nike, and Gap on the ground of social responsibility and commitment have been witnessed and low wages, human rights, child labour and environmental pollution were the issues raised. Eltantawy, Fox, and Giunipero (2009) view socially responsible purchasing as managing the optimal flow of high quality, value-for-money materials, components or services from a suitable set of innovative suppliers in a fair, consistent, and reasonable manner that meets or exceeds societal norms, even though not legally required. In this section, literature that encompasses purchasing and supply management activities relating to environmental, safety, diversity, ethics, philanthropy and human rights issues are discussed. These issues were recognized as being encompassed within CSR and were identified through a review of the supply chain management literature as existing research. CSR is summarised to mean meeting the discretionary responsibilities expected by society (Carter, 2004). The definition, therefore, encompasses the activities relating to the environment, diversity, philanthropy and community, human rights and safety.

### **2.6.1 The Environment**

According to Zhu, Sarkis and Geng (2005), standards regarding the environment are already codified in national legislation or international treaties and conventions which are then formalised by member states in most developed and developing countries. Some

organisations and the government have contributed to sustainable practices adoption such as integrating environmental considerations into supplier selection. Carter and Carter, (1998); Melnyk et al., (1999) in their work investigated the antecedents to environmental purchasing to include external drivers such as customers and regulations. In his research, empirically examining purchasing social responsibility across a large sample of manufacturing and service organisations, Carter (2004) noted that some of the organisations challenge suppliers to commit to waste reduction goals, work at reducing packaging materials, and assess the environmental responsibility of suppliers.

Ellram and Birou (1995) propose that an avenue through which the purchasing function can contribute to an organisation's socially responsible purchasing is through environmental initiatives. Purchasing literature in the area of environmental management includes the use of case studies of environmental supply management (Handfield et al. 1997; Narasimhan and Carter 1998) and economic consequences (Carter, Kale, and Grimm 2000). Carter et al., (2000), in their work using survey and secondary data, found that there is a significant relationship between environmental purchasing and financial performance with the organisation size, earnings per share and leverage put into consideration.

Evidence of the influence of government regulation on environmental purchasing is mixed. Melnyk et al. (1999) find that environmental management systems are positively related to environmental regulations. Case study research by Walton, Handfield, and Melnyk (1998) and the descriptive statistics presented by Min and Galle (1997) suggest a positive relationship between government regulation and environmental supply chain management, but also argue that regulation can act as a barrier to green purchasing due to the persistent changes to present regulation. However, empirical research by Carter and Carter (1998) found no relationship between regulation and environmental purchasing.

### **2.6.2 Ethical issues**

According to Carter and Jennings (2004), ethical responsibilities means transacting businesses in a manner expected and seen by society as being fair and reasonable even though not legally compelled. Friedman (1970) posits that the consideration of ethics and discretion are not relevant and that firm's financial performance might be harmed if they are considered. However, Preston (1990), with an opposing view stated that social matters can be

essential as market factors in ensuring long-run success and therefore deserve almost the same attention and analysis being devoted to the market environment in the past. Ethical issues in buyer-supplier relationships have long been studied from the standpoint of purchasing management (Felch 1985; Rudelius and Buchholz 1979; Turner, Taylor, and Hartley 1994), and the coincidental view of both the buyer and supplier (Carter 2000a; Dubinsky and Gwin 1981). According to Mont and Leire (2009), the general challenge for social and ethical issues is that both the focal firm and its suppliers have difficulty with enforcing changes or evaluating the performance beyond the first-tier suppliers.

The research on purchasing and marketing management noted that examples set by the top management of organisations have the potential to build an organisational culture with regard to ethics (Chonko and Hunt 1985; Chonko, Tanner, and Weeks 1996; Turner, Taylor, and Hartley 1994). Some other preceding area of ethics that were named in the existing literature include the code of ethics and ethics policies and standards (Forker and Janson 1990; Carter 2000b). Recent empirical research finds that ethical issues in buyer-supplier relationships consist of two unique dimensions (Carter 2000a). The first dimension is termed as “deceitful practices,” and includes activities such as using vague contract terms to gain an advantage over suppliers; the second dimension, which is “subtle practices,” includes activities that are difficult to grasp such as showing favouritism when selecting suppliers.

Welford and Frost (2006) are of the view that if small and medium enterprises do not receive support in complying with codes of conduct, there is likelihood for them to be left out from tendering opportunities or might remain on the market with focal firms who are not concerned about social and ethical issues but concerned about price. In their research, Andersen and Skjoett-Larsen (2009) noted that IKEA has experienced increasing internal focus (pressures arising from within the business) on the conditions under which its products are produced. The media and NGOs are concentrating on labour conditions especially at the factories in developing countries. Recognising the negative publicity about the social and environmental state of its suppliers, the organisation decides to formulate a code of conduct with respect to its suppliers. This is embedded in the supplier guiding principle and is expected to be adhered to.

### **2.6.3 Diversity**

Supply chain management literature has examined the issue of diversity from the viewpoint of purchasing from minority and women-owned business enterprises (M/WBEs) (Carter 2004). Supplier diversity, a form of socially responsible purchasing is a process or practice adopted by some large purchasing organisations (LPOs) for promoting greater diversity in the supply chains by intentionally providing selling opportunities for traditionally under-represented suppliers such as small firms, ethnic minority businesses or women-owned enterprises (Worthington et al., 2008).

Supplier diversity originated from the United States and is gradually becoming a significant feature of the corporate world in the United Kingdom and other countries in Europe (Worthington, 2009). Carter, Auskalis, and Ketchum 1999 have found that internal factors such as top management support and inclusion of MWBE purchasing criteria in the formal examination of supply managers have a significant impact on MWBE programmes. In addition, Krause, Ragatz, and Hughley (1999) suggest that some organisations' MWBE programmes are run not only by social concerns but also end user interest since minorities can represent growing market segments for many organizations. According to Carter (2004) in his work, some manufacturing and service organisations purchase from diversity-owned suppliers and have a formal supplier diversity purchase programme.

As a concept, 'supplier diversity' is often mistakenly taken to mean any initiative to broaden an organisation's supply base, for example by increasing the number of suppliers with whom the organisation does business. However, supplier diversity refers to initiatives that aim to increase the number of diversely controlled (e.g. ethnic-minority owned or women-owned) businesses that supply goods and services to both public and private sector organisations. It's about creating a level playing field, by offering under-represented businesses equal opportunities to compete for the supply of quality goods and services, as other qualified suppliers (CIPS 2013).

### **2.6.4 Human Rights, Safety, and Philanthropy**

According to Emmelhainz and Adams (1999) purchasing management research in the areas of human rights and philanthropy, and safety is not very common. In their work, they

investigated human rights issues which include supplier selection focusing on the ones that pay a living wage and that avoid using sweatshop working conditions. They proposed that these issues have become relevant for supply managers due to increased awareness of American consumers and increased regulatory examination.

Empirical study carried out by Carter (2004) found that manufacturing and service industries under study ensure that suppliers comply with child labour laws, conduct supplier visits to ensure that suppliers are not using sweatshop labour, require suppliers to render fair compensation to workers, ensure that suppliers are operating in a safe manner, ensure safe, incoming movement of products to their facilities and as well donate to community organisations. The ethical issue is in the context of sweatshops; health and safety etc are really legal requirements being poorly enforced or not present in an environment. Philanthropic is never a requirement in the same sense. There has been a lot of research into the role of the philanthropic component in 'bottom of the pyramid' environments, that is, where people are very poor, and also where religious demands create this. However, a business can be highly philanthropic giving money to good causes yet highly unethical in its working practices. So philanthropy is no guarantee of ethical behaviour, it will only be a compliment.

Mienczyk, Johnson and Macquet (2012) in their work, identified subdivisions of social sustainability measures as i) organisational (generic internal process) which concerns internal processes of the purchasing function, such as supplier selection and assessment; ii) social equity - ensuring equality in employment and among suppliers in terms of diversity, gender, etc.; iii) compliance and standards - verifying supplier conformity with legislation, social norms, and standards (minimum wage, etc.); iv) support for community; support for health and safety responsibilities; v) (Non-) ethical behaviour - the behaviour of purchasing employees (accepting bribes, sharing sensitive competitive information, etc.); vi) conflict of interest – controlling the declaring conflicts of interest (e.g. purchasing personnel having personal and financial relationship with suppliers); vii) codes of practice and conduct - enforcement of codes to keep an eye on and control personnel and suppliers. It is also believed that promoting employee welfare and compensation have a positive impact on workers' productivity and company performance (Frey and Stutzer, 2003). In addition, there have been cases where suppliers were required to show proof of their social accountability and community relation which means that there would be as much scope to use public

purchasing or procurement to promote a strong local economy, support minority groups and also promote benefit-sharing with indigenous people (Akenroye, 2013).

## **2.7 Characteristics of socially responsible purchasing**

With respect to the purchasing process, socially responsible organisational purchasing is that which tries to incorporate non-economic procurement criteria (for example, ethical factors) into the purchasing decision, thus potentially serving to contribute to the achievement of some positive social change desired by the wider society (CIPS 2013). The literature in the area of purchasing and supply management has begun to investigate several issues relating to socially responsible logistics, including environmental purchasing (Carter and Carter 1998), purchasing from MWBE suppliers (Dollinger, Enz, and Daily 1991), labour conditions at supplier plants (Emmelhainz and Adams 1999), and ethical issues in buyer-supplier relationships (Turner, Taylor, and Hartley 1994). These issues, however, have been examined alone without theoretical or empirical consideration of their relationship to corporate social responsibility (CSR), which can be defined as, “corporate activity and its impact on different social groups” (Sethi 1995).

Socially responsible purchasing continues to be an area of interest from both managerial and scholarly perspective. Socially responsible purchasing has implication for all elements of the supply chain which include employees, suppliers, and customers (Carter, 2004). According to Drumwright (1994), "Socially responsible organisational buying is that which attempts to take the public consequences of organisational buying into account or bring about positive social change through organisational buying behaviour". Socially responsible buying is seen to be the inclusion of the social issues advocated by organisational stakeholders in purchasing decisions.

The agents that bring social demand to the attention of individual organisations are said to be the stakeholders (Maignan et al, 2002). In their work, Carter and Jennings (2004) empirically established purchasing social responsibility to include stand-alone activities such as sourcing from minority-owned suppliers, environmental purchasing, safety, human rights and philanthropy issues at supplier plants. Carter and Jennings (2004) also posit that the notion of social responsibility at the corporate level has been extended to purchasing function and

termed as purchasing social responsibility. They argue that purchasing social responsibility activities are purchasing activities that meet the ethical and discretionary responsibilities expected by society. Salam (2009), is of the opinion that purchasing managers span the boundary between the firm's internal functions and its external stakeholders, including suppliers and third parties (Cavinato 1992; Webster 1992). Salam also posits that these managers are advantageously positioned to affect a firm's involvement in socially responsible activities.

There is a significant difference in the way organisations choose their socially responsible purchasing activities (Mont and Leire, 2009). Some organisations combine both environmental and social perspectives in their activities while some do not. This might be attributed to different organisational policies regarding the activities. Although green purchasing has been established in some organisations, the social issues which include ethical issues have not received adequate attention (Mont and Leire, 2009). Socially responsible purchasing tends to concentrate on upstream life cycle stages, production methods and conditions such as health and safety, wages, workers' right, minorities, human rights, gender and racial equality (Lobel 2006).

According to Carter (2005), the involvement of the purchasing function in CSR has been tagged as purchasing social responsibility (PSR). Socially responsible purchasing has the characteristics of CSR but is different because of the purchasing manager's interaction with a broad set of stakeholders including buyers, suppliers, contractors, the community, and internal employees in most of the other functional areas of the company. Carter also argues that while some of these activities may overlap with the general CSR of the firm, the purchasing manager play a distinct role in pulling together support from and coordinating with other groups for socially responsible conduct in the company's relationship with suppliers. Carter (2000) posits that socially responsible purchasing activities can not only have a positive impact on the supply chain partners but can also have a significant impact on an organisation's reputation. Supporting this notion, (Carter 2000) and Maignan and Ferrell (2004) stated that the various elements of socially responsible purchasing can significantly improve brand image, firm reputation, and goodwill amongst key stakeholders.

Similarly, Carter and Jennings (2004) are of the view that, PSR can ultimately serve as a significant source of sustainable competitive advantage for organisations. In their research,

Carter and Jennings (2004) discovered that top management leadership, people-oriented organisational culture, employee initiatives and customer pressure will lead to an increased level of purchasing social responsibility. In a related work, Salam (2009) also established the significant influence that government regulations and employee values can have on socially responsible purchasing. It can, therefore, be deduced from these authors' argument that the drivers of socially responsible purchasing activities are important in any organisation's move to attain success. In this research, socially responsible purchasing and purchasing social responsibility are interchanged as their definition are assumed to have the same meaning.

The involvement of the purchasing function in CSR has been tagged as socially responsible purchasing and working definitions of these terms are provided in the succeeding part of the thesis. Socially responsible purchasing has the characteristics of CSR but is different because of the purchasing manager's clearly defined interaction with a broad set of stakeholders including buyers, suppliers, contractors, the community, and internal employees in most of the other functional areas of the company. While some of these activities may overlap with the general CSR of the firm, the purchasing manager plays a distinct role in pulling together support from and coordinating with other groups for socially responsible conduct in the company's relationship with suppliers.

## **2.8 Perspective of Corporate social responsibility (CSR)**

CSR is a concept with many definitions and practices. The way it is understood and implemented differs greatly from each company and country. Moreover, CSR is a very broad concept that addresses many and various topics such as human rights, corporate governance, health and safety, environmental effects, working conditions and contribution to economic development. Whatever the definition is, the purpose of CSR is to drive change towards sustainability. Where CSR practices relate to procurement, CIPSA calls this "Socially Responsible Procurement" (socially responsible purchasing) - how best to achieve good social and environmental performance in the supply chain (CIPS 2013). Social responsibility can be expressed as an ethical framework which involves the obligation individual or an organisation has towards the benefit of the society.

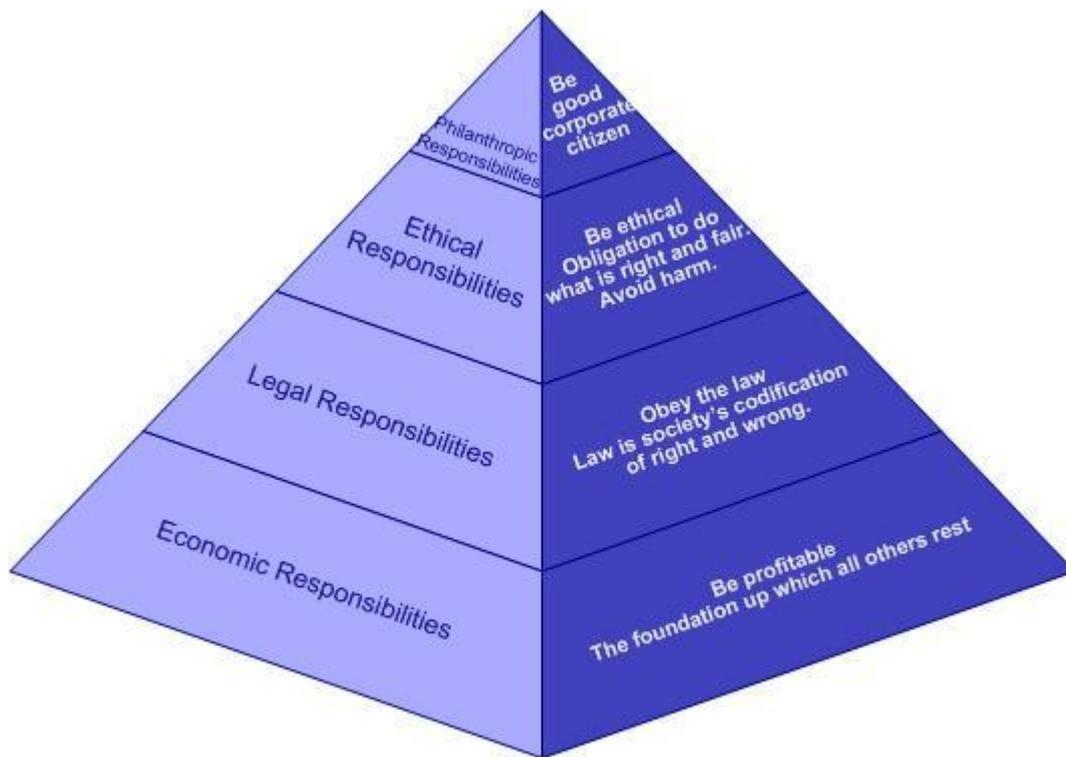
According to Aguinis (2011), corporate social responsibility is defined as the context-specific organisational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, environmental and social performance. CSR is becoming increasingly important in supply chains with an increasing number of organisations considering CSR in their purchasing decisions (Kolk and Van Tulder, 2002; Maignan, Hillebrand and McAlister 2002). In academia, corporate social responsibility (CSR) has developed into a well-known topic over the years. The phenomenon is broad and has been experiencing growing academic and practical interest. A wide body of literature evolved around various facets of responsible corporate behaviour focusing on various corporate functions and academic disciplines such as management, marketing or supply chain management (Seuring and Muller 2008; Closs, Speier, and Meacham 2011). CSR addresses internal and external aspects of an organisation functioning and refers to the institutional and regulatory framework (Warhurst, 2011). The concept of CSR is known by a broad variety of definitions (McWilliams and Siegel 2001) and throughout research disciplines and has changed significantly. In his research, Carroll (1999) referred to numerous definitions of CSR and the development of the term over time. According to Idemudia (2011), CSR is a response to social expectations and challenges in the business environment that relates to the risk of corruption, employees' abuse, climate change and the need for reporting. CSR was viewed as a situation where the organisations go beyond compliance and involve themselves in actions that appear to further some social good, beyond the interests of the organisation and that which is required by law (McWilliams and Siegel 2001). The concept of the triple bottom highlights the need for managers and their firms to focus on the social, environmental, and economic impact of corporate actions (Van Tulder and Van der Zwart 2005; Henriques and Richardson 2013).

Within the CSR literature, some schools of thought view CSR as consisting of specific sets of activities or dimensions including charitable and philanthropic donations, community considerations, the advancement of gender, racial, and religious diversity in the workplace, safety, human rights, and the environment (Fryxell and Dooley 1997; Wokutch and Mallot 1998; Clair et al. 1997; Jennings and Entine 1999). Some other schools of thought view business ethics as a key dimension of corporate social responsibility (Llewellyn 1998). These schools of thought can be deemed to be correct from their different perspectives as constructs within one definition are embedded in the other definition. Another school integrates the

other schools of thought with respect to firm behaviours and activities actually constituting corporate social responsibility.

According to Davis (1960), CSR is “Decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical intent”. Friedman (1962, 1970) argues that the only social responsibility of a business is to make as much money as possible for shareholders. The definition introduced by Carroll (1979) brought other definitions together to a great extent. He noted that “the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organisations at a given point in time”. The viewpoints of Carroll (1979) are considered to provide a working definition of CSR as, “meeting the economic, legal, ethical, and discretionary responsibilities expected by society.” Therefore, this definition encompasses activities relating to diversity, the environment, human rights, philanthropy, and safety, as well as activities relating to business ethics. It therefore shows that, to be socially responsible, profitability and obeying the law are foremost conditions in an organisations’ ethic and the extent of supporting the society where it exist to contribute talent, time and money (Jamali, 2014) In their work, Hietbrink, Berens and van Rekom (2010) show that it seems likely that the contribution of the supplier to the end product is related to the degree to which stakeholders perceive the purchasing organisation as committed to CSR or to the degree to which they hold purchasing organisations responsible for the supplier’s CSR activities.

Carroll’s definition of CSR was originally stated as follows: “Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time” (Carroll 1979, 1991). He describes what comprises social responsibility by offering four hierarchically related responsibilities: 1) Economic Responsibilities which means transacting business and providing needed products and services in a market economy; 2) Legal Responsibilities refers to obeying laws which represent a form of “codified ethics;” 3) Ethical Responsibilities – transacting business in a way expected and viewed by society as being fair and reasonable, even though not legally required; and 4) Voluntary/Discretionary meaning to conduct activities which are more “guided by business’s discretion” than actual responsibility or expectation. The figure below depicts Carroll’s pyramid.



Carroll's CSR Pyramid

**Figure 2.1: Carroll's pyramid**

This set of responsibilities creates a foundation that helps to delineate in some details and to frame the nature of organisations' responsibilities to the society of which it is a part. These responsibilities are discussed below.

### **Economic responsibilities**

As a condition for existence, businesses have an economic responsibility towards the society that permitted them to be created and sustained (Carroll, 2016). It may seem unusual at first to assume economic expectation as a social responsibility. Society, however, expects business organisations to be able to sustain themselves by being profitable. Businesses create profits when they add value, and thereafter benefit all the stakeholders of the business. While thinking about its' economic responsibilities, organisations employ many business concepts that are directed towards financial effectiveness such as attention to cost-effectiveness, revenues, investments, marketing, strategies, operations, and a host of professional concepts focused on augmenting the long-term financial success of the organization (Carroll, 2016). "In today's hypercompetitive global business environment, economic performance and sustainability have become urgent topics. Those firms that are not successful in their

economic or financial sphere go out of business and any other responsibilities that may be incumbent upon them become moot considerations” (Carroll, 2016:3). The economic responsibility is therefore referred to as a baseline requirement that must be met in a competitive business world.

### **Legal responsibilities**

The society has established the minimal ground rules (which include laws and regulations) under which businesses are expected to operate and function. These ground rules in effect reflect society’s view of ‘codified ethics’ in that they articulate fundamental notions of fair business practices as established by lawmakers at federal, state and local levels (Carroll, 2016). Organisations are required to comply with these laws and regulations as a condition of operating. While meeting these legal responsibilities, important expectations of business include their performing in a manner consistent with conducting themselves as law-abiding corporate citizens, fulfilling their legal obligations to the society and stakeholders, and providing goods and services that at least meet minimal legal requirements (Carroll, 2016).

### **Ethical responsibilities**

The expectations of the society are that laws are essential but not sufficient. In addition to adhering to the laws and regulations, the society expects organisations to operate and conduct their business in an ethical fashion. Ethical responsibilities imply that organisations will embrace those practices, norms, standards and other activities that are expected or prohibited by the society that even though they are not included in the law (Carroll, 2016). “Part of the ethical expectation is that businesses will be responsive to the “spirit” of the law, not just the letter of the law” (Carroll, 2016:3). The goal of these ethical expectations is that organisations will be responsible for and responsive to the principles, norms, standards, values, and expectations that reflect and honour what employees, consumers, owners and the community regard as consistent with respect to the protection of stakeholders’ moral rights. The organisations are expected to prevent ethical norms from being compromised in order to achieve their business goals and doing what is expected morally or ethically. They need to recognise that integrity in business and ethical behaviour go beyond mere compliance with laws and regulations (Carroll 1991).

### **Philanthropic responsibilities**

Corporate philanthropy comprises all forms of business giving. Philanthropy embraces business's voluntary or discretionary activities. Philanthropy may not be seen as a responsibility in a literal sense, however, it is part of the everyday expectations of the public. These philanthropic activities are guided by the organisation's desire to participate in social activities that are not mandated, not required by law, and not generally expected of business in an ethical sense (Carroll, 2016). However, some organisations do give partially out of an ethical motivation - they want to do what is right for the society (Carroll, 2016). In fulfilling its perceived philanthropic responsibilities, organisations engage in a variety of giving forms such as monetary resources, product and service donations, volunteerism by employees and management, community development and any other discretionary contribution to the community or stakeholder groups that make up the community. The organisations sometimes do this to enhance or augment the company's reputation and not necessarily for noble or self-sacrificing reasons (Carroll, 2016). Looking at the pyramid, ethics cuts across all the other responsibilities.

### **2.9 Supplier Issues in socially responsible purchasing**

This section discusses how compliance with regulations, buy-in and culture change is achieved through different mechanisms. Private and public organisations are receiving more and more attention from numerous stakeholders for their social performance, which includes not only how they treat their workers and communities where their operations are located, but increasingly they are asked about the social profile of their suppliers and how they treat their workers and communities where they operate (Mont and Leire 2009). Purchasing, procurement, and sourcing decisions typically concern internal buying processes that relate primarily to direct suppliers, i.e. dyadic relationships, including specification, supplier selection, contracting, ordering, expediting and evaluation (van Weele 2010).

According to Drumwright (1994) and Carter and Jennings (2000), the involvement of purchasing personnel in the socially responsible management of the supply chain helps to build increased commitment and trust in the buyer/supplier relationship that can lead directly to improved levels of supplier performance. According to Ragatz, Handfield, and Scannell

(1997), suppliers have a large and direct impact on cost, quality, speed and responsiveness of buying companies. However, Lee et al., (2009) posit that the modern competitive business environment requires reconsideration of supply chain and products. Bjorklund (2010) stated that ethical risks create a need for purchasing managers to create new processes for supervising suppliers' operations and that purchasing managers do not know how to embrace the new trend towards social responsibility. This might be attributed to the rapidly changing and industrial trend and lack of skills. Supporting this position, Salam (2009) was of the opinion that purchasing managers must coordinate with and manage suppliers in order to ensure that their organisation purchases socially responsible inputs having the right quality, has a diverse supply base and that suppliers are managing their own organisation and second-tier suppliers in a socially responsible manner.

With respect to supplier selection, both strategic performance of the supplier (i.e. time, cost, quality, and flexibility) and organisational factors (i.e. relationship, culture, and technology) need to be put into consideration. This information can be obtained from regulatory agencies and supplier's records. This was the categorisation used by Sarkis and Talluri (2002) to measure supplier performance. Bjorklund (2010) supported this notion stating that CSR in purchasing is not a one-man show and it is hard for purchasing companies to achieve a high level of CSR if the suppliers show no interest in these matters. The supply chain process consists of buyer-supplier relationship and if one party does not support the initiatives, the supply chains will be affected. Supplier development initiatives and a win-win framework will be motivating factors that might make them show interest.

According to Cramer et al. (2003), lead organisations in sustainable supply chain management have traditionally tended towards a strict compliance approach with a focus on negative sanctions against non-compliant suppliers but however stated that the approach has several disadvantages. The first being that the suppliers may be tempted to cover up non-compliance for fear of losing business with buyers which in turn restricts transparency and prevents buyers' efforts to determine the performance of suppliers. They also stated that non-compliant suppliers especially in developing countries, risk being taken out from global value chains leading to further lowering their social and environmental standards. This observation is supported by Jorgensen and Knudsen (2006) who added that from a buyer point of view, the zero-tolerance approach can prove commercially unreasonable as it may limit the number of suppliers available in the marketplace.

However, Jamison and Murdoch (2004) are of the opinion that larger buying organisations are adopting a development-oriented approach in order to handle non-compliance issues through joint remediation plans rather than through negative sanctions. This remediation plan might include the transfer of technology and capacity building initiatives which supports continuous improvement.

The learning between buyers and suppliers, according to Carter (2005), concerning environmental and social activities such as working with suppliers to commit to waste reduction goals and developing capable minority business enterprise suppliers take time. However, he stated that learning can have a strong positive influence on supplier performance and reduce operating costs in supply chain relationships. Similarly, Hult et al. (2000) in their work, surveyed purchasing managers and their internal customers and find that organisational learning leads to significantly lower purchasing cycle time performance, improved supplier quality and productivity. Felman and Smith (2003), supported by Kristensen (2005), are of the view that buyers seek to verify supplier performance through various types of audits, including documentation and on-site inspections of supplier facilities. Supporting this notion, Carter and Jennings (2000) stated that the involvement of purchasing personnel in the socially responsible management of the supply chain helps to build increased commitment and trust in the buyer/supplier relationship that can lead directly to improved levels of supplier performance. They are of the opinion that CSR in sourcing decisions can provide the organisation with both tangible and direct benefits for example growth and increase profits which at the end lead to a competitive advantage for the organisation.

In order to partially solve the problem of high costs for audits, Mont and Leire (2009) posits that focal organisations are looking for opportunities to reduce the number of their suppliers and to establish long-term relations with the remaining companies, who ideally share customer values, have adequate training and are working on improving conditions for workers and on other social issues, thereby reducing the need for audits and inspections. This, however, can be argued to contradict or interfere with the diversity of the supplier base.

### **2.9.1 Suppliers and compliance with policies and code of conduct**

As a result of the pressure exerted on firms by stakeholders, firms cannot respond to the pressure by focusing on their internal operations alone but need to govern their entire supply chain so as to guarantee responsible products and processes demanded by the stakeholders (Blome and Paulraj 2013). It was observed by Murray (2003) that among organisations that have initiated work with social issues, the degree of deployment and integration of internal policies can be significantly different. Majority of the organisations have developed internal policies and probably put demands on suppliers but have not yet moved ahead to ensure that suppliers comply with the policies.

Furthermore, some organisations do not have top management commitment, or the commitment ends when resources are needed for implementation of the policy or code of conduct, especially if the organisation in order to comply with its code of conduct needs to choose better performing and more expensive suppliers (Maignan, Hillebrand and McAlister 2002).

Welford and Frost (2006) are of the opinion that the general problem for social and ethical issues is that both the focal organisations and their suppliers have difficulties with imposing changes or checking the performance beyond the first tier suppliers but it does not mean that organisations do not recognise the possibility of problems upstream in the supply chain, only that they lack resources to address these potential problems. They also posited that suppliers often lack understanding of social perspective or find the codes of conduct to be a nuisance, especially since they may not be reflected in or enforced by local law. Supporting their opinion, Mont and Leire (2009) added that suppliers have to comply with codes of conduct, host auditors and improve health and safety and workplace practices in their factories. This takes place in the climate of the wage increase, and material and energy costs, and with customers perpetually pressing down prices for the suppliers' products. However, Lamprecht (2000) argue that an organisation should trust the competence of the supplier and not interfere with their practices.

The inability of suppliers to follow the code of conduct is as a result of the conflict between what the suppliers are meant to do within the continuously decreasing margins and another reason is that suppliers have a number of different codes of conduct to follow which might

include conflicting requirements (Welford and Frost, 2006). However, Mont and Leire (2009) are of the view that the situation differs among sectors. There are no codes of conduct in the garment sector whereas the electronics sector has a unified code of conduct that helps suppliers to fulfil the requirements of focal organisations. This can be argued especially after the Rana Plaza factory collapse. There are global standards that apply across sectors, For example, ISO14001 and SA8000. de Haan and van Dijk (2006) believe it is almost impossible to ensure that all the suppliers in all the supply chains and tiers fulfil the code of conduct of focal companies. Despite all these, De Vlieger (2006) and van Tulder, van Wijk and Kolk (2009) advocate dialogue with suppliers and working toward partnership as important in developing positive social responsibility in the supply chain.

As evident in existing literature, (Locke and Romis (2007) and Amaeshi, Osuji and Nnodim (2008) stated that buying firms around the world are increasingly held responsible for the unethical behaviour of their suppliers. Nevertheless, it is believed that firms have realised the importance of their suppliers not only in achieving cost reduction, innovation, and competitive advantage but also in achieving corporate social responsibility (Blome and Paulraj 2013). Carter and Easton (2011) suggest that firms should not only look at price and service quality when selecting suppliers but should also look at the suppliers' sustainability practices that may impact an organisation's total environmental impact and society as a whole. While customer organisations and end users alike have traditionally been concerned with environmental practices of suppliers, this interest has been expanded to include social aspects such as human rights and ethical treatment of employees and its negative impacts have had an effect leading to the development of a supplier code of conduct in some cases (Mamic, 2005).

Many organisations have adopted international standards and/or their own codes of conducts for suppliers and the reasons for these are to build trust and credibility, meet legal compliance requirements, gain certification, improve management systems through the use of standards and gain stakeholder confidence. In their research, Lee et al., (2009) posited that ISO 14001 is one of the most widely adopted standards in the area of CSR and is recognised as an international standard for environmental management. It was developed in 1996 by the International Organisation for Standardisation (ISO). They stated that an ISO for social responsibility standard (ISO 26000) was proposed for 2010 which is meant to provide guiding principles on social responsibility. Also, they noted that AA1000 is an assurance

standard that covers an organisation's disclosure and associated sustainability performance. Its goal is to secure the quality of sustainability accounting, auditing, and reporting.

SA8000 is the first global certification system for supply chain labour standards. It is a voluntary standard developed by Social Accountability International (SAI) and it is based on the International Labour Organisation (ILO) conventions. SA8000 provides a stand-alone certification solution for managing aspects of corporate responsibility and certifiable standards that is delivering auditable compliance for manufacturers and purchasers in the supply chain. Lee et al., (2009) noted that the main purpose of adopting CSR standards is to identify risks and difficulties in the supply chain and to avoid or minimise the consequences for the final manufacturer.

## **2.10 Overview of drivers of and barriers to socially responsible purchasing practices in sustainable supply chains**

Literature exists on various aspects of sustainable supply chain management. The growing awareness of corporate sustainability creates enormous influence on the practices of supply chain management. Particularly, environmental consideration is apparent in aspects of products, processes and work behaviour in organisations. It might be argued that environmental awareness is the main reason for positioning sustainability as a business innovation (So, Parker and Xu (2012

In the work of Alistair and Rhian (2010) on purchasing social responsibility practices in the HK/PRD region, the environment, ethics, health etc. were identified to be more important than diversity, community, and financial responsibility and suggested a longitudinal study to examine the purchasing social responsibility (PSR, interchanged with socially responsible purchasing) adoption process. Carter's (2004) work shows that no direct relationship is found between purchasing social responsibility and costs. The study conducted by Oksana and Charlotte in 2009 in Sweden in the bid to develop a model of socially responsible purchasing confirms that socially responsible purchasing in practice is still underway and suggested comparing socially responsible purchasing practices of focal organisations from different countries. Taking into account these different opinions, it is therefore expedient to further

carry out a research in order to establish the present state of socially responsible purchasing issues in relation to performance.

Some key drivers and determinants of socially responsible purchasing identified by Carter and Jennings (2002) include management leadership, people-oriented organisational culture, customer pressures and employee initiatives. From their study, they found that a people-oriented organisational culture and individual values are the most powerful determinants of socially responsible purchasing. Similarly, in their subsequent work, Carter and Jennings (2004) presented employee initiatives and values, organisational size, organisational culture and top management leadership, government regulations and customer pressure are drivers of socially responsible purchasing. The findings show that there is no direct relationship between socially responsible purchasing and employee values as well as government regulations. However, a significant relationship was found between socially responsible purchasing and top management leadership and customers which indicates the importance of a coordinated relationship between upstream and downstream logistics managers in the organisation. Worthington et al. (2008), in their study, identified legislation/public policy, economic opportunities, stakeholder expectations and ethical influences as drivers of socially responsible purchasing showing from their findings that relevant stakeholder pressure, legislative and policy developments, economic and ethical influences shape organisational responses. These views show that drivers of socially responsible purchasing are of paramount importance to organisational responsiveness to social responsibility.

While there are drivers that influence organisations to adopt socially responsible purchasing practices, there are some factors that prevent organisations from adopting the socially responsible purchasing practices. They have been grouped into internal and external barriers and are discussed below.

Internal barriers comprise of the lack of financial resources, lack of skills, training and information on how to develop and implement socially responsible purchasing regarding social and ethical aspects, lack of legislation, lack of top management commitment/support for the initiation and implementation phases of socially responsible purchasing (Mont and Leire, 2008; Berns et al., 2009). According to Maignan, Hillebrand, and McAlister (2002), top management is seen to hinder socially responsible purchasing practices since they are in the habit of hesitating to make resources available for the adoption and implementation of

social procurement policy. Justification of activity and its cost based on profit or business benefit is seen to be a barrier to socially responsible purchasing. Most organisations are of the opinion that social considerations in purchasing can reduce the ability to realise cost savings (Maignan, Hillebrand and McAlister, 2002). According to the study carried out by Curkovic and Sroufe (2007), their findings show that organisations estimate the direct cost of environmental initiatives but could not assess the less tangible costs and benefits that can be achieved from responsible behaviour. Their findings show that engaging in responsible business activities are costly. They are also perceived to be relatively costly when compared to the benefits gained (Orsato, 2006).

According to Nidumolu, Prahalad, and Rangaswami (2009), it is believed that becoming environmentally friendly, will increase costs and therefore will not produce immediate financial benefits. The corporate focus on cost has been shown to negatively influence an organisation's engagement with socially responsible purchasing practices (Cooper et al., 2000). This also suggests that organisational culture is a significant barrier to the adoption of socially responsible purchasing practices. Managers need to know that the establishment of the organisational values can influence the behaviour of employees both within and outside the work environment such as the supply chain (Cambra-Fierro et al., 2008). In their study of purchasing professionals, Razzaque and Hwee (2002), found that organisational culture had a significant influence on the views of purchasing personnel regarding ethical issues.

Purchasing or procurement officers lacking the appropriate skills, expertise and knowledge needed to integrate social clauses into purchasing may constitute a barrier to socially responsible purchasing (Vassallo et al., 2008). Apart from the purchasing officers, the suppliers sometimes find it hard to understand why social requirements are integrated into service specifications (Welford and Frost, 2006). This leads to the need for them to be educated and informed about the social requirements and subsequent integration into the purchasing and supply process. Significant changes in the focal organisation might be needed, as a result, additional cost for education, training and collecting information about stakeholder expectations is incurred. Lack of educational material for personnel training due to the specificity of each sector and company can hinder the adoption of socially responsible purchasing practices.

What is thought to be a suitable socially responsible purchasing practice in developed countries may not be similar to that in developing countries (Winstanley, Clark and Leeson 2002). This is supported by scholars who studied how cultural beliefs and values affect the perceptions of trust and ethical behaviour, showing that different cultures and traditions of the focal organisations and suppliers can prevent the purchasing and supply function from being a purely economic transaction (Christie et al., 2003; Ueltschy et al., 2007). According to Bird and Smucker (2007), cultural institutions may affect how socially responsible practices are employed. According to Koplín, Beske, and Seuring (2007), each continent as well as the countries that comprise it have various acceptable standards regarding sustainability practices due to different environmental circumstances in various locations. They opined that it will be difficult to gain cooperation from organisations and not all suppliers will be comfortable with restrictions placed on them which will, therefore, limit supply options. Also, there is difficulty in monitoring the organisations to ensure that they are complying with set regulations and standards (Koplín, Beske, and Seuring, 2007). Supporting this, Nidumolu, Prahalad, and Rangaswami (2009), stated that compliance is rather complicated as regulations vary by country, state or region, and city. Also, this may be a very large task to manage, For example, the Marks & Spencer incidence.

### **2.11 Exploring Supply Chain Performance**

The study on supply chain integration and firm performance carried out by Liu et al., 2011; Pullman et al., 2009) show that there is need to include objective measures of firm performance in future studies. According to Blome and Paulraj (2013), apart from addressing the social needs of the supply chain, purchasing social responsibility can also offer significant performance benefits. According to Marwah, Thakar and Gupta (2014), supply chain performance refers to the overall supply chain activities in meeting the requirements of end-customer including the availability of product, timely delivery, and all the required inventory and capacity in the supply chain to deliver that performance in a responsive manner. The studies on strategic purchasing show that the supply function can have a considerable effect on organisational performance (Carr and Smeltzer 1999, Carr and Pearson 2002). The exchange of information with suppliers was claimed to improve performance due to more accurate production and delivery plan (Flynn, Huo and Zhao 2010).

In his work, Carter (2005) found that PSR activities result in cost reduction by improving organisational learning and supplier performance. He posits that in addition to the positive effect on the firm's financial performance, the practice of environmental purchasing will also enable firms to work with their suppliers in order to make changes to processes, product design and packaging thereby having a significant effect on supplier performance. This notion is seen to support Krause (1999) who stated that by working closely with minority suppliers and developing them, buying organisations can afterward improve their overall performance.

According to Davis (2008) and Williamson (2008), from a stakeholder view, socially oriented management of suppliers can positively impact the key relationships with suppliers, thereby significantly reducing transaction cost and also create irreproducible relational resources. Suppliers that are sensitive to environmental and social issues in their operations can provide purchasing organisations with an increased efficiency, a reduced likelihood of supply disruption and safeguard the firm's image (Krause et al. 2009).

In their study, Mont and Leire (2009) stated that external evaluation and rating indexes are becoming a driving force for improving company performance on social issues in purchasing and supply chains. According to Krause et al. (2009), quality, delivery, flexibility, cost, and innovation are often evident in a product. They posit that the degree to which sustainability considerations are present in a product or service may be more difficult for customers to detect. Therefore, organisations that are proactive in sustainability may find it beneficial to communicate their sustainability-related supply chain activities to their own customers. This is one of the most challenging areas for companies; however, the companies need to have the right ideas on how to do this in a way that customers trust and believe them. Using the data from the survey in their work, Pullman, Maloni and Carter (2009) linked social and environmental practices to a set of performance metrics (e.g. quality, environmental and cost) and found that managing the interrelated aspects of sustainability is both complex and competitively rewarding, partly because direct, immediate performance gains might be difficult to recognise. They also found that social practices are linked to quality performance but not environmental performance. They also found an indirect effect on cost performance as it was mediated by quality performance.

From an exploratory study, Prasad (2012) suggest that the main dimensions of supply chain performance can be defined in terms of quality, customer service, cost, time, flexibility, productivity and reliability and stated that the measures should be evident in the seven performance dimensions mentioned and that they should be discovered and connected to each of the supply chain activities or processes (i.e. plan, source, make and deliver). A framework for measuring the tactical, operational and strategic level of performance in the supply chain was formulated by Gunasekaran, Patel, and Tirtiroglu (2001) identifying financial and non-financial performance metrics while emphasising on performance measures relating to delivery performance, inventory, suppliers, logistics, costs and customer service. It should also be noted that performance measurement dimensions are enlisted under these three levels and are used in present studies.

Socially responsible considerations in the purchasing process have been shown to have a direct and positive impact on supplier performance measured by quality, productivity, lead time, flexibility and efficiency and have an indirect effect on supplier relationship through commitment, improved trust, and cooperation (Bjorklund, 2010). In the work of Worthington (2009) on how socially responsible purchasing can pay from the view of a business case for supplier diversity, he noted that supplier diversity programmes have the potential to improve organisational performance by reducing cost, increasing revenue and enhancing corporate reputation.

Socially responsible procurement, if not carried out appropriately, has the potential of harming an organisation's reputation or improve its competitive performance (Roberts, 2003; Philips and Calwell, 2005; Carter, Kale and Grimm, 2000; Rao and Holt, 2005; Carter, 2005). According to Chan et al. (2003), performance measurement provides an improvement in performance in the pursuance of supply chain excellence. Blome and Paulraj (2013), in their work on ethical climate and purchasing social responsibility, posit that apart from addressing the social needs of the supply chain, socially responsible purchasing can also offer significant performance benefits.

Similarly, Carter and Jennings (2002), found that higher levels of socially responsible purchasing lead directly to improved levels of supplier performance. This suggests that socially responsible purchasing activities are important in the company's social responsibility. Carter and Jennings are also of the view that direct benefits result from socially responsible

purchasing activities in the form of improved lead times, efficiency and supplier quality. However, in his research into the performance metrics in supply chain management, Constangioara (2013), found that performance metrics used in Romanian supply chains enable the inter-functional and inter-organisational integration in the supply chain management. Constangioara posits that the main managerial focus in the supply chain is to attain efficiency through lowering costs while maintaining an expected level of customers' satisfaction.

Beamon (1999), in his work, identifies three types of performance measures which are output, resource, and flexibility. Output relates to the level of customer response time, shipping error, customer complaints, and manufacturing lead time. Resources constitute supply chain efficiency which includes distribution cost, total cost, manufacturing cost, return on investment and inventory cost. Flexibility stands for the ability to respond to uncertainty related to volume, distribution, product, responsiveness and new product flexibility. Beamon also posits that when cost, customer responsiveness, activity time and flexibility are used as performance measures jointly or singly, they exhibit some weaknesses based on the criteria such as inclusiveness, measurability, universality, and consistency and stated that for a performance measure to be inclusive, it must measure all relevant aspects of the supply chain.

Thor (1994) argue that there should be a balanced collection of performance measures which should include, quality, productivity and customer satisfaction. On the other hand, Akyuz and Erkan (2010) are of the opinion that supply chain performance should include agility, partnership, productivity, excellence, collaboration and flexibility metrics. However, they posit that including all measures from all supply chain aspects may be a difficult task.

To be able to compete favourably in today's competitive environment, supply chain need continuous improvements and to attain this goal, an adequate performance measurement system needs to be generated. Measurement is a key competency of the supply chain. In the context of measuring supply chain performance, the considerations of strategy, goal, supply chain processes, performance dimensions are important for the development of performance measures (Prasad 2012). Prasad (2012) through an exploratory investigation identified key performance dimensions from which supply chain performance can be measured, the key supply chain performance dimensions in terms of cost, quality, time, productivity, flexibility,

reliability and customer service were presented stating that the supply chain system is characterized by the seven performance dimensions.

Carter (2000) posits that socially responsible purchasing activities can not only have a positive impact on the supply chain partners but can also have a significant impact on an organisation's reputation. Supporting this notion, (Carter 2000) and Maignan and Ferrell (2004) stated that the various elements of PSR can significantly improve brand image, firm reputation, and goodwill amongst key stakeholders. According to Drumwright (1994), certain individuals in many organisations initially resisted the socially responsible buying and felt little attraction for social dimensions. They were said to be involved in socially responsible purchasing for reasons that someone in authority made them do so or to take advantage of an opportunity for competitive advantage. Ironically, PSR can ultimately serve as a significant source of sustainable competitive advantage for organisations as posited by Carter and Jennings (2004). In their research, Carter and Jennings (2004) discovered that top management leadership, people-oriented organisational culture, employee initiatives and customer pressure will lead to an increased level of purchasing social responsibility. In a related work, Salam (2009) also established the significant influence that government regulations and employee values can have on socially responsible purchasing.

A large number of measurement approaches have been developed and used for measuring supply chain performance (Lapide, 1999). Apart from very popular Balanced Scorecard, there are other measurement approaches like Supply Chain Council's SCOR Model, the Logistics Scorecard, Activity Based Costing (ABC) and Economic Value Analysis (EVA). Some of the important approaches with their salient features are tabulated below in table 2.2.

**Table 2.2: Salient features of different supply chain measurement approaches**

SC Measurement Approaches	Salient Features
The Balance Score Card (BSC)	It advocates the use of Executive Information Systems (EIS) that track a number of balanced metrics that are closely aligned to strategic objectives. The approach would suggest that a small number of balance supply chain measures be tracked on the following four perspectives: Financial perspective, Customer perspective, Internal business perspective, Innovative and learning perspective
Supply Chain Council's SCOR Model	It advocates a set of supply chain performance measures comprising of a combination of Cycle time metrics, Cost metrics, Service/quality metrics & Asset metrics
The Logistics Scoreboard (LSB)	It recommends the use of an integrated set of performance measures: Logistics financial performance, Logistics productivity performance, Logistics Quality performance & Logistics cycle time performance
Supply Chain Scorecard	The SCOR model is a pyramid of four levels that represents the path a company takes on the road to SC improvement. Level 1 - it provides a broad definition of the plan, source, make and <u>deliver</u> process. Level 2 - it defines the 17 key process categories that are possible components of a supply chain, Level 3 - it provides a company with the information it needs to successfully plan and set goals for its supply chain improvements. Level 4 - it focuses on implementation, when companies put specific supply chain improvements into play
Activity Based Costing (ABC)	Activity based costing (ABC) is an accounting methodology that assigns costs to activities rather than products or services. This was developed to overcome some of the shortcomings of traditional accounting methods in tying financial measures to operational performance.
Economic Value Analysis	EVA, developed by Stern, Stewart & Co., attempts to quantify value created by an enterprise, basing it on operating profits in excess of capital employed. These types of metrics can be used to measure an enterprise's value added contributions within a supply chain.

Source: Adapted from Marwah, Thakar, and Gupta (2014)

Different types of performance measures can be divided into four categories (Toni and Tonchia, 2001) which are shown in table 2.3 below.

**Table 2.3: Different performance determinants**

1. Financial/Cost and non-cost performance measures	Gunasekaran et al., 2001; Gunasekaran et al., 2004; Beamon and Balcik, 2008; Berliner & Brimson, 1988; Lockamy & Cox, 1994; Partovi, 1994; Rangone, 1996
2. Balanced scorecard models, where performance is measured in financial, internal business process, customers, and learning/growth - fields	Kaplan & Norton, 1993; Kaplan & Norton 1996; Kaplan & Norton, 1992; Kaplan, 1996; Maskell, 1992
3. Internal and external performance	Toni & Tonchia, 2001
4. Value chain models	Toni & Tonchia, 2001

Source: Adapted from Marwah, Thakar & Gupta (2014)

A study based on a survey of 22 firms, supply chain systems, concluded that supply chain partners do not share a common vision of or react to the same set of metrics (Spekman et al., 1998).

## **2.12 Theoretical Perspectives on supply chain management in relation to socially responsible purchasing**

In business, a stakeholder is usually an investor in an organisation whose actions determine the outcome of business decisions. Stakeholders don't have to be equity shareholders. They can also be employees, who have a stake in the organisation's success and incentive for products and services to succeed. They can be business partners, who rely on the organisation's success to keep the supply chain going. Every business takes a different approach to stakeholders. The roles of stakeholders differ between businesses, dependent on the rules and responsibilities laid out at the founding of the organisations as the business evolved over the years. The most common definition of a stakeholder, however, is a large investor that has the clout to hold a viable "stake" in an organisation.

### **2.12.1 Stakeholder Theory**

Stakeholders are referred to as any group or individual that can affect or is affected by the achievement of an organisations objectives (Freeman, 1984). Stakeholder theory covers interest that is forgotten and those of the under-represented who do not take part directly in decision making (Bonnafeous-Boucher and Porcher, 2010). Corporate social responsibility (CSR) is a holistic point of view that falls within the purview of the stakeholder perspective that suggests that in addition to pacifying its shareholders, businesses are also responsible for the needs of other stakeholders such as customers, suppliers, employees, competitors, regulatory agencies and other consumer advocacy groups (Ansoff 1965; Freeman 1984). Stakeholder theory undersees that when firms address the broader stakeholder interests, they would be able to ensure their long-term prosperity and survival (Ehrgott et al., 2011). According to the theory, top managers are in a unique position to integrate their financial responsibility to stockholders with their moral responsibility to all other stakeholders (Caldwell et al., 2008; Hernandez, 2008). As suggested by the stakeholder theory, ethically motivated management will rather focus on ethical as well as social initiatives instead of focusing on short-term profit maximisation initiatives (Bonnafeous-Boucher and Porcher, 2010).

Stakeholder theory is the view that beyond shareholders' interests, there are groups with genuine claims on a business. These groups not only have legally binding contracts with a business organisation but also an increasingly dense network of laws and regulations enforced by society. Despite the various classifications of stakeholders, the question 'to whom business is responsible' is yet to be adequately answered. Mitchell et al. (1997), stated that there is a need to systematically identify stakeholders by paying attention to the dimensions of power, legitimacy, and urgency, explicitly aimed to serve an instrumental approach.

However, the sovereignty of the shareholder view has come under attack from management and strategy researchers who argue that the firm has multiple stakeholders, including employees, suppliers, and the larger community in which it operates and that the proper goal of management must be to meet the objectives of all stakeholder groups simultaneously. According to advocates of the stakeholder view, corporate social responsibility goes beyond simply staying within the rules of the game, and has been defined as "actions that appear to

further some social good, beyond the interest of the firm and that which is required by law” (McWilliams and Segal (2001).

In an attempt to reconcile CSR with the shareholder view of the firm, stakeholder theorists suggest that pursuing multiple objectives need not be detrimental to shareholder interests. In fact, they argue that satisfying multiple constituencies may actually increase financial performance (e.g., Clarkson (1995); Waddock and Graves (1997). This argument posits that companies paying attention to issues of sustainability and social responsibility are more likely to perform well in all dimensions, including financial performance. If the company strives to satisfy all stakeholders, the stakeholders will reciprocate by supporting the firm. Employees will be more loyal. Outside stakeholders will be more supportive. Ultimately (although perhaps not immediately) this is manifest in superior performance (Bansal, 2005). A related argument is that socially responsible companies will be less prone to extreme negative events. By including environmental, social and governance considerations into business plans, firms reduce the risk of financial fallout that may accompany lapses (Buysse and Verbeke (2003).

The contribution of stakeholder theory to social responsibility is the addition of business arguments as to why companies should work toward sustainable development. Stakeholders were defined by Freeman as a group or individual who can be affected by the achievement of the organisation's objectives (Freeman, 1984). According to Clarkson (1995), stakeholders can claim ownership or have interests on an organisation regarding its past, present or future activities. The problem, however, in assessing the effectiveness of social responsibility in supply chains is that its factors and/or benefits are mostly qualitative and difficult to measure such as the value of employee morale, corporate/brand image, and reputation.

Stakeholder theory is a foundation of the concept of corporate social responsibility which can be shown through socially responsible purchasing strategies. Therefore, socially responsible purchasing, through the interaction of buying organisations and suppliers has become an important method by which stakeholder theory affects policies and procedures for implementing social responsibility in supply chains. As organisations have responsibilities towards the society, they are not only obligated to perform economic activities but to also perform noneconomic ones (Fontrodona and Sisson, 2006). Some theorists and economists believe that organisations are not obligated to society, but that they are restrained to make a profit and cash flow for shareholders (Friedman, 1962). However, a for a modern

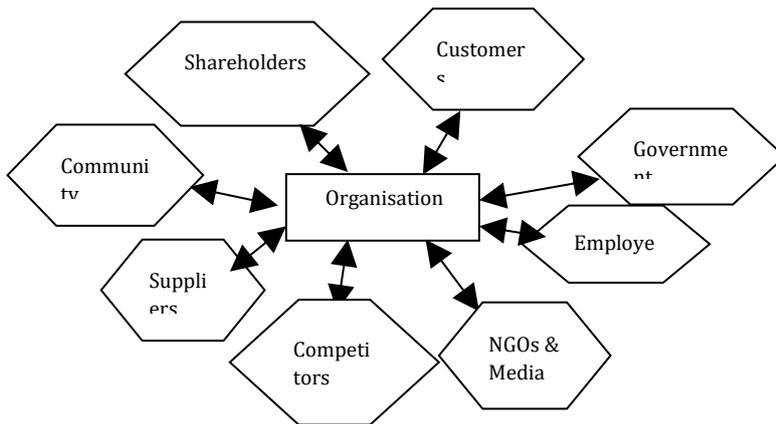
organisation to be successful, "stakeholder relationships, which encompass many interests, chief among them social and environmental issues" is important (Russo & Perrini, 2010, p. 208). Organisations that ignore stakeholders' requirements put themselves at risk as long-run self-interest, public image, business viability, avoidance of government regulation, sociocultural norms, and stockholder interest may be compromised (Davis, 1973).

Stakeholder theory is widely recognised as an important tool in strategic management in a globalized economy since it provides a framework for recognizing that various stakeholders can affect the success of an organisation regardless of financial investment (Freeman, 2010). The unique nature of modern business relationships supports the notion that uncertain and evolving business environments call for ways to examine emerging issues so that managers can provide appropriate responses; observation of the stakeholder requests help with the interpretation of these external changes (Preble, 2005). Some changes include the emergence of environmental and/ consumer activist groups, competition, an increase in government regulations and monitoring activities, and the relative loss of confidence in business (Freeman, 1984). The uncertain and evolving business environments require that new strategies are needed to address stakeholder requests for responsible actions toward the environment and society (Preble, 2005). Stakeholders may dictate socially responsible actions as public awareness evolves through social changes, media influence, and cultural shifts. The viewpoint of placing responsibility on organisations which arise from the acknowledgment that corporate activities had potential for consequences on the general welfare of members of the society (Russo & Perrini, 2010).

Stakeholder theory is a model for understanding the abstract concepts of social responsibility in business since it outlines a path for integrating social and financial concerns (Freeman, Harrison, Wicks, Parmar, and de Colle, 2010). Organisations' relationships with stakeholders may be explained in terms of three levels of engagement: first is compliance, where corporate social responsibility is accepted as a cost of doing business; second is strategic, in which social responsibility is considered an investment in the organisation's unique competencies; and third is forced, in which the activities are viewed as a type of tax mandated by stakeholders (Munilla and Miles, 2005). The general acceptance of social sustainable actions through responsible purchasing practices such as addressed in this research is a pointer to the universal adoption of stakeholder theoretical views. As stated earlier, stakeholder theory views the organisation as an establishment that is tasked with noneconomic responsibilities

(Fontrodona and Sison, 2006). The modern organisation's purchasing manager has various tools to implement sustainable activities related to the environment, diversity, human rights, health and safety, and philanthropy notwithstanding whether their organisations submit social sustainability reports or make socially responsible environmental activities public.

**Figure 2.3: Stakeholder network**



Source: Developed by the author for the current study

Chartered Institute of Purchasing and Supply Australia (CIPSA) believes that CSR and socially responsible purchasing are both simply good business practices. They embrace how organisations are run and their commitment to all stakeholders, in particular, and increasingly to customers who are demanding that their suppliers be environmentally sound. CIPSA believes that sound socially responsible purchasing practices will have a payback to all stakeholders and is therefore in the best long-term interest of the organisation (CIPSA, 2013). Considering Carroll's pyramid of CSR, each of the four components of responsibility addresses different stakeholders in terms of the varying priorities in which the stakeholders might be affected (Carroll, 2016). Economic responsibilities impact shareholders and employees more because if the business is not financially viable both of these groups will be significantly affected. The legal responsibilities are certainly important with respect to owners, but in today's controversial society, the threat of litigation against businesses arise most often from employees and consumer stakeholders. Ethical responsibilities affect all stakeholder groups. When considering the ethical issues organisations face today, they typically involve employees, customers, and the environment most frequently. The philanthropic responsibilities mostly affect the community and non-profit organisations, but

also the employees because some research has concluded that a company's philanthropic responsibility is significantly related to its employees' morale and engagement (Carroll, 2016).

Considering the myriad scope of the Nigerian food and beverage sector in which this study was carried out, selection of respondents was undertaken carefully to capture the essence of the study. Therefore, stakeholder theory was adopted in selecting those that were interviewed. Stakeholders are groups or individuals who can affect, or are affected by, the strategic outcomes of an organisation (Jones and Wicks, 1999). The choice to use stakeholder theory was based on the fact that "stakeholders may reveal sensitive or private information about the organisation provided it will not be used to damage or disrepute the organisation's interests and image" (Harrison, Bosse, and Phillips, 2012, p. 151).

Apart from the fact that stakeholder theory helps to identify key stakeholders in an organisation, the use of stakeholder theory and analysis thereof also helps to understand the relationship between behavioural patterns of organisations and the interest of some stakeholders (Husillos and Alvarez-Gil, 2008). Stakeholders of an organisation include its employees, managers, customers, suppliers and the company's owners, management, shareholders or partners (Harrison et al., 2012). These groups form an important part of the organisation (Reid, 2011). They can significantly influence or are crucial to the success of the organisation (Alpaslan, Green, and Mitroff, 2009). The key stakeholders considered for this study are practitioners from the food and beverage industries, their suppliers, customers and the regulatory agencies.

Despite the benefits, stakeholder theory is basically misguided, unable to provide better business performance, corporate governance, or business conduct. Stakeholder theory is essentially incompatible with all applicable objectives, and undermines both private property and accountability (Sternberg, 1997). Balancing stakeholder interests is an essential stakeholder principle as it represents the principal mechanism by which managers elicit, pay attention to, and maintain the support of stakeholder groups with different needs and wants. Although this is a crucial task for stakeholder theory, research is yet to consider how the individual managers balance the interests of those who have a stake in the actions of the organisation. Also, stakeholder theorists have mentioned the importance of balancing

stakeholder interests, but little has been said about the methods that the managers can use to accomplish this goal. (Reynolds et al., 2006).

### **2.12.2 Institutional Theory**

CSR has become a universal topic in the business literature, but has mainly neglected the role of institutions. Stakeholder theory is institutionally embedded and CSR is more closely linked to formal institutions of stakeholder participation (Brammer, et al., 2012). One of the main theoretical lenses used in viewing CSR and purchasing or procurement in organisations is the institutional theory. Its different components focus on rudiments of social structure which are made through standards and regulations that tend to influence social behaviour directly or indirectly (Scott, 2004). A multifaceted view of how organisations are affected by pressures and changes in their environments are presented which might arise within the organisation (internal) or from the government (external). This theory is useful in the sense that it explains the use of non-financial criterion in purchasing. The theory examines the impact of external pressures on an organisation and how the organisations adopt policies and carry out the implementation of strategies that are within their field (Hirsch, 1975; Scott and Christensen, 1995). The argument that organisations engage in CSR just as one of many other ways of increasing the organisation's performance seems obviously unfit to explain the reason the organisations engage or not engage in socially desirable outcomes. If CSR is just another way of increasing profits, then there is the question of why is CSR different among countries and regions (Brammer, et al., 2012).

It is not a surprise that an increasing interest in institutional theory among CSR scholars has coincided with institutional theory's influence on management research in general. The study of international business is increasingly adapting institutional theory to understanding the way multinational corporations manage their operations globally (Jackson and Deeg, 2008; Westney and Zaheer, 2001; Geppert *et al.*, 2006). The growing interest in institutional theory in the field of management studies echoes some of the significant benefits this theoretical lens may bring to studying CSR (Brammer, et al., 2012). The logic of the institutional theory-based views is that CSR in developing (and developed economies) requires effective and strong market institutions, and the conclusion that is implied is that CSR would either not exist or would not be effective in developing economies, beyond mere philanthropy (Campbell 2007).

Institutional theories of the economy see markets as being socially embedded within a wider field of social networks, political rules, and business associations. Applying the lens of institutional theory to the study of CSR provides a better understanding of business responsibilities in the aspects of the diversity of CSR and the dynamics of CSR. This relates largely to the two dominant schools of thought in institutional theory (Tempel and Walgenbach, 2007, p. 2). According to Tempel and Walgenbach, “new institutionalists tend to emphasize the global diffusion of practices and the adoption of these by organizations, but pay little attention to how such practices are interpreted or ‘translated’ as they travel around the world [...]. The business systems approach highlights how business continues to be influenced by the national institutional frameworks in which it is embedded, but tends to play down the effects of transnational developments on national patterns of economic organization”.

CSR, in its original form (Carroll, 2008), cannot be explained without understanding the institutional conditions under which the idea was perceived. An understanding of the social responsibility of business in different countries and regions is dependent on the institutional framework of business (Deakin and Whittaker, 2007; Doh and Guay, 2006).

Institutional theory contributes to the study of CSR by allowing for a more accurate understanding of what CSR in a specific institutional setting means. The institutional theory also helps on an instrumental/managerial level. For example, organisations such as Nestlé, which is the most boycotted in the world, have ignored the way in which the institutions that enable their business differ between Switzerland and, say an African country, which, in turn, assigns different responsibilities to private corporations in those different contexts. In a time when capitalism and its basic institutions face substantial questioning after the financial turmoil starting in 2007, the institutional theory might offer some insights into demanding normative questions such as which institutions, comparatively and historically, have led to the most efficient, desirable, and stable ways of organising business activities, in particular regarding the modalities in which organisations discharges its basic responsibilities to society (Brammer, et al., 2012).

According to institutional theory, a firm gains legitimacy by conforming to the rules, norms, and social expectations of an institution (Claasen and Roloff 2012; Bansal and Clelland 2004) with the assumption that the institution is well established and functional.

However, the predominant legal incompleteness and inefficiency in enforcement in emerging economies such as Nigeria challenge this assumption (Sheng et al. 2011; Peng 2003). The stakeholder and institutional theory will be used for this study.

The flow of relationship is represented in the figure below:

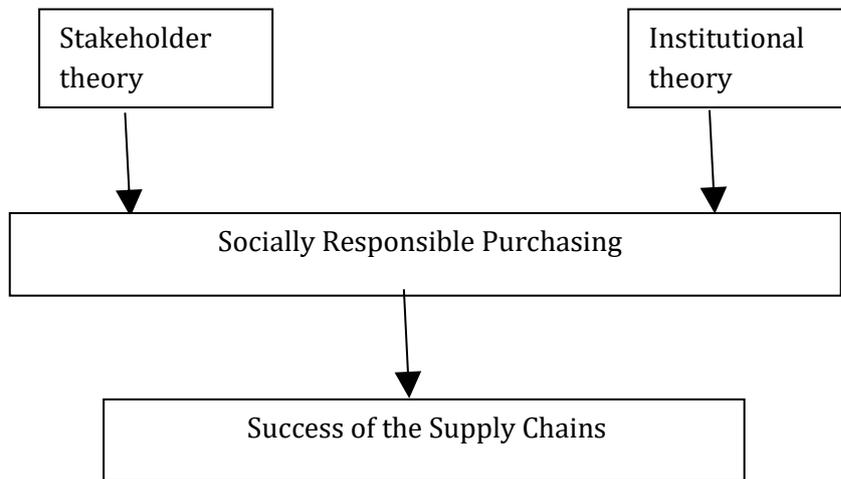


Figure 2.4: Theoretical grounds, socially responsible purchasing and the supply chains  
Source: Developed by the author for the current study

### 2.13 Conceptual Framework

To develop an appropriate conceptual framework of socially responsible purchasing in relation to supply chain performance determinants, the section is divided into factors that influence the adoption and implementation of socially responsible purchasing practices such as drivers and barriers and the influence socially responsible purchasing practices have on the success of the organisational supply chains. The framework focuses on the key indicators for socially responsible purchasing practices, drivers, barriers, and supply chain performance. The conceptual framework (see figure 2.5) showing the socially responsible purchasing practices and the institutional factors surrounding the failure or successful implementation and of the practices and the supply chain performance determinants. The supply chain performance determinants were adapted based on the financial and non-financial performance measures model of Gunasekaran et al., 2001; Gunasekaran et al., 2004; Beamon and Balcik, 2008, and Berliner and Brimson, 1988; Lockamy & Cox, 1994; Partovi, 1994; and Rangone, 1996; Kaplan and Norton, 1992.

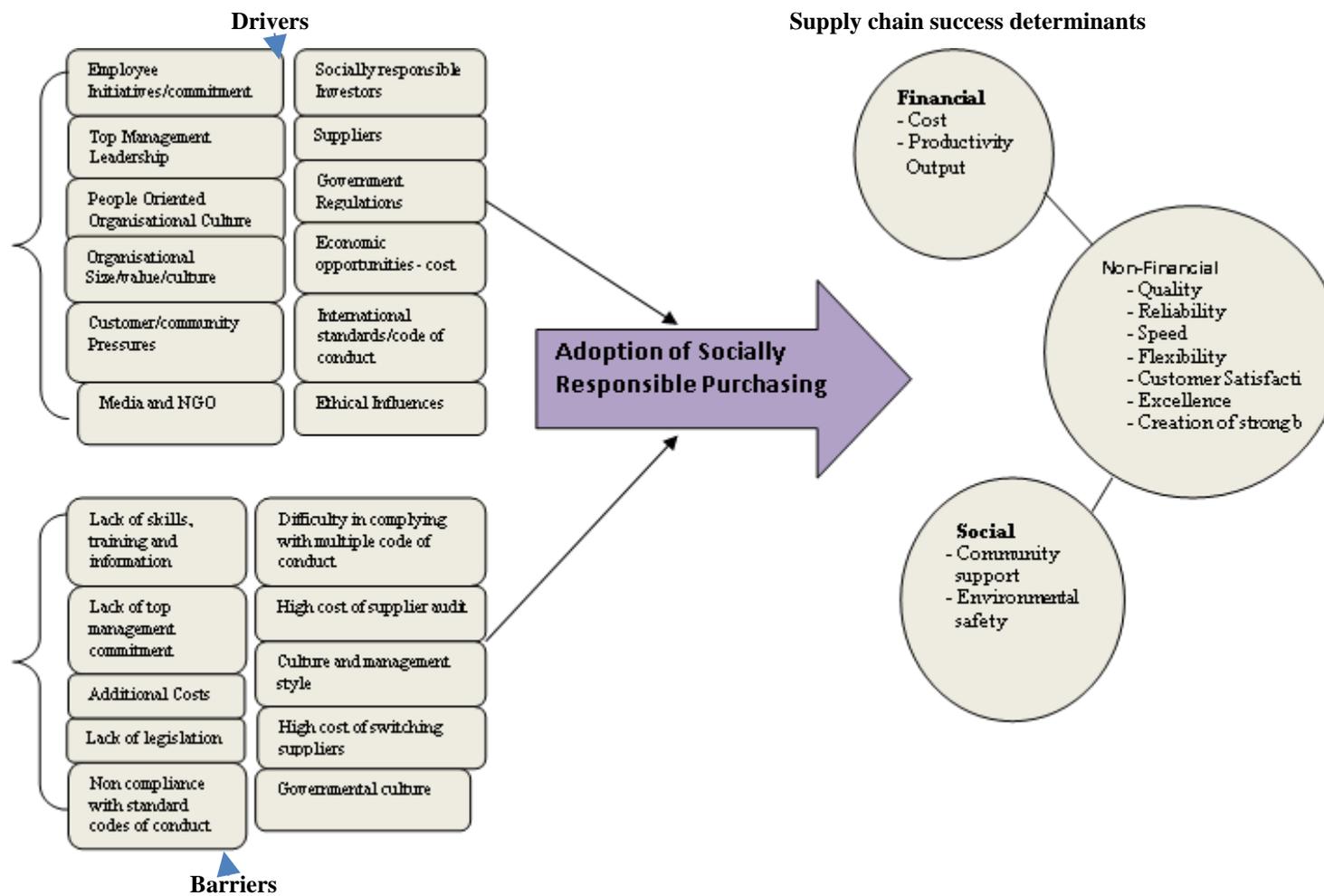


Figure 2.5: Conceptual Framework

### **2.13.1 Drivers**

If sustainable supply chain management is to be integrated into the structure of the organisation, it must be propelled by certain organisational forces which are termed as drivers. The drivers refer to the factors that influence companies in adopting socially responsible purchasing practices. Managers are said to lack a common fact-base about the full set of drivers and issues that are relevant to their organisations and industries (Berns et al., 2009).

Another factor in the rise of CSR and socially responsible purchasing is the fact that the behaviour of large companies is increasingly being driven by 'intangibles'. Business valuations are no longer based on just financials. Over 65% of drivers are now intangible and CSR cuts across quite a few of them. This includes organisational reputation and brands; employee, supplier and distribution know-how; statement of goals; ethics and values; and the value of a company's public support base. This then adds a financial incentive for companies to integrate CSR and socially responsible purchasing into their practices. (CIPS 2013)

The literature on drivers is analysed and explained under internal and external drivers theme. According to Walker et al., (2008), in their qualitative research of both public and private organisations, organisations experience more external pressure compared to internal pressure with regard to their purchasing performance.

#### ***Internal Drivers***

Several scholars focus on the role top management executives play in influencing purchasing decisions. Top management leadership and support is an important resource for companies to adopt socially responsible purchasing practices in the supply chain initiatives (Lee, 2008; Carter and Jennings, 2002). Top management support is argued to be a key driver for socially responsible purchasing practice since top executives are responsible for what goes on in the organisation and therefore are likely to influence the culture of organisations. Top management support and organisational values are seen to be the principal internal drivers of socially responsible purchasing practices (Walker et al., 2008; Carter and Jennings 2002). Management shows its commitment to the activities involved in the socially responsible purchasing practices by involving all members of the supply chain (Carter and Jennings, 2004). Top managers' ethical norms are important as the managers can influence

organisational values and practices (Finkelstein and Hambrick, 1996). The stakeholder theory supports this notion (Caldwell et al., 2006). By communicating ethical and social expectations, adhering to practices and holding members of the organisation responsible for ethical and social actions, top managers can promote ethical behaviour such as socially responsible purchasing (Brown and Trevino, 2006). The reason why top management is important may be related to the issue of resources since top management ensure and deploy organisational resources to meet each departmental objectives and the organisation's strategic goals (Hoejimose and Adrien-Kirby, 2012).

People-oriented organisational culture, employee initiatives, and customer pressure will lead to an increased level of socially responsible purchasing (Carter and Jennings 2004; Cambra-Fierro et al., 2008). Employees' influence on an organisation's socially responsible purchasing activities has also been identified as a significant driver (Park and Stoel, 2005; Carter and Jennings, 2002). In support, employee values are seen to have a significant influence on socially responsible purchasing (Salam, 2009;). Having covered a wide range of socially responsible purchasing antecedents, Blome and Paulraj (2013) support the notion that organisational context could have a significant influence on socially responsible purchasing. The desire to reduce the risk of negative publicity probably by the media and the desire to reduce waste and costs were also suggested as drivers of socially responsible purchasing practices (Roberts, 2003; Maignan and McAlister, 2003; Rao and Holt, 2005). According to Pullman, Maloni, and Carter (2009), current programmes on sustainability indirectly help the economic bottom line of organisations. Hence, the above discussion forms the basis of the hypothesis below:

### ***External Drivers***

Customers are believed to have an important role in all market-oriented organisations since the revenues are provided by the customers' buying decisions (Shneider and Wallenburg, 2012). Customer pressure is seen to be an important driver of social issues in the supply chain (Salam, 2009; Worthington, 2009; Carter and Jennings, 2004). Roberts (1996), was of the view that ecologically conscious consumers believe that they can help in solving the environmental problems which were found to be a good predictor of consumer behaviour. In their research on how organisations view and handle environmental issues, Stone and Wakefield (2001) found that organisations that respond to eco-oriented issues perform better in business. Berns et al., (2009), found that consumer demand or concerns about

sustainability have a significant impact on businesses. Customers' sustainability requirements are seen not only to have an impact on the implementation of sustainable sourcing, but it also has an effect on corporate management which helps to ascertain sufficient strategic positioning at the corporate level (Shneider and Wallenburg, 2012).

According to Worthington et al. (2008), government legislation and consumer pressure are two of the major drivers which influence the engagement of ethical purchasing activities. Cordano (1993), opined that increasing penalties, legal costs, and fines have stressed the importance of complying with and adhering to legislation. Furthermore, Preuss (2001), found that the motivation for manufacturing organisations regarding environmental initiatives revolves around complying with legislation and cost or quality consideration. In their study, Berns et al., (2009) found that sustainability-related issue that has the highest effect on businesses is government legislation. They stress that government regulations have a great effect on efforts of businesses on sustainable practices. Montabon et al. (2007) state that the popularity of environmental management practices is on the increase as a result of the introduction of voluntary and international environmental standards such as ISO 14001. Apart from ISO 14001, organisations that wish to sell in the European Union have to comply with the rules of WEEE (Waste Electrical and Electronic Equipment) and RoHS (Restriction of Hazardous Substances) which help to prevent build-up of electronic waste by promoting reuse, recycling and other types of waste reduction (<http://www.buyusa.gov/europeanunion/weee.html> accessed 11/07/2014). According to Shneider and Wallenburg (2012), there are varieties of laws on the social aspects of business activities such as specification of working conditions, minimum wage, and economic solidity of the firm which have great influence on corporate behaviour. Similarly, regulatory authorities have been identified as the driver of sustainable sourcing practices (Delman et al. 2008, Min and Gale 2001). However, Cater and Carter (1998), found that regulatory authorities have no effect.

Blome and Paulraj (2013), in their study, suggested that a benevolent climate encourages employees to behave in a socially responsible manner. As socially responsible purchasing includes environmental, social, health and safety, human rights and philanthropy, the employee-focused and community focused climates could lead to an increased level of socially responsible purchasing. Their findings show that community expectation is a significant driver of socially responsible purchasing, however, it was found that employee

initiative has no effect on socially responsible purchasing practices (Blome and Paulraj, 2013).

NGOs successfully disclose irresponsible corporate behaviours and therefore, have continued to gain importance and have become the major source of information on organisations' sustainability performance (Reuter et al., 2010). NGOs are seen to have good reputations and are trustworthy which made them comprise of significant stakeholders, examples are Greenpeace, Amnesty international and Attac. They are capable of shaping public opinion and also apply strong pressure on the focal organisation's corporate management in order to make them give up using bad purchasing practices (Worthington et al., 2008; Winstanley et al., 2002). Also, by disclosing irresponsible behaviour, NGOs are warning relevant competitors and this will ultimately result in avoiding irresponsible purchasing practices. Greenpeace campaigned against Nestlé's use of palm oil in the chocolate candy bar Kit-Kat and this action increased the awareness of the public on the negative effects of using palm oil in terms of rainforest destruction (Greenpeace International, 2010).

**Table 2.4: Summary of the drivers of socially responsible purchasing**

<b>Drivers</b>	
<b>Internal</b>	
Employee Initiatives/commitment	Salam (2009); Mont and Leire (2008); Carter and Jennings (2004); Cambra-Fierro et al., (2008); Park and Stoel, (2005); Carter and Jennings, (2002).
Top Management Leadership - informal influence	Blome and Paulraj (2013), Hoejimose and Adrien-Kirby, (2012); Lee, (2008); Walker et al., (2008); Caldwell et al., (2006); Brown and Trevino, (2006); Carter and Jennings, (2002). Carter and Jennings (2004); Finkelstein and Hambrick, (1996).
People Oriented Organisational Culture	Carter and Jennings (2004); Cambra-Fierro et al., (2008)
Organisational Size/value/culture	Blome and Paulraj (2013); Carter and Jennings (2004); Salam (2009)
<b>External</b>	
Customer/community Pressures	Blome and Paulraj (2013); Shneider and Wallenburg, (2012); Salam, (2009); Worthington, (2008), (2009); Carter and Jennings, (2004); Cambra-Fierro et al., (2008); Carter and Jennings (2004); Elci and Akpan (2007); Martin and Cullen (2006); Berns et al., (2009); Roberts (1996)
Media and NGOs (opinion formers)	(Worthington et al., (2008); Winstanley et al., (2002); (Roberts, (2003); Maignan and McAlister, (2003); Rao and Holt, (2005); (Reuter et al., (2010)
Government Regulations/Legislation	Shneider and Wallenburg (2012); Worthington et al. (2008); Salam (2009); Delman et al. (2008); Min and Gale (2001) Berns et al., (2009); Elci and Akpan (2007); Montabon et al. (2007); Martin and Cullen (2006); Preuss (2001); Cordano (1993)
Economic opportunities	Preuss (2001)
International standards - code of conduct	Blome and Paulraj (2013)

### **2.13.2 Barriers**

While there are drivers that influence organisations to adopt socially responsible purchasing practices, there are some factors that prevent organisations from adopting the socially responsible purchasing practices. They have been grouped into internal and external barriers and are discussed below.

#### ***Internal Barriers***

Internal barriers are primary obstacles to the adoption of socially responsible purchasing practices. They compose lack of financial resources, lack of skills, training and information on how to develop and implement socially responsible purchasing regarding social and ethical aspects, lack of top management commitment/support for the initiation and implementation phases of socially responsible purchasing (Mont and Leire, 2008; Berns et al., 2009). According to Maignan, Hillebrand, and McAlister (2002), top management is in the habit of hesitating to make resources available for the adoption and implementation of social procurement policy.

Sharma (2000), in the study of the Canadian oil and gas industry, found that the extent to which some organisations integrate environmental concerns into making decisions relied to a great extent on the degree to which their management executives view or interpret the issues as either threats or opportunities. Justification of activity and its cost based on profit or business benefit is seen to be a barrier to socially responsible purchasing. Most organisations are of the opinion that social consideration in purchasing can reduce the ability to realise cost savings (Maignan, Hillebrand and McAlister, 2002). According to the study carried out by Curkovic and Sroufe (2007), their findings show that organisations estimate direct cost of environmental initiatives but could not assess the less tangible costs and benefits that can be achieved from responsible behaviour. Their findings show that engaging in responsible business activities are costly. They are also perceived to be relatively costly when compared to the benefits gained (Orator, 2006). Nidumolu, Prahalad, and Rangaswami (2009) are of the view that many organisations are persuaded that the more they become environmentally friendly, the more it will crumble their competitiveness. It is believed that the effort will increase costs and therefore will not produce immediate financial benefits. This is also supported by Walker et al. (2008) and Cooper et al. (2000) whose findings suggest that

managers of organisations focus often on cost and that inadequate or lack of financial resources hinders organisations from implementing socially responsible purchasing practices.

The corporate focus on cost has been shown to negatively influence an organisation's engagement with socially responsible purchasing practices (Cooper et al., 2000). This also suggests that organisational culture is a significant barrier to the adoption of socially responsible purchasing practices. Managers need to know that the establishment of the organisational values can influence the behaviour of employees both within and outside the work environment such as the supply chain (Cambra-Fierro et al., 2008). In their study of purchasing professionals, Razzaque and Hwee (2002), found that organisational culture had a significant influence on the views of purchasing personnel regarding ethical issues.

Purchasing or procurement officers lacking appropriate skills, expertise and knowledge needed to integrate social clauses into purchasing may constitute a barrier to socially responsible purchasing (Vassallo et al., 2008). This is supported by Mont and Leire (2008), who opined that lack of skills, training, and information on how to develop and implement socially responsible purchasing regarding social and ethical aspect may inhibit the adoption of socially responsible purchasing practices. They suggest that adequate information is important for suppliers with respect to compliance with social criteria when it comes to purchasing. Suppliers sometimes find it hard to understand why social requirements are integrated into service specifications (Welford and Frost, 2006). The fact significant changes in the focal organisation might be needed, additional cost for education, training and collecting information about stakeholder expectations and lack of educational material for personnel training due to the specificity of each sector and company can hinder the adoption of socially responsible purchasing practices (Mont and Leire, 2008).

According to Bird and Smucker (2007), cultural institutions may affect how socially responsible practices are employed. It is expedient for management to acknowledge diverse institutional frameworks regarding socially responsible purchasing issues. Therefore, multinational organisations need to have an understanding of the local community with respect to historical and institutional dynamics for a successful socially responsible purchasing implementation (Bird and Smucker, 2007).

### ***External Barriers***

What is thought to be a suitable socially responsible purchasing practice in developed countries may not be similar to that in developing countries (Winstanley, Clark and Leeson 2002). This is supported by scholars who studied how cultural beliefs and values affect the perceptions of trust and ethical behaviour, showing that different cultures and traditions of the focal organisations and suppliers can prevent purchasing and supply function from being a purely economic transaction (Christie et al., 2003; Ueltschy et al., 2007). It is believed that without the enabling environment, it is difficult to implement the practices. The works of Idemudia (2008), Fox (2004), Biggs and Ward are instrumental to the enabling environment development. An emphasis on the enabling environment meant a renewed emphasis on government's role in social responsibility (Idemudia, 2014).

In a similar study, Cooper et al. (2000), found that ethics is perceived differently across cultures. They found that requesting or giving money was one of the main ethical issues for purchasing executives of professionals in India. However, preferential treatment towards some suppliers is seen to be the most important issue among purchasing professionals in Western countries. This, therefore, means that national culture can be a barrier to socially responsible purchasing practices since there is a diverse emphasis on ethical issues. According to Koplin, Beske, and Seuring (2007), each continent as well as the countries that comprise it have various acceptable standards regarding sustainability practices due to different environmental circumstances in various locations. They opined that it will be difficult to gain cooperation from organisations and not all suppliers will be comfortable with restrictions placed on them which will, therefore, limit supply options.

Also, there is difficulty in monitoring the organisations to ensure that they are complying with set regulations and standards (Koplin, Beske, and Seuring, 2007). Supporting this, Nidumolu, Prahalad, and Rangaswami (2009), stated that compliance is rather complicated as regulations vary by country, state or region, and city.

Table 2.5: Summary of barriers

<b>Barriers</b>	
<b>Internal Barriers</b>	
Lack of skills, training, and information on how to develop and implement SRP - regarding social and ethical aspect	Akenroye T.O. (2013); Mont and Leire (2008); Vassallo et al., (2008);
Lack of top management commitment/support - for initiation and implementation phases of SRP	Mont and Leire, (2008); Berns et al., (2009). Maignan, Hillebrand, and McAlister (2002); Sharma (2000)
High costs - for supplier visits, education, training	(Mont and Leire, (2008); Berns et al., (2009); Maignan, Hillebrand, and McAlister (2002); Curkovic and Sroufe (2007), (Orator, 2006). Nidumolu, Prahalad, and Rangaswami (2009); Walker et al. (2008) and Cooper et al. (2000); (Cooper et al., 2000).
Management style/culture	Akenroye T.O. (2013); Bird and Smucker (2007); Christie et al., (2003); Ueltschy et al., 2007); Razzaque and Hwee (2002),
Employee commitment	Cambra-Fierro et al., (2008); Mont and Leire, (2008);
<b>External Barriers</b>	
Non-compliance with standard codes of conduct	Koplin, Beske, and Seuring, (2007); Nidumolu, Prahalad, and Rangaswami (2009); Welford and Frost (2006).
Difficulty in complying with multiple codes of conduct	Koplin, Beske, and Seuring, (2007); Nidumolu, Prahalad, and Rangaswami (2009),
Country/Governmental culture	Mont and Leire (2008); Koplin, Beske, and Seuring (2007); Cooper et al. (2000); Winstanley, Clark, and Leeson (2002).

## **2.14 Socially responsible purchasing and supply chains success**

Supply chain performance is concerned with the management of dependencies between supply chain members and the combined efforts of all supply chain members to achieve jointly defined objectives (Charan, 2012). Performance measurement system is seen to consist of key performance indicators (KPIs) which may be viewed as a representative set of measures and establish interrelationships among these measures. The KPIs include a set of both financial and non-financial measures (Kaplan and Norton, 1992). Gunasekaran et al., 2001; Gunasekaran et al., 2004; Beamon and Balcik, 2008, have associated the supply chain performance with financial and non-financial measures.

Few studies have so far examined the relationship between socially and environmentally responsible practices and performance outcomes (Hoejmose and Adrien-Kirby, 2012). Also, there is insufficient research that examined how social supply chain practices can affect the operational and financial performance of organisations (Hoejmose and Adrien-Kirby, 2012). However, the practices have been linked with various benefits which include the viability of the business, long-run self-interest, legitimacy by sticking to and responding to the expectations and demands of stakeholders, government legislation avoidance and public image (Maignan, Hillebrand, and McAlister, 2002; Roberts, 2003). Socially responsible procurement is believed to be an important issue for practitioners because it has the potential of harming an organisation's reputation and also improve its competitive performance (Roberts, 2003; Philips and Calwell, 2005; Carter, Kale and Grimm, 2000; Rao and Holt, 2005; Carter, 2005).

Managers are sometimes reluctant in investing in socially or environmentally responsible supply chain processes due to the cost involved and how the benefits that can be gained are uncertain (Hoejmose and Adrien-Kirby, 2012). According to Preuss (2005), this may be because some of the benefits are intangible and also because proof that organisation's performance is linked to environmentally responsible procurement is still under debate.

Implementing green management policies increases operating costs and decreases speed in productivity improvement since firms are required to invest in additional facilities and processes. This results in a burden on the firm. (Zhu et al., 2007)

Although Carter (2005), suggested that social initiatives would improve supplier performance and later reduce cost, his findings show that social purchasing practices improve organisational learning, which subsequently affects supplier performance and later improve the ability of the organisation to reduce supplier costs. Carter (2005), having adopted the resource-based view, identified the need to explore further into the role of learning within the supply chain. He also linked the research findings of purchasing social responsibility and firm performance to mediating variable i.e. organisational learning that was missing.

Socially responsible purchasing practices have been seen to be of importance regarding the creation of a strong brand and in reducing the risk of negative media attention (Roberts, 2003; Amaeshi, 2008). The need for suppliers to improve their social and environmental standards and also adhering to the requirements of Western buyers' was suggested by Cramer (2008). He suggested that adopting these practices will improve their customer loyalty and they will have long-term contracts and improved buyer-supplier relationships. The study carried out by Stone and Wakefield (2001) on how organisations view and handle environmental issues, found that organisations that respond to eco-oriented issues perform better in business. It is believed that the perception of social responsibility has an effect on the organisation's brand, the tendency of consumers to purchase specific brands and the financial performance of the organisations (Ganesan et al., 2009; Luo and Bhattacharya, 2006). According to Makni et al., (2009), serving the implicit claims of stakeholders enhances a company's reputation in a way that has a positive impact on its financial performance.

In their study. Zailani et al., (2012) collected and analysed data of 400 manufacturing firms in Malaysia regarding environmental, economic, operational and social performance. They found that the external sustainable practices of green purchasing and green packaging have a positive effect on social performance. This, therefore, generates a chain effect leading to quick and deep changes in overall social outcomes (Zailani, et al., 2012). This study and its subsequent findings aligned with Preuss (2000) who showed that the implementation of social and/or environmental standards could be transferred to suppliers by the purchasing function. Social impact is on the basis of stakeholder theory which suggests that satisfaction of the needs of various corporate stakeholders' results to favourable financial performance

(Freeman, 1984). Social performance, therefore, is a very important factor in making the supply chain truly sustainable.

## **2.15 Conclusion**

This chapter carried out a systematic review of works that studied social responsibility in the context of purchasing and supply. It, therefore, contributes to an increasing number of research into the different aspects of CSR and purchasing in the context of the supply chain. Precisely, this study provides an understanding of social responsibility with a focus on purchasing processes within different business organisations. Based on the analysis of the articles, some of the themes with respect to corporate social responsibility, purchasing, and supply chain performance were described.

The literature review showed that preceding research has formulated contextual constructs that describe dimensions of socially responsible purchasing and supply chain performance. However, there is need to intensify on researching into more aspects of social sustainability, an aspect of CSR and the area of purchasing and logistics in the supply chain. The utilisation of the stakeholder and institutional theory in expanding on the concept of CSR in supply chain provided the theoretical contributions. The integration of the indicators of socially responsible purchasing with the supply chain performance measures will be of immense help to supply chain practitioners. Also, having more empirical and comparative studies on the risks inherent in purchasing social responsibility activities will be of high importance. It is hoped that the systematic literature review will help to create more guidance for future research with respect to social responsibility and purchasing. The next section will present the research methodology and methods.

## **Chapter Three**

### **Research Methodology and Methods**

#### **3.1 Introduction**

It is possible to have a ridiculously enormous and complex data set, but if you have the right tools and methodology then it's not a problem (Koblin, 2017). This chapter describes the methodological approaches that guided the research. Particularly, the chapter expounds the development of the research methodology and methods by giving detailed information on the philosophical stance, data source, the data collection and analysis methods. In order to bridge the gap in the literature, the study aimed to investigate how socially responsible purchasing is perceived in sub-Saharan African (particularly in Nigeria), the driving and impeding factors to implementing the practices and the role the practices played in the success of the supply chains.

A review of the socially responsible purchasing literature has shown that socially responsible purchasing is multifaceted and it has been investigated through a range of academic research. However, primary data, especially in the context of the societal influence of responsible purchasing in the supply chains of manufacturing businesses are in short supply and this gives rise to a scarcity of practical business models.

In order to achieve the research objectives and answer the questions, the research method employed was triangulation with the use of quantitative and qualitative approaches (mixed methods). The empirical data was collected through an in-depth interview of with the practitioners of the Nigerian food and beverage industry in which 230 questionnaires using a Likert scale were distributed, and semi-structured qualitative interviews were also carried out with thirty-one key informants. The key informants were sampled based on their positions, department and their experience on the job which informs the in-depth interviews as discussed in the methodology chapter. The third section provides an in-depth presentation and explanation of data from the study. The methodology for this study guided the data

collection and will be illustrated in this chapter. The next section gives an overview of the objectives and research methods for the study.

### **3.2 Objectives and Research Methods – Overview**

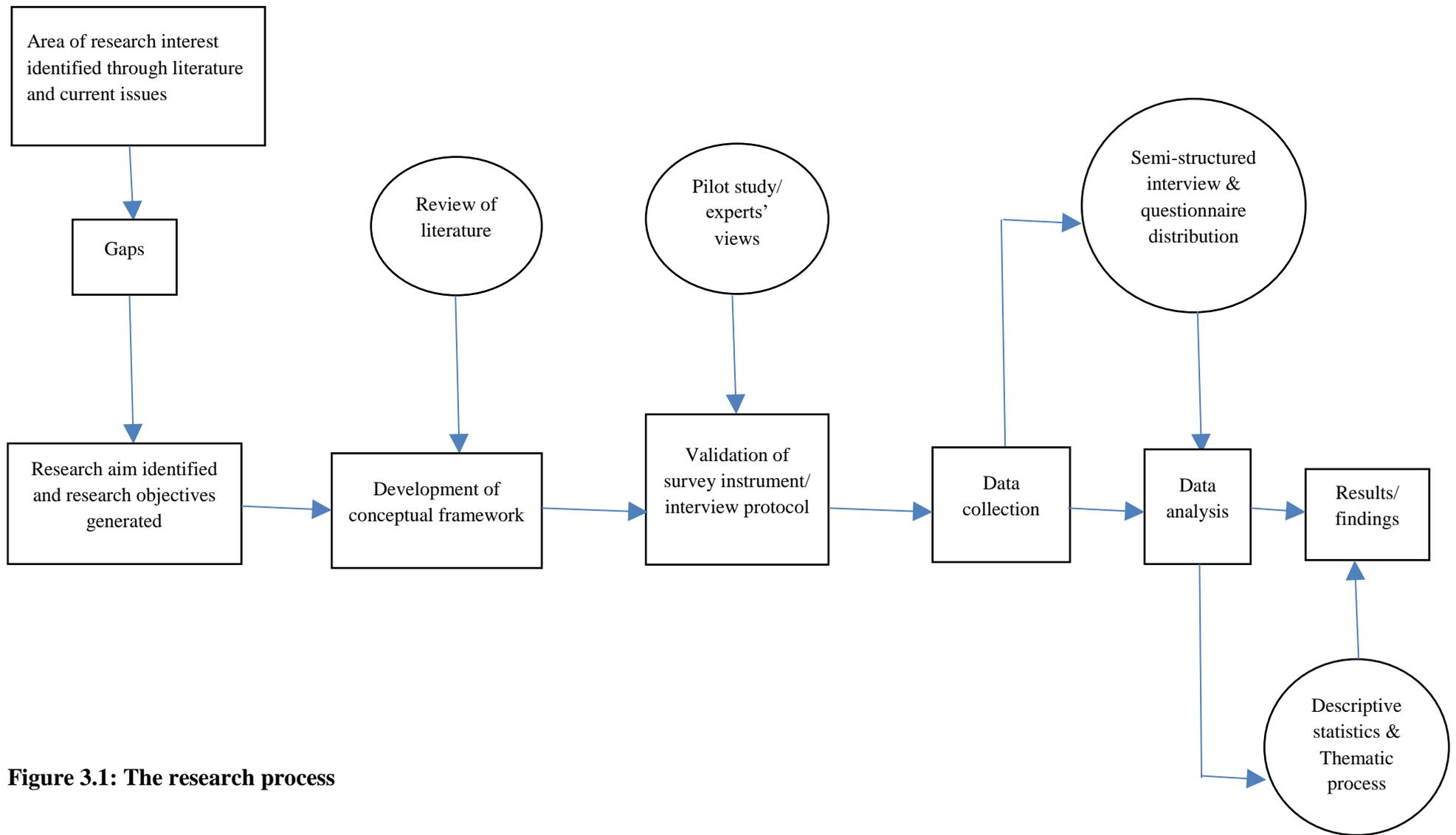
This research focuses on exploring the extent to which socially responsible purchasing practices are perceived in relation to the success of organisations' supply chains in the Nigerian food and beverage sector. It aims to establish and explain the socially responsible purchasing practices, their determinants and impeding factors and the influence of these practices on supply chains success. The aim is to address the theoretical and empirical research gap left by the literature in terms of inconclusive outcomes from previous similar studies. The stakeholder theory, which provides insight into the relationship between behavioural patterns of organisations and the interest of some stakeholders is used in understanding how stakeholders perceive SRP in the supply chains and how satisfying multiple stakeholders may increase performance. The institutional theory, which examines the effect of internal and external pressures on an organisation is used in determining the drivers of and barriers to the successful implementation of SRP practices within the weak institutional environment. Furthermore, the study focuses on the food and beverage manufacturing supply chains, and exploring what performance of these supply chains mean in the Nigerian context.

A mixed methods approach was employed to bridge the gap between the quantitative and qualitative approach. In practice, it is possible and advantageous that the research will combine the quantitative (deductive) and qualitative (inductive) approaches at some point in order to enrich the examination of the research problem within the specific context (Bryman and Bell, 2011; Saunders et al. (2012).

The methodology is important in ensuring the reliability and validity of a study, therefore the methodological approaches adopted in the study were considered carefully (Bryman and Bell, 2007). In relation to the research methods, the questionnaire approach was chosen for the collection of quantitative data from respondents while semi-structured interviews were utilised for the collection of qualitative data. The next section discusses the research philosophy of the study.

### **3.3 The Research Process**

The research started with the review of literature in order to identify the gap. The research aim is then created and the specific objectives of the research are generated. From the review of the literature, the conceptual framework which will direct the flow of the research is developed after which the data collection instruments, that is, the questionnaire and interview protocol are designed to accommodate meeting the research objectives. The instruments (questionnaire and semi-structured interview protocol) are validated and data gathered from the intended respondents and key informants from the studied organisations. The data gathered were analysed (quantitative data through descriptive statistics and qualitative data through thematic analysis), the results and findings are then highlighted. The research process is depicted in figure 3.1 below.



**Figure 3.1: The research process**

### **3.4 Research philosophy: Epistemology**

Research is the process of acquiring knowledge in order to find answers to certain issues with the view to providing a better understanding of the social world (Matthews and Ross, 2010). The research philosophy is the underpinning assumptions which determine how research about a particular topic will be presented and the suitable data to be gathered and utilised. The philosophy portrays the researcher's perspective of reality, how it is described and explained, and its relationship to the already developed knowledge (Saunders et al., 2009).

It is essential that the research philosophy adopted for a piece of research should be relevant to the research issue. According to Saunders et al. (2012), it is difficult to fit a research problem to a particular philosophical position. However, it is important to identify the research philosophy so as to define the approach that will be used to provide answers to the research questions.

The philosophical assumptions refer to the set of basic beliefs that represent the worldviews and also define the relationship between the world and the researcher. The research paradigm gives prescriptions to the researcher in a particular discipline on the form and nature of reality, the acceptable knowledge and appropriate methods of conducting a piece of research (Bryman and Bell, 2011).

The two most common research philosophies are positivism and interpretivism (sometimes referred to as constructivism). However, between the two positions, various other research philosophies exist (Blumberg, Cooper, and Schindler, 2014; Collis and Hussey, 2009; Saunders et al., 2009). Researchers such as Creswell (2002, 2014); Lincoln and Guba (2000); Heron and Reason (1997), discussed some other worldviews such as postpositivism, critical theory, participatory, pragmatic and hermeneutics.

The common philosophical worldviews can be divided into three main groups which are an ontology, epistemology, and methodology (Guba and Lincoln, 1994; Saunders et al., 2012). Ontology relates to the nature of reality and can be divided into two aspects, objectivism and subjectivism which are determined by the role of social actors. Objectivism is the ontological position describing the independence of the social actors from the social phenomenon while

subjectivism is the ontological view that refers to the creation of social phenomena through the interactions between social actors. Epistemology defines the nature of the relationship between the researcher and the studied phenomenon (Saunders et al., 2012). The methodology describes the methods of collecting and analysing data in order to conduct a research (Creswell, 2009). Research needs a foundation for investigation and those making scientific enquiry need to be mindful of the views they convey in their research (Creswell and Clark, 2007). It is possible to undertake supply chain management research with several research paradigms shaping the research process. These are discussed next.

### **3.4.1 The different philosophies**

This is an epistemological position which draws on the natural scientific method for research that relates to social reality. The positivism paradigm sees the world as 'real'. Lincoln and Guba (2000) refers to it as 'naive realism', where the reality can be identified and apprehended.

The aim of research drawing on the positivist assumption is to study a social phenomenon in search of causal relationships assuming the independence of social actors. The assumption is seen as objective and assumes the deductivist approach, it depends on existing theory in order to develop hypotheses. For positivists, the purpose of theory is to generate hypotheses that can be tested and set against various explanations (Bryman and Bell, 2015). The researcher, therefore, obtains knowledge by gathering facts that lead to further development of the theory (Bryman and Bell, 2011; Saunders et al., 2012).

Sustainable supply chain management research like this cannot be easily quantifiable. This is because when the researcher tries to be objective, there is still some degree of predetermined world philosophies that might influence the process and results of the research. For this reason, this research position does not comport with the nature of the research being carried out. It is possible to use it as part of the investigation process but not as the major philosophical approach that symbolises the research methodology and methods.

Interpretivism sometimes referred to as constructionism holds the view that the social world cannot be understood by applying research principles adopted from the natural sciences and therefore social sciences require a different research philosophy. The principles are that the

social world is constructed and is given meaning subjectively by people and the research is driven by interest (Blumberg, Cooper and Schindler 2014). This philosophy moves away from the ontological realism position and moves towards the ontological relativism and it also shares the subjectivism principal.

Social constructivism is often combined with interpretivism and the assumptions identified in this knowledge holds that individuals seek understanding of the world in which they live and work (Creswell 2002). The goal of such research is to rely as much as possible on the participants' views of the topic being studied (Creswell, 2002). It is believed that constructivism is socially constructed and knowledge (research findings) is subjective (Lincoln and Guba, 2000). According to Crotty (1998), knowledge is created by the researcher and the participant; the constructivist's viewpoint is that there is no meaning or truth without the minds of humans, therefore, the meaning of a situation is seen to be constructed rather than discovered.

Burr (2003), however, posits that in the construction of meaning or truth, human beings may respond differently, even when it is happening in the same situation or they are responding to the same phenomenon. According to Creswell (2002), the more open-ended the question, the better because the researcher listens carefully to what the respondents say in their life or work setting. Researchers recognise that their own background shapes their interpretation and therefore position themselves in the research to acknowledge how their interpretation flows from their own personal, cultural and historical experiences. They then make sense of the meanings respondents have about their world. Knowledge is developed and theory built through the development of ideas inducted from the observed and interpreted social constructions. Stakeholders' view of the socially responsible purchasing and supply chain performance can be investigated using qualitative methods and constructivist assumptions (Creswell 2002).

Post-positivism provides answers to the problematic criticism of positivism and adopts the critical realism as an ontological position (Guba and Lincoln, 1994). This philosophical approach can introduce changes to transform the status quo (Bryman and Bell, 2011; Guba and Lincoln, 1994). Postpositivism is different from the positivistic paradigm since it perceives the world in a more critical but less immature way. The postpositivist assumption is more of a representation of quantitative research than qualitative research. Research carried

out under the post-positivistic paradigm assumes the probability that the hypotheses tested are true or false. It adds a more critical approach to the research. Even though unbiased research is ideal, the researcher still has some form of influence on the investigation (Creswell, 2014).

Although qualitative methods of research may be used to a certain degree, modified forms of experimental and manipulative methods such as field studies dominate the methodological approach to postpositivism research (Lincoln and Guba, 2000). A combination of quantitative and qualitative research methods can be used to interpret and quantify findings. For research of this nature where the main purpose is to listen to the voices of key informants, a more open-ended approach is needed. In this type of research, the aim is not to test whether a hypothesis is true or false but to make sense of the meanings of the key informants' views and statements about the research topic.

Other researchers develop knowledge through the participatory paradigm, also referred to by other researchers as the transformative worldview. Their position came into existence during the 1980s and 1990s when individuals who felt that postpositivist assumptions imposed structural laws and theories that are not suitable for marginalized individuals or groups or did not adequately deal with issues of social justice (Creswell, 2014). Heron and Reason (1997) posit that research should contain an agenda with the possible aim to transform participants' lives and/or the institutions in which they work as well as the researcher's life. The approach assumes that the researcher will collaborate with the respondents so as not to marginalise them. This means, methodologically, the participatory paradigm suggests a collaborative form of enquiry. In such an approach, researchers and the researched work together as co-researchers and co-subjects.

Although this paradigm could be used for a study such as this, it was discarded because the researcher did not have a co-researcher and co-subject relationship with the key informants since the interviews were conducted within a limited time and moreover, the researcher wanted to listen to what the key informants wanted to say and not contribute to the discussion. Again, since data collection took place in Nigeria and it was purposive, the key informants were unknown to the researcher and therefore it was not possible to base the research on this paradigm.

Pragmatism derives from the work of Pierce, James, Mead, and Dewey (Cherryholmes 1992). Many believe pragmatism arose from actions, situations, and consequences rather than antecedent conditions. Researchers focus on the research problem rather than on methods and make use of available approaches to have a better understanding of the problem. (Creswell, 2014). The philosophical basis for research as provided by pragmatism is that it is not committed to any one system of philosophy and reality. This means researchers draw from quantitative and qualitative assumptions when engaged in their research.

Philosophically, mixed research makes use of the pragmatic approach and system of philosophy. Its logic of inquiry comprises the use of induction, that is the discovery of patterns; deduction, that is, testing of theories; and abduction, that is, uncovering and relying on the best of a set of explanations for understanding one's results (Johnson and Onwuegbuzie, 2004). Mixed methods research utilises quantitative methods to measure some aspects of a phenomenon in question and qualitative methods for others (Feilzer, 2010). Pragmatists do not see the world as an absolute unity. Similarly, mixed method researchers make use of more than one approach for data collection and analysis. Thus, for the mixed methods researcher, pragmatism worldview opens the door to multiple methods and approaches (Creswell, 2014).

Saunders et al. (2012) posit that it is more appropriate for the researcher not to assume that these philosophies have separate positions, but to regard them as a multidimensional set of continua. Baker and Foy (2008) propose that: The distinction rests basically on an individual's personal philosophy concerning the conduct of research with positivists emphasising an inductive or hypothetico-deductive process to establish and explain patterns of behaviour while interpretivists seek to establish the motivations and actions that lead to these patterns of behaviour (Baker and Foy, 2008). Despite these, the mixed methods approach has some limitations. The method is found to have some difficulties such as that the quantitative and qualitative research being described as belonging to diverse and incompatible paradigms (Greene, 2006). Again, there has been no consensus about how to evaluate the mixed method designs as some authors mentioned that both quantitative and qualitative criteria should be used for evaluating the method while some others argue on the contrary (Morse and Niehaus, 2016).

### **3.4.2 The thesis' choice of a paradigm**

The way this research is structured made a pragmatic viewpoint necessary since the pragmatism worldview advocates making use of more than one approach to data collection (triangulation). It can be argued that pragmatism can serve as a rationale for formal research design and also as a more grounded approach to research (Feilzer, 2010). The author carried out a survey with the use of a questionnaire and also conducted interviews in order to listen to the key informants' views and experiences. Pragmatism allows the researcher to be free of mental and practical constraints imposed by the “forced choice dichotomy between postpositivism and constructivism” (Creswell & Plano Clark, 2007, p. 27). The researcher's choice of this viewpoint is based on the assumption that collecting data from different sources provides a more complete and robust understanding of the research problem. Through the pragmatic viewpoint, the researcher was able to gain deeper insight into the organisations' socially responsible purchasing practices, the factors that constitute a challenge the implementation and the supply chain performance determinants in order to develop robust and detailed empirical data.

### **3.5 Research Design**

According to Easterby-Smith et al., (2008), research design is the plan that lays down the structure of investigation and how the research project is organised. It explains and justifies the types and methods of data collection, sources of information, sampling strategy and constraints involved. According to Collis and Hussey, (2009), research design is the science and art of planning procedures for conducting studies in order to obtain valid findings. It is an avenue to providing a detailed plan to help guide individual research. Philips (1971) in Blumberg et al (2014) posit that research design constitutes the blueprint for gathering, measuring and analysing data.

The research design is the plan and structure of investigation in order to obtain answers to the research question. It expresses the structure of the research problem and the investigation plan used in obtaining empirical evidence relating to the problem (Kerlinger, 1986). Research design can be divided into exploratory, descriptive, analytical, causal and predictive research (Bryman and Bell, 2007; Creswell, 2007; Blumberg et al., 2014).

Exploratory research is a situation where there are limited earlier studies in the subject area to which reference can be made. This type of research recognises patterns in the study and aims at gaining deep insights into the subject area (Saunders, Lewis and Thornhill, 2009). An exploratory study is useful when researchers lack a clear idea of the problem they might encounter during the research. They develop concepts more clearly and develop operational definitions (Blumberg et al., 2014). The exploratory research relies more on qualitative techniques such as case studies, which can provide both quantitative and qualitative data sets. The exploratory research assesses existing theories and concepts and determines which can be applied to the research problem or whether there is a need to develop new theories (Ghauri and Gronhaug, 2005; Saunders, Lewis and Thornhill, 2009).

Descriptive research is carried out to describe the existence of a particular idea or phenomenon. It is usually adopted for well-structured and understood concepts (Creswell, 2007; Bryman and Bell, 2007). A descriptive study may be simple or complex and may be done in many settings. It has to do with the description of phenomenon or characteristics associated with a particular population (Blumberg et al., 2014). Predictive research, on the other hand, establishes an explanation for what is happening in a particular situation.

Predictive research predicts certain phenomena with the aim of generalising from the analysis (Bryman and Bell, 2007; Creswell, 2007). The purpose of the analytical research is to develop a given idea or phenomenon by discovering and measuring causal relations, that is, identifying the causes and effect of research problems (Creswell, 2007; Bryman and Bell, 2007).

### **3.5.1 Choosing the thesis design**

The objectives of exploration may be accomplished with various techniques such as qualitative and quantitative techniques (Blumberg et al., 2014). Since the exploratory design is adopted when there is lack of a clear idea of what problems will be encountered and concepts are developed more clearly, an exploratory design was adopted in this study. Although social sustainability and CSR is a well-developed academic concept, there is a need to discover an in-depth study of the concept of socially responsible purchasing especially in the context of a developing economy. The next section discusses the research approaches.

### **3.6 Research Approach**

Selection of the research approach is dependent on the issue or question relating to the research which is determined by the nature of the relationship between theory and research. The clarity of the theory and the reason for collecting the data and whether to test or to build theory will be indicated based on the relationship. The researcher can then establish the research design (Bryman and Bell, 2011).

There are three approaches to how theory and practical studies are connected, these are quantitative (deductive), qualitative (inductive) and mixed (abductive). In the deductive approach, hypotheses are based on ideas that have been derived from theory. The inductive approach is where theory is generated from the practical study. These two approaches are not exclusive alternatives but rather tendencies (Bryman and Bell, 2005).

The mixed approach is one in which the researcher collects data either simultaneously or sequentially in order to best understand the research problem (Creswell 2003). Abduction is proposed as a way of overcoming the limitations associated with deductive and inductive positions (Bryman and Bell, 2015)

#### **3.6.1 Discussion of the approaches**

According to Saunders et al (2009), a deductive approach is developing a theory or hypothesis which is based on facts and theories that already existed in a particular area and in which a research strategy is designed and theoretical proposition tested. The deductive approach is well-known for the relationship between theory and empiricism. In the deductive approach, the research needs to develop hypotheses before the research can begin, one or more hypotheses are formulated from the literature. These are then tested empirically in order to accept or reject them. The result is then linked back to the theory and hypothesis. The way these approach works is more of linear and logical (Bryman and Bell, 2015).

The inductive approach traditionally aims at generalizing findings from empirical data (Kovacs and Spens, 2005). Saunders et al (2009), defined this approach as researchers collecting data and developing a theory as a result of data analysis. According to Bryman and Bell (2015), the inductive approach is used when a theory is formulated based on empirical

grounds. Here, the empirical study is carried out and the theory can be formulated from the results. Sometimes, conclusions which are generalizable can be drawn from the empirical study that was conducted (Bryman and Bell, 2015). An inductive approach is relevant to business and management research where established theories are unlikely to be available (Remenyi, 2004). The Abductive approach, which is the chosen approach for this thesis will be discussed in the next session.

### **3.6.2 Abductive**

The abductive approach develops from the insight that most advances in science neither followed the pattern of pure deduction nor of pure induction (Kirkeby, 1990; Taylor et al., 2002). The case studies and action research (Dubois and Gadde, 2002; Wigblad, 2003) use abductive reasoning commonly. This is due to simultaneous data collection and the theory-building element in both methods (Dubois and Gadde, (2002); Kovacs and Spens, (2005). This is an approach in which data collection involves gathering both numeric information through a survey instrument as well as textual information such as interviews, and the final database represents both quantitative and qualitative information. The primary aim of the abductive approach is to develop the understanding of a new phenomenon (Alvesson and Skoldberg, 1994). The researcher collects diverse types of data that best provide an understanding of the research problem. The data can be collected stage by stage (sequential) or collected at the same time (concurrent) (Creswell, 2003).

### **3.6.3 Thesis Position: a Research approach**

The research questions were formulated with the intention of gaining a deeper and better understanding of the research topic. Questionnaires were distributed, in order to have more than one data collection method for an in-depth insight into the subject matter. Having read literature for a general view of the subject matter, a survey of a large number of individuals and also interviews of some key informants from the food and beverage industry to obtain an in-depth view on socially responsible purchasing practices was carried out. This research provided analysis and suggestions for the food and beverage manufacturing supply chain management from the practical investigation, based on the sampled food and beverage organisations. Taking an abductive approach leads to new insight about existing phenomena by examining these from a new perspective (Kovacs and Spens, 2005). Creating knowledge

is rather common in logistics and supply chain research that borrows theories from other scientific fields (Arlbjørn and Halldorsson, 2002; Stock, 1997). Thus, the research follows the concurrent mixed (abductive) approach i.e. converging or triangulating both quantitative and qualitative data and providing new insight about socially responsible purchasing, investigating and identify the driving factors the impeding factors to the success of the supply chains.

### **3.7 Research Methods**

What needs to be considered when designing research is establishing an appropriate method for the aim of the study (Jones and Hunter, 1995; Silverman, 2005). There are two common research methods which are quantitative and qualitative. However, in recent times, mixed methods have started gaining prominence, especially in the social sciences. Qualitative research is a method used when data are depicted in words and not in quantities. It places emphasis on how well individuals comprehend and interpret their social reality and follows a non-linear research process (Bryman and Bell, 2015). On the other hand, the quantitative research method places emphasis on quantities in the collection and analysis of data. The quantitative research method has an inclination towards the natural scientific approach and the perception that reality is objective. It follows a linear research process (Bryman and Bell, 2015). Both qualitative and quantitative approaches to research have their strengths and weaknesses, the mixed methods strategy which is less well known is however believed to mitigate these weaknesses. It involves collecting and analysing both forms of data in a study (Creswell 2003). The methods are further discussed below:

#### **3.7.1 Quantitative research method**

This has been a major method in business research. It is related to the natural sciences and follows the positivist and postpositivist paradigm, and the perception of reality as objective. It involves cause and effect thinking, reduction to specific variables and hypothesis development, use of measurement and observation, and the testing of theories (Creswell, 2003). The researcher starts with a theory based on literature and then presents a hypothesis after which data are collected.

According to Bryman and Bell (2005), in quantitative methods, there are four key features which are measurement, causality, generalization, and replication. Measurement is thought to be necessary since it reveals small differences by using a consistent tool and can also provide more specific estimations. The focus is on numeric data analysis. Causality is considered important because quantitative researchers want to know why things are the way they are rather than describe how they are. Because such research must be applicable to other situations and groups, generalization becomes important.

Since quantitative research is associated with natural science, the ability for other researchers to be able to redo the experiment and receive the same outcome (replication) is a crucial aspect (Bryman and Bell, 2005). Quantitative methods describe social phenomena in terms of numbers; it is applied to a large sample in a highly structured manner. This approach is appropriate to test theory and the theory, and concepts should be built prior to data collection (Bryman, 2004).

### **3.7.2 Qualitative Research Method**

This research method, on the other hand, is usually associated with an epistemological position which focuses on interpretation. This means how well the social reality is understood is based on individual's interpretation of reality from the environment they live in (Bryman and Bell, 2015). Qualitative methods are appropriate to generate theory. This approach is based on words rather than numbers and is often applied to a small sample in an unstructured manner to generate ideas emerging from the data (Bryman, 2004). Qualitative research methods draw on data in the form of words, images, observations, written notes, photographs, audiotapes, videotapes or drawings, which result in rich, thorough and detailed descriptions of complex behaviours, processes, relationships, settings and systems (Hanson, Balmer and Giardino, 2011).

This method is one in which the researcher often makes knowledge claims based on constructivist perspectives (ontological position) (Creswell, 2014). It is a situation where social features are as a result of experiences and interaction between individuals and not something that exists "out there". Qualitative research has more of an inclination to the social sciences rather than the natural sciences. The world is seen through the eyes of the subject that is being studied (Bryman and Bell, 2015). The method uses strategies of inquiry such as

narratives, ethnographies, phenomenologies, grounded theory studies or case studies research (Creswell, 2003). The order in which qualitative research is carried out starts with formulating general research questions. Thereafter, relevant organisations and individuals for interview are selected and the collection of relevant data commences. The interpretation of the data and conceptual and theoretical work follows and the research report is written. (Bryman and Bell, 2015).

The rationales behind the use of qualitative research method are that: it sets out to build an understanding of how informants make sense of and interpret things; it appreciates context rather than controls it; it gives individuals the potential to analyse, interpret and provide accurate, comprehensive and descriptive foundations. Therefore, it can deliver robust insights into issues that are of importance and this will be of benefit to management practitioners and researchers (Cassell, 2009).

### **3.7.3 Mixed methods research**

With the development and perceived legitimacy of both quantitative and qualitative research methods in the social and human sciences, mixed methods research (employing data collection associated with both forms of data) is expanding (Creswell, 2003). Several sources identify its evolution in psychology and in the multitrait-multimethod matrix of Campbell and Fiske (1959) to the interest in converging or triangulating various quantitative and qualitative data sources (Jick, 1979) and to the expanded reasons and procedures for mixing methods (Creswell, 2002; Tashakkori and Teddlie, 2009).

This method is one in which the researcher tends to base knowledge claims on pragmatic grounds, that is, consequence-oriented, problem-centered and pluralistic. It involves collecting data either simultaneously or sequentially in order to best understand research problems in a single study. It also involves gathering both numeric information with the use of instruments as well as text information through interviews. In the end, findings from the different data sources are converged or confirmed, that is, the final database represents both quantitative and qualitative information (Creswell, 2014).

According to Creswell (2014), there are six major mixed method strategies which are sequential explanatory, sequential exploratory, convergent parallel (concurrent triangulation,

concurrent nested and concurrent transformative strategies), embedded, sequential transformative, and multiphase. These are summarised in the table below:

**Table 3.1: Summary of mixed methods strategies**

Explanatory sequential	Exploratory sequential	Convergent parallel (triangulation)	Embedded	Sequential transformative	Multiphase
Collection and analysis of quantitative data followed by the collection and analysis of qualitative data. Priority given to quantitative data. Qualitative results explains & interprets quantitative findings.	Conducted in two phases. The initial phase is a collection of qualitative data and analysis and then quantitative. Priority is given to the qualitative study. Like sequential explanatory strategy, the two phases are integrated during the interpretation phase. Quantitative data & result is used to assist in interpreting qualitative findings.	Two different data collection methods (quantitative & qualitative) used separately but happening in one phase of the study to confirm, cross-validate or corroborate findings within a single study in order to offset the weakness inherent within one method with the strength of the other method. Priority may be given to either of the two. Results integrated during interpretation phase.	One data collection phase, both sets of data collected simultaneously. Less priority method (quantitative or qualitative) is embedded within the predominant method. Data collected are mixed during the analysis phase. Different methods used to study different groups or levels. May or may not have guiding theoretical perspective.	Shares same features with concurrent (triangulation or nested) approaches. Two types of data collection at the same time during one data collection phase. May have equal or unequal priority. Integration of findings during the analysis phase. Guided by researcher's use of a specific theoretical perspective.	Two data collection phases but either may come first and priority can be given to either of them or to both. Results of the phases are integrated during the interpretation stage. Has theoretical perspective that guides the study.

Source: Developed by the author from Creswell 2003, 2014

Triangulation is a technique used in mixed methods research in order to ensure that the information on the subject matter is robust, rich, comprehensive and developed properly. It is a way of deepening and widening the scope of understanding of the subject matter as a result of diverse viewpoints. This is corroborated by Cohen and Manion (2000) who defined triangulation as an attempt to map out or explain fully, the richness and complexity of human behaviour by studying it from more than one standpoint. It is believed that a single method can never adequately shed light on a phenomenon, as a result, multiple data sources are used to facilitate deeper insight and understanding. According to Thomond (2001), triangulation is the use of more than one approach to investigate a research question in order to enhance confidence in the findings. It is also known as an unobtrusive method which suggests that once a proposition is confirmed by two or more independent measurement processes, the uncertainty of the interpretation is greatly reduced. Schuh (2009), defines triangulation as

using multiple sources of data, data collection methods or both and multiple investigators to collect data. According to Denzin (1978, pg 28), triangulation is based on the premise that “no single method ever adequately solves the problem of rival causal factors”.

There are four basic types of triangulation; Data triangulation involves using different sources of information (interview data, observation data) in order to increase the validity of the study. It also involves time, space and person. Methodological triangulation involves using more than one method of data gathering such as observations, focus groups, interviews, surveys and documents (Denzin, 1978). It could either be in-method (applying multiple data techniques) or between-method (applying qualitative and quantitative methods). The investigator triangulation involves using several researchers in an investigation and analysis process, while theory triangulation involves using more than one theoretical perspective to interpret a single set of data or phenomena. Another not so common type is environmental triangulation which involves the use of different environmental locations and other key factors in which the study took place e.g. time, day or season.

Although triangulation has its challenges, such as the need for extensive data collection, need for familiarity with both quantitative and qualitative methods and the time-intensive nature of data analysis, it is still considered the most appropriate for the study.

#### **3.7.4 Research method and justification**

In order to capture different dimensions of the phenomenon and to contribute to the trustworthiness of the data, triangulation was used in the data collection. For the purpose of this research, the convergent concurrent triangulation strategy was utilised since the quantitative data and qualitative data were obtained during the same time period. The findings are converged in order to strengthen the knowledge claim of the study or to explain any lack of convergence that may result. This model is advantageous because it is familiar to most researchers and can also result in well-validated and substantiated findings.

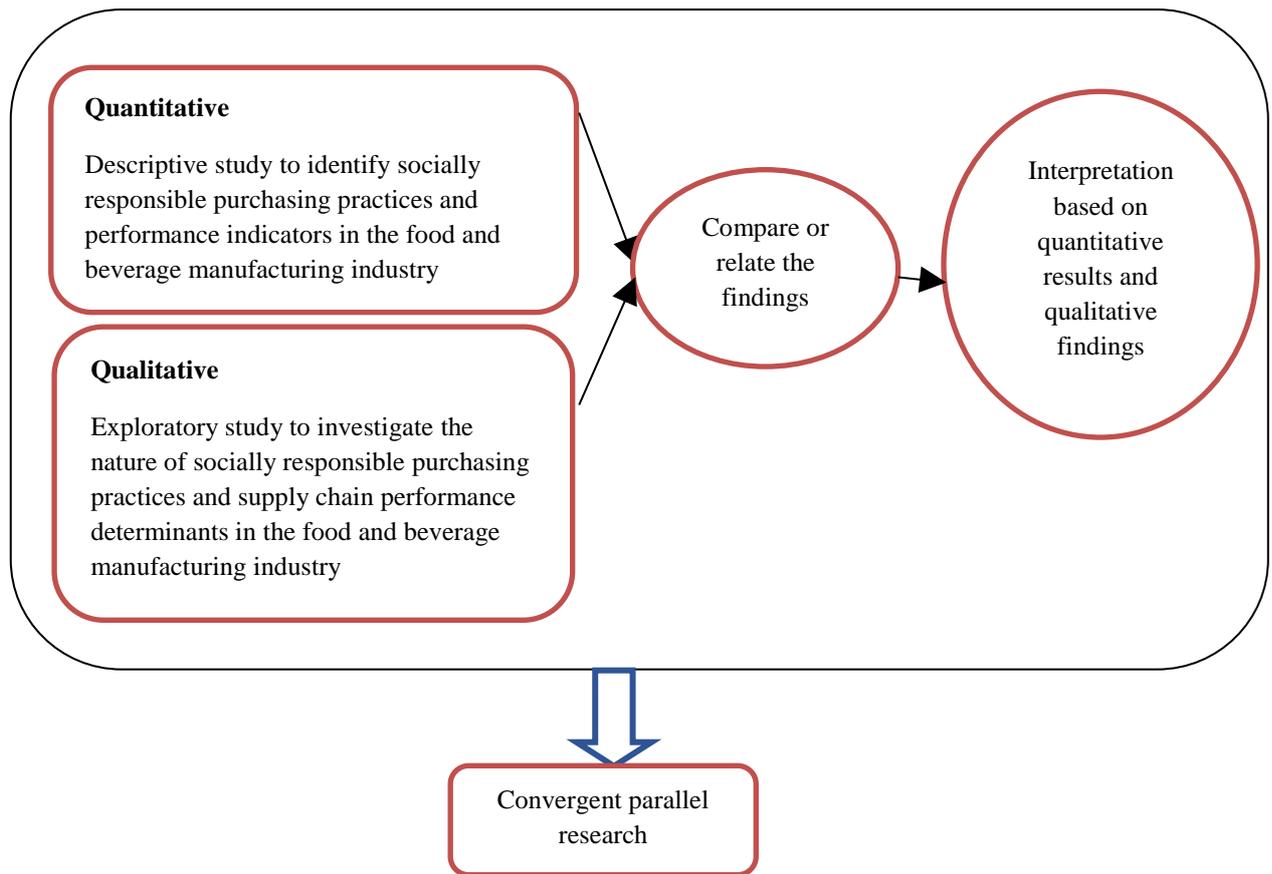
The researcher used the data and methodological triangulation when collecting the data in order to overcome the weakness or biases, and the problems that come from the single method and data studies. With the use of questionnaires, there is no opportunity to clarify issues. Some of the biases include measurement and response bias which may be as a result of the setting in which the research is conducted or participants saying what they think the

researcher wants to hear. This problem can be balanced up through triangulation. Interviews were conducted in which the key informants would be given the opportunity to more freely express their thoughts.

Also, a triangulation strategy was chosen due to the predominant use of quantitative and qualitative methods individually by previous researchers in examining socially responsible purchasing and supply chain performance. Furthermore, the research questions were considered best answered through triangulation due to the descriptive, exploratory and inductive nature of the study which aimed to elicit detailed descriptions and understanding of the key informants' experiences and perceptions regarding their organisations' socially responsible purchasing practices. The study aims to draw on their experiences rather than make assumptions. The approach to designing, conducting, analysing and writing-up this thesis has been set within a pragmatic framework.

### **3.7.5 Selection of Research Method**

As mentioned earlier, the convergent mixed method (triangulation) strategy was adopted for this research. Although the quantitative and qualitative data were collected at the same time (concurrently), priority is given to the qualitative data. This is because the semi-structured interviews gave an in-depth insight into the research questions. Priority may be given to either of the two. According to Morse and Niehaus (2016), a mixed method approach is a scientifically rigorous research project, driven by the deductive or inductive theoretical drive, and comprised of a quantitative or qualitative supplementary component (s). It is worthy of note to recognise that the additional quantitative data is beneficial to the research as it helps to provide a robust understanding of the research focus and also help to discover whether there is convergence or divergence between the sources of information (Creswell 2003). The socially responsible purchasing phenomenon is subjective and for this reason, the use of only a quantitative research method is unlikely to provide sufficient understanding of the subject matter. According to Neuman (2007), the utilisation of interviews is seen to be a better means of exploring these complexities. The utilisation of the mixed method strategy is necessary as some aspects of socially responsible purchasing can be measured quantitatively. Below is figure 3.1 describing the convergent triangulated mixed method design for the study.



**Figure 3.1: Triangulated mixed method strategy**

### 3.8 Research Strategy

Researchers do not only select quantitative, qualitative or mixed methods research, they also decide on the study type within these three choices. The research strategy is a type of inquiry within the three research method approaches that provide specific direction for the procedure in research design (Creswell 2014). There are various types of research strategy related to each research method. These are discussed below:

#### 3.8.1 The quantitative research strategy

During the late nineteenth and throughout the twentieth century, strategy inquiry associated with quantitative research were those invoked by the postpositivist worldview. These include experiments and survey research. (Creswell, 2014).

***Experimental studies:*** An experimental study is used to investigate the relationship between variables, permitting causal relationships to be identified. (Collis and Hussey, 2009). Experimental research seeks to determine if a specific treatment influences an outcome by providing a specific treatment to one group and withholding it from another (Creswell, 2014).

***Survey research:*** This is a non-experimental study and it provides a numeric or quantitative description of attitudes or opinions of a population by studying a sample of that same population. It comprises cross-sectional (obtaining data in different contexts but over the same period) and longitudinal (the study of variables or groups of subjects over a long period of time) studies with the use of questionnaires or structured interview for the collection of data (Fowler, 2008). For a positivist study, survey research is designed to collect primary or secondary data from a particular sample with the intention of statistically analysing them and also generalising the results to a population (Collis and Hussey, 2009)

### **3.8.2 The qualitative research strategy**

The origin of qualitative research comes from sociology, the humanities, and anthropology (Creswell, 2014). These methodologies include narrative research, phenomenology, grounded theory, ethnographies, action research, case study and mixed strategy amongst others.

#### ***Narrative research***

According to Riessman, (2008), this emanates from the humanities. The researcher studies the lives of individuals and requests one or more of them to provide stories about their lives which are then retold by the researcher in a narrative chronology.

#### ***Phenomenological research***

This comes from philosophy and psychology in which the researcher describes the lived experiences of individuals about a particular phenomenon which is described by participants (Moustakas, 1994).

#### ***Ethnographic research***

This is usually associated with anthropology and sociology and is characterised by the richness with which it describes the world it studies (Blumberg et al., 2014). The researcher studies the shared patterns of language and behaviours of a group in a natural setting over a prolonged period (Creswell, 2014). The main method of data collection is participant

observation, the researcher is a full member of the group under study (Collis and Hussey, 2009)

### ***Action research***

This has its origin in the social sciences. It focuses on social change or the production of socially desirable outcomes (Blumberg et al., 2014). This is used in applied research in order to find an effective way making a conscious change come to pass in a partly controlled environment and the results monitored (Collis and Hussey, 2009).

### ***Case Studies***

The case study strategy is advocated for theory building and it is considered to be excellent for detailed examinations of best practices and understanding the gathered data (Aastrup and Halldorsson, 2008). According to Bryman (2001), qualitative research became popular initially as a result of the dissatisfaction with quantitative research. This is found in many fields, in particular, evaluation in which an in-depth analysis of the case (programme, activity, process or individual(s)) is developed (Yin, 2009). This approach is used to explore a single phenomenon, that is, the case in a natural setting using various methods to obtain in-depth information or knowledge. The case may be a business, process, group of workers or another phenomenon (Collis and Hussey, 2009). Case study research aims to explore and understand certain phenomena within a context (Yin, 2003).

The case study could be exploratory (where there are few theories or a deficient body of knowledge), descriptive (objective is restricted to describing current practice), illustrative (researcher attempts to illustrate new innovative practices adopted by specific companies), experimental (researcher examines the difficulties in the implementation of new procedures and techniques in an organisation) (Scapens, 1990), and opportunist (where there is an opportunity to examine a phenomenon as a result of the researcher's access to a particular person or business (Otley, 1994)). A case study is "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" Yin (2003, p. 13). Case studies often involve data from many different sources in order to gather a rich picture of the case (Ellram, 1991; Yin, 2003). Yin (2003) classifies case studies research as either exploratory, descriptive, or explanatory, in which each of these can be based on a single or on multiple-case studies. Exploratory case studies aim to develop research questions and hypotheses for

subsequent studies, while descriptive case studies research is meant to show a full description of an experience within its context, the explanatory case studies identify the causes of observed effects (Yin, 2003). The case study strategy fulfils a descriptive role, especially when illustrating Otley's (1999) framework to gather and describe the data collected.

### ***Grounded theory***

This was conceived by the founding fathers, Barney Glaser and Anselm Strauss. Its main characteristic is that it starts with data and not with theory (Blumberg et al., 2014). This approach emanates from sociology and the researcher derives a general, abstract theory of a process, interactions or actions grounded in participants' views (Corbin and Strauss, 2007; Charmaz, 2006).

### ***Mixed methods research strategy***

Mixed methods strategy involves the combination or integration of quantitative and qualitative research and data in a single research study. The field of mixed methods study is relatively new with major work done in developing it emanating from the middle to late 1980s (Creswell, 2014). The mixed methods approach is utilised in order to expand the understanding of one method (quantitative or qualitative) and/or to converge or confirm findings from different sources of data. There are three main basic research models under this strategy which are convergent parallel, explanatory sequential and exploratory sequential mixed methods. The models were discussed in detail in section 3.7.3 and table 3.1.

### **3.8.3 The research position: Thesis research strategy and justification**

A mixed methods strategy which is sometimes referred to as triangulation (a process in which several methods i.e. data sources, theories and/or research are utilised in the research of one phenomenon) is useful when the quantitative and qualitative designs by themselves are inadequate to best understand a research problem and the strengths of both research designs and its data can provide the best understanding (Creswell, 2014; Uwe Flick, 1995). Socially responsible purchasing is subjective, therefore, quantitative research strategy alone is unlikely to provide a sufficiently rich understanding. The convergent parallel mixed method strategy (see section 3.7.3 and table 3.1) was used in this research where both the quantitative and

qualitative strategies were utilised in collecting and analysing data. The researcher made use of a qualitative method (see section 3.8.2) in carrying out interviews and non-experimental strategy (distribution of questionnaires) in order to view the subject matter from different angles and to have a deeper insight into the socially responsible purchasing phenomenon. However, higher weight was given to the qualitative data as the research phenomenon is expanded by means of the interviews. Researchers should be sensitive to the context of their research, the conditions in which the data is gathered, the locality are all important (Morse and Field, 1991).

This research follows a mixed method research strategy. For this thesis, aside from conducting interviews and carrying survey, further supporting evidence was sought from organisations' archival documents, policy documents, and annual reports. This makes the mixed methods approach relevant for this research. This research is an exploratory study since no particular hypotheses will be tested. The research, however, contributes by identifying key themes in the data collected and generating areas for future research. The choice of this type of research strategy considers the three conditions pointed out by Yin (2003): the type of research question, the researcher's control over behavioural events, and the centre of attention. The unexplored nature of the responsible practices of the organisations under study indicates the need to avoid an extremely structured approach.

The qualitative researchers believe the quantitative methods could not answer important questions that they were interested in. This research used both quantitative and qualitative data which were triangulated for comparison and checked to consider the relationship between them to enhance the trustworthiness of the data and confidence in the ensuing findings. Both methods crosscheck the findings of each other and add confidence to the result.

Mixed method research has the advantage of emphasising the limitations and/or the bias associated with measuring or interpreting data obtained from a study (Creswell and Plano-Clark, 2007). It also strengthens the research by applying various data sources data collection methods and analysis. More persuasive evidence comes through triangulation which contributes to the trustworthiness of the data. However, there are some challenges faced with the use of this strategy which are extensive data collection, time consumption in analysing both numeric and text data and the need to be familiar with both quantitative and qualitative

forms of research (Creswell 2014). The data collection methods are discussed in the next section.

### **3.9 Quantitative data collection method**

For this research, data were obtained from both primary and secondary sources. According to Bryman and Bell, (2007), primary data are collected and recorded for a specific research project. Primary data collection is an important process in a research because an individual can understand the true position and in-depth knowledge of a concept (Walliman, 2005; Neuman, 2007). Secondary data are obtained based on statistical information in published articles, organisations' published report, the data available in the text, tables, graphs, or appendices of the published articles (Church, 2001).

#### **3.9.1 Quantitative sample for data collection**

The primary and secondary data for this research were gathered from 12 food and beverage organisations and the sample was determined using purposive sampling technique (Eisenhardt, 1989). The data were collected from staff (ranging from junior to managers) of the chosen food and beverage companies in Lagos, Nigeria. 230 copies of the questionnaire were distributed to staff from the purchasing, production, financial, legal, sales/marketing and human resources departments at different places and times. Copies of questionnaires were handed over (given by hand) to a representative of each company who later distributed them to the other staff members. Consent forms stating the purpose of the study and the benefits of participating in the survey were attached to the questionnaires. The respondents were informed of their right to take part or to decline their participation or stop the completion of the questionnaire at any convenient time if they so wish. The questionnaire was designed in a way that respondent's details were made anonymous. The researcher was asked to come some days after to collect the completed questionnaires.

A pilot test was conducted prior to the distribution of the questionnaires in order to ensure understanding and consistency of meaning. This will be discussed in subsequent sections. Out of the 230 copies of the questionnaires distributed, 153 (66.5 percent) were retrieved after

many follow up calls; out of which 4 were incomplete and discarded, giving a total sample size of 149 respondents.

### **3.9.2 Quantitative data gathering process**

#### **3.9.2.1 Questionnaire and scale development**

The survey carried out is cross-sectional (data collected at one point in time). The questionnaire was developed from previous studies and distributed with the help of the staff of the chosen organisations. A continuous scale (five-point Likert scale) was used to measure the items on the questionnaire. According to Saunders et al., (2012), there are various techniques used in conducting surveys, some of which are observations and questionnaires. However, the questionnaire technique is common for surveys since it is suitable for descriptive and analytical research.

In social science and marketing research, there are different types of widely used scales. These are the Guttman scale, Thurstone scale, Likert scale and Semantic differential scale (Chisnall, 2001). The Guttman scale is referred to as a cumulative scale that lets respondents express their agreement on different statements, but this scale is seen to be complicated and there is the problem of validation. The Thurstone scale is referred to as a classic interval scale that requires sophisticated mathematical procedures. The easy to use and reliable scales are the Likert scale and the semantic scale (Chisnall, 2001). According to Chisnall, (2001), the Semantic scale is used in investigating consumer attitude towards the brand and corporate image. Churchill (1995) posits that the validity of the semantic differential scale was questioned since its use was modified to follow the Likert scale instead of following the Semantic scale construction. Aaker, (1997) opined that the use of the Likert scale is better since it determines the extent to which a phenomenon can be described. Again, according to Churchill (1995), respondents find it easier to respond to questions using the Likert scale.

This research, therefore, utilised the five-point Likert scale. According to Saunders et al. (2012), the number of Likert scale points ranges from four to seven. The four-point scale restricts the respondents in expressing their feelings, however, the five-point scale enables the respondents to respond adequately if they are unsure about any negative statement. Also, according to Malhotra and Birks, (2003), the five-point scale is clear and easier to complete

than the seven points. Also, the low, moderate and high scale were used by the researcher to reflect on the organisations' socially responsible purchasing practices and how these influence the success of the supply chains.

The questionnaire was developed in order to achieve a meaningful retrieval of information without it taking too much time to complete. The questionnaire was designed to be completed in 15 to 20 minutes. The first section contained demographic questions. This was followed by questions relating to the research questions. The questions were structured in a way that they reflect the objectives of the research. The questionnaire was developed and scrutinised with the help of a senior researcher (supervisor) in order to improve the questions and format used in the questionnaire. To meet the objectives of the research, a cross-sectional survey design was used to collect the quantitative data. According to Bryman and Bell (2011), cross-sectional design refers to collecting data from more than one case at a single point in order to gather quantifiable data and to examine the patterns of associations with two or more variables.

The first page of the questionnaire was an introduction to the research. Regarding confidentiality, the respondents were given assurance that they were not under any obligation to complete the questionnaire if they wish not to. The self-administered questionnaires focusing on issues surrounding socially responsible purchasing practices were distributed to managerial and non-managerial employees in the selected Nigerian food and beverage companies. The use of questionnaires has the advantage of allowing the respondents to answer the questions individually without being influenced by other respondents and this reduces the possibility of biased results (Easterby-Smith Thorpe and Jackson 2008). The challenge faced with the representative of the organisation distributing the questionnaires was that the researcher was unable to keep an accurate record of those who responded and could not send reminders directly to the employees who were yet to respond. According to Saunders, Lewis, and Thornhill, (2009), a major criticism related to using questionnaires is the low response rates and the inability of the respondents to express themselves. To mitigate against this, semi-structured interviews were carried in order to support responses from the questionnaires.

### **3.9.2.2 Pilot testing and validation of the research instrument (questionnaire)**

Based on face value, the researcher assumes that the questionnaire was valid, However, in order to have a more solid validity, a pilot test was conducted. A pilot test is required before the main survey in order to check the layout, clarity of the questions, length of time to answer it and refining of the questionnaire (Saunders et al., 2012). According to Bryman and Bell (2003), validity is referred to as the integrity of conclusions that are gathered from a piece of research. Creswell (2009) defines content validity as the determination of whether a scale measures the concepts it intends to measure. Due to the simple quantitative (descriptive) and exploratory nature of the research, copies of the questionnaire were given to seven employees for validation. The questions were understood, however, suggestions about removing inappropriate and ambiguous wordings were made. These were looked into and modifications were made to allow for better understanding. Validity was also given by senior colleagues who agreed that the items were relevant for the study. Finally, the researcher's supervisors gave their comments and final modifications were made. The next section discusses the quantitative data analysis.

### **3.9.3 Quantitative data analysis**

Due to the exploratory and descriptive nature of this research, descriptive analysis was used to analyse the quantitative data. Descriptive statistics are utilised in order to provide an overview of the sample by numerically describing variables (Saunders et al. (2012). Statistical Package for Social Science (SPSS) software package version 20.0 was used to analyse the data. SPSS offers a strong statistical analysis and is suitable for a study such as socially responsible purchasing issues (Field, 2005). The detailed data analysis is presented in chapter four.

### **3.10 Qualitative data collection method**

According to Hanson, Balmer, and Giardino (2011), qualitative research gathers data in the form of words, images, and observations which are recorded as written notes, audiotapes, videotapes or drawings. These lend themselves to a rich, thorough and detailed descriptions of processes, relationships, settings, and system. For this study, in addition to the questionnaires, semi-structured face-to-face interviews were used to collect more data. Apart from these, further supporting evidence was sought from organisations' archival documents,

policy documents, and annual reports. The qualitative sample and the interview process will be explained in the following sections.

### **3.10.1 Qualitative sample**

#### ***Sample choice selection***

A decision to conduct the research in a work-based setting was made since the focus of the research is about the organisation's practices. In order to identify suitable organisations, the researcher purposefully chose the organisations based on their annual report on their responsible social initiatives in recent years. Key informants are the employees of the organisations whom the research investigated and considered to represent the sample.

#### ***Sampling strategy***

This study used the purposive sampling strategy (Eisenhardt, 1989). The researcher tried to contact the people that are relevant and are able to provide the necessary information relating to this research. After meeting with and interviewing some of the key informants, the researcher was referred to another key informant in another organisation who then introduces the researcher to another key informant. This helped with reaching more people although it was not very easy to access them in some cases. This technique is called snowball sampling. This method entails the researcher firstly contacting some group of people who are relevant to the research topic and then using these to reach the others (Bryman and Bell, 2003).

The sample size (qualitative) of this study was 31 semi-structured interviews for both managerial and non-managerial employees. Face-to-face interviews were conducted with the thirty-one employees (22 males, 9 females) at different places and times. The age range was from 28 to 57 with the majority being in the 38-47 age bracket. Consent forms were presented at the start of every interview stating the purpose of the study and the benefits of participating in the interview. The key informants were informed of their right to participate or not to participate and that they could end their participation at any stage of the interview process. They were also informed that anonymity is guaranteed.

The size and complex nature of the manufacturing sector in Nigeria meant that quite a number of key informants would be expected to be interviewed for an adequate representative sample to be achieved. However, it is not realistic to interview hundreds of key informants considering the time and other factors. Therefore, to select a reasonable sample

and to avoid bias, five out of the eight major sub-sectors of the food and beverage industry were chosen some of which were multinational and some indigenous having branches in the commercial centres of the geopolitical zones of the country. The key informants include a cross-section of employees with different demographic characteristics and experiences. The interview question guide is attached in appendix 3 of the thesis. In order to ascertain the responses of the key informants regarding their socially responsible purchasing practices, structured interviews were also conducted with some staff of the regulatory organisations so as to determine the food and beverage organisations' level of compliance regarding their practices.

### **3.10.2 Pilot interview**

According to Polit et al., (2001), a pilot study is a small-scale version done in preparation for the major study. Prior to the main interview, five pilot interviews were conducted. The informants at the staff and manager level from two food manufacturing companies were interviewed in order to ensure the questions are well understood, that they are geared towards the focus of the study and that adequacy of the research instrument is tested. Based on the informants' responses and the researcher's supervisor's input, some of the questions were adjusted to make them more understandable.

Frankland and Bloor (1999) posit that pilot testing provides the qualitative researcher with a clear meaning of the focus of the research. Holloway (1997), stated that a pilot study in qualitative methodologies can be carried out if the researcher is a novice or does not have confidence, especially when using the interview technique. The benefit accrued from carrying out pilot interviews is the experience gained and the increased confidence of the researcher.

### **3.10.3 Interviews**

According to Saunders, Lewis, and Thornhill (2007), interviews are referred to as purposeful discussions between two or more individuals which are sought after in some field of studies. Zhang and Wildemuth (2009) posit that interviews are tools that are used in probing interviewees' perceptions, experiences, attitudes, and feelings about a particular phenomenon.

Cachia and Millward (2011) stated that interviews are interactional processes, which could be face-to-face, personal, in a group or by telephone.

The three main categories of interviews are structured, semi-structured and unstructured interviews (Bryman & Bell, 2005). While performing an interview the authors need to ask good questions, be a good listener and exercise adaptiveness and flexibility according to Yin (2009). Interviewing is concerned with subjective meaning rather than with eliciting responses and detailed information can be obtained from it. Interviews can permit exploration of issues that may be too complex to investigate through quantitative means.

### ***Structured Interview***

Interviews are based on a pre-arranged interview guide. The aim here is that all the interviews should be structured the same to ensure that the respondents' responses can be easily compared. The questions are specific and the respondent is given a set of answers (Bryman and Bell, 2015). Structured interviews are sometimes referred to as standardised interviews (Bryman and Bell, 2007). All respondents are asked the same questions with the same wording (Blumberg et al., 2011). The interview entails maintaining and adhering to the pre-planned schedule with room for little flexibility in the question structure (Eriksson and Kovalainen, 2008).

### ***Semi-Structured interview***

A semi-structured interview is referred to as a discussion intended for the extraction of precise information from individuals interviewed (Bryman and Bell, 2007). Semi-structured interviews are believed to have an advantage over structured interviews, as structured interviews are built on a predetermined and standardised set of questions and do not encourage flexibility.

This refers to a context in which the interviewer has a series of questions that are in the general form of an interview guide but is able to vary the sequence of questions. The interviewer also has some latitude to ask further questions in response to what is seen as significant replies (Bryman and Bell, 2011). In a semi-structured interview, the interviewer formulates questions in the general form of an interview schedule, however, the wording and sequence of the interview questions may change (Bryman and Bell, 2007; Bryman, 2012). The sequence of questions may vary depending on the conversation and additional questions

may be asked with the intention to have a deeper and better exploration of the phenomenon (Saunders et al., 2007).

According to Blumberg et al. (2011), semi-structured interviews are also referred to as guided interviews since they start with specific questions but enable the informants to follow their thoughts. For semi-structured interviews, the researcher creates a list of themes and questions to be covered and might omit or delete some questions in the interview as may be deemed necessary in order to facilitate exploration of the phenomenon or issues (Bryman and Bell, 2007; Eriksson and Kovalainen, 2008).

### ***Unstructured Interview***

Here the researcher is well prepared and familiar with the subject and has a few issues to start the interview of from. Therefore, the term unstructured might be a bit of a misnomer since it does have some kind of structure according to Mason (2002). During the interview, the researcher is flexible and adaptable to the respondents' answers and comes with follow-up questions to develop the answers. The researcher listens to the respondent without interrupting or get included in the discussion. To a certain degree, the respondents steer the direction of the interview (Bryman & Bell, 2005).

#### **3.10.4 Research position: Thesis interview type and process**

In this thesis, the researcher used semi-structured face-to-face interviews as the qualitative data gathering method. According to Kvale and Brinkmann (2009), semi-structured interviews are believed to be an effective means of gathering information. This is because they enable the researcher to carry out systematic and comprehensive interviews with various informants. According to Smith et al. (2006), semi-structured interviews are appropriate approaches necessary in understanding the constructs that are used as the basis for the interviewer's opinions and beliefs about a particular phenomenon or situation.

The interviewer's guide was developed to capture the socially responsible purchasing phenomenon. According to King (1994), qualitative research uses an interview guide which outlines topics or areas the researcher should cover over the course of the interview rather than using a formal schedule of questions. The approach used in identifying the areas to be covered in the interview was a review of the literature and discussions with colleagues and

supervisors. The main areas that were identified were practices, drivers, barriers, and performance determinants. Data were collected from managerial and non-managerial employees from the purchasing, production/packaging, sales/marketing, legal, health and safety, and human resource departments of the chosen food and beverage companies.

Following discussions with supervisors, the representatives of the organisations were contacted some weeks before the interview, and a copy of the ethical approval and a brief introduction of the research objective were sent to them. Twelve organisations were chosen initially, however, after several phone calls with no favourable response and difficulty in gaining access to some of the organisations, the number reduced to eight. According to Bryman (1988), there is no formula to use in gaining access to companies for research purposes.

Through purposive strategy and snowballing, more organisations were identified. Their representatives were contacted and an information sheet explaining the purpose of the research was sent to them. After several phone calls, they agreed to participate. Some of them declined being audio recorded while some agreed. In applying the qualitative research method, semi-structured interviews are used to enable rich detailed and spontaneous responses (Neuman, 2007).

At the start of each interview, the consent form was presented to the key informants stating the purpose of the research. Issues of confidentiality were explained and the key informants were informed about their right to participate or decline at any stage of the interview. Some of the interviews were audiotaped with the permission of the key informants in order to capture their words verbatim. However, some of the key informants did not allow audio recordings of their interview which required the researcher to write in short-hand in order to capture all that was said.

Since the researcher felt saturation had not been reached as new themes were emerging, more interviews were conducted. The interview was conducted with an additional eight key informants making a total thirty-one interviews. According to Taylor and Bodgan (1998), the process of data analysis should be flexible and iterative. After conducting the thirty-one interviews, a pattern emerged from the data which indicates that further data collection was predictable. This is because there was repeatability in most of the responses given. This is

referred to by Glasser and Strauss (1967) as saturation. There is a point where diminishing return occur in a qualitative sample, this means that as the research progresses, more information is not necessarily gathered from more data. (Mason, 2010).

At this point, it was perceived that an adequate number of interviews had been conducted and that any interview conducted will not likely add to the data already gathered. Glasser and Strauss (1967), argued that if saturation does not occur, interviewing should continue. In addition to the above data collection methods, this research used secondary sources of data which are academic articles, television news, internet, organisation documents and information from some regulatory bodies.

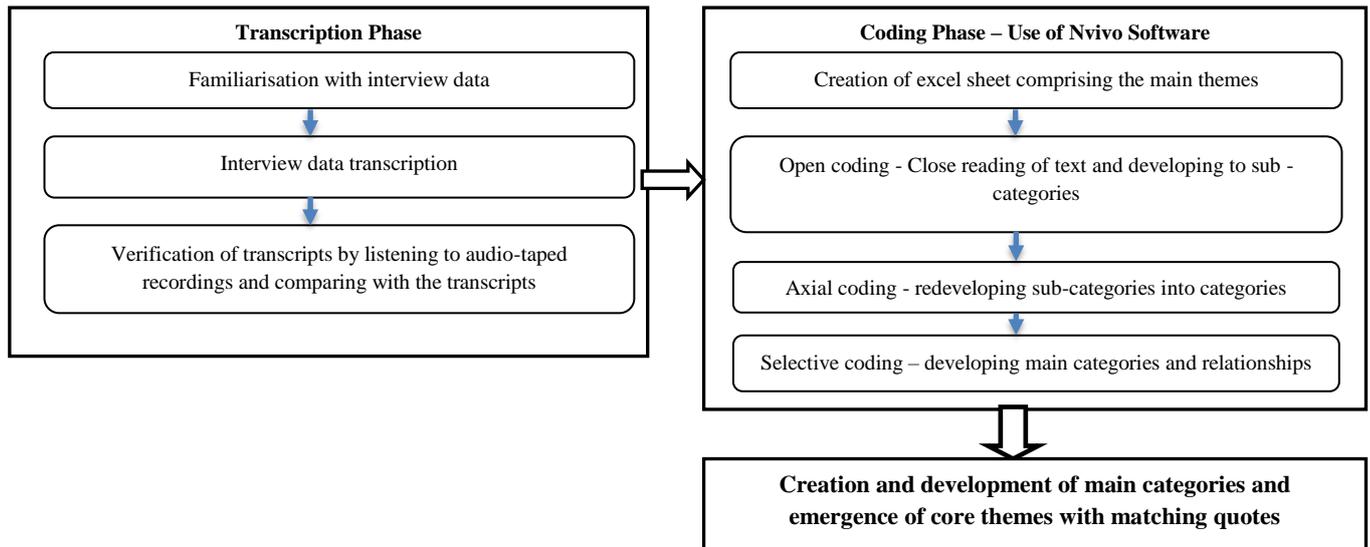
### **3.10.5 Qualitative data analysis**

As mentioned in the previous section, to aid the process of analysis, some interviews were audio-tape recorded with the consent of the key informants. The audio-taped and written interviews were carefully stored in a safe place to ensure that the data were not exploited in any form (Creswell, 2007). The researcher thereafter personally transcribed the audio-taped and written interviews. After the transcription, the researcher compared the audio tape recording and the notes with the transcribed version. The key informants' organisations were given pseudonyms and any other organisations that emerged from the data were given pseudonyms too.

An excel sheet comprising the main themes and sub-themes which emerged from the interviews was created. The transcripts were entered into NVivo software package version 10 for analysis of the data. The data were coded and grouped into categories. Coding relates to organising raw data (interviews) into categories (sentences, words, phrases) and it involves breaking down data into smaller parts (line by line analysis); if they have the same information, they are categorised. The categories were given valid headings. The data were reassembled into more meaningful categories that relate to each other.

Through several comparisons, the categories were fine-tuned in order to achieve a representative overview. According to Barbour (2001) and Blaxter (2000), rigour is an essential component of qualitative research. The researcher discussed the transcripts and the initial themes that emerged with supervisors which helps with the validity of the process.

After the categorisation of the main themes and sub-themes into nodes, the key informants' responses (quotes) were matched with the sub-themes in the nodes in order to establish what was said about each subject area and who said it. The detailed results of the analysis are presented in chapter five. The process of data analysis for the interviews is illustrated graphically below:



**Figure 3.2 Data analysis process**

In addition to the interviews, secondary data such as organisation policy reports, annual reports, information from social media and structured interviews with regulatory organisations were also analysed to support some of the findings. The next section discusses reflexivity in the research.

The mixed analysis was used in this research and it involves the interaction of various analysis strands. The parallel mixed analysis is regarded as likely the most common mixed analysis technique (Teddlie & Tashakkori, 2009) and it involves two separate processes, for example, quantitative analysis of quantitative data and qualitative analysis of qualitative data. Teddlie and Tashakkori posit that “although the two sets of analyses are independent, each provides an understanding of the phenomenon under investigation. These understandings are linked, combined, or integrated into meta-inferences” (Teddlie and Tashakkori (2009), p. 266).

### 3.11 Reflexivity

Reflexivity is an awareness from cogitating, studying or thinking carefully; a critical awareness that arises from a self-conscious relationship with the other; ability to self-reflect, self-regulate, self-monitor, and an explicit self-conscious data collection and analysis (McNay, 2005; Martin, 2003; Finlay, 2002; Weick, 2002; Adkins, 2001). Reflexivity concerns how the researcher and intersubjective elements in the research process influence the research. The quest for 'objectivity' in the search for 'truth' and authority is replaced by a 'self-awareness' at the centre of the research (Simpson et al., 2010).

Reflexivity is seen to raise fundamental issues that can be raised for social enquiry (Bonner, 2001). It is a popular tool used to analyse personal, intersubjective and social processes which shape research projects. It enables researchers, particularly within the qualitative tradition, to acknowledge their role and the situated nature of their research (Finlay and Gough, 2003). Bryman and Bell (2007), posit that methodology is an important tool needed to ensure the validity and reliability of a research. Deep thoughts and reflections were therefore given to the methodological approaches adopted in this research. According to Brannick and Coghlan (2006), reflexivity in social sciences is the concept used in exploring and dealing with the relationship between the researcher and the object being researched. For researchers, reflexivity arms them with information about the contexts of the collected data (Etherington, 2004) and it also increases the capacity of the researcher to become involved with the investigation experience (Hardy, Phillips and Clegg, 2001).

However, reflexivity is believed to challenge the research traditions that are treasured, seen as being obscure and vague (Goldthorpe, 2000) and applying it in practice is found to be challenging. It requires the researcher to identify and interrogate personal and professional practices. (Finlay and Gough, 2003). Reflexivity is sometimes confused with reflection which is thinking about an event after it has taken place whereas reflexivity, which is more than a reflection, entails an immediate and dynamic self-awareness on a continuous basis (Finlay and Gough, 2003).

According to Lloyd (2009), theoretical insight into the meaning of reflexivity is focused on well-planned and properly executed research, since reflexivity enables the researchers to reproduce what they see and as well know during the research process. The researcher

maintained some level of carefulness in the analysis and reflexion process in this research, which according to Alvesson and Skoldberg, (2000), are the two major characteristics of a reflexive research. The next section discusses the reliability and validity of the research.

The researcher's reflexivity and awareness of institutional dynamics were important in acknowledging that institutional and occupational differences may have influenced data collection and analysis. As a female academic, it observed that experience with the key informants who were more experienced in the industrial sector could lead potentially, to lack of commonality in prior experiences and understandings. Therefore, while the researcher is being reflexive of her occupational background, a deep attention was given to the key informants' responses.

### **3.12 Reliability and Validity**

According to Seale (1999: 158), good practice regarding reliability and replication can be achieved through an aspect of reflexivity which is 'showing the audience of research studies as much as is possible of the procedures that have led to a particular set of conclusions'. Reliability of research amounts to whether the results of the research are repeatable. In general terms, reliability means determining whether the collected data is reliable and truthful. The tests can be undertaken in both quantitative and qualitative research (Saunders, Lewis and Thornhill 2007). Reliability relates to the consistency of measures and the extent to which data collection approaches or analysis will yield consistent findings (Bryman and Bell, 2011; Saunders, Lewis and Thornhill, 2007)

There are four major threats to reliability. Subject or participant error is one. Researchers are said to be saddled with the responsibility of finding a more neutral and appropriate time when key informants/respondents are willing to cooperate. Participant bias is another threat in which the key informants say what they assume their bosses would like to say especially where there is a threat of insecurity in employment (Robson, 2002). Also, observer error, which is believed to be the structural weakness of the interview is another threat. This can be reduced when the researcher introduces a solid structure for the interview schedule. The final reliability threat is observer bias which is as a result of various possible ways of interpreting responses (Robson, 2002).

The results and findings of this research are based largely on data collected from questionnaires and semi-structured interviews, which poses a challenge in assessing the reliability of the research data. However, since all the interviews were transcribed, the opportunity to return to the original material increased the research reliability. The reliability of the thesis is supported by the fact that previous research findings showed some of the constructs and themes in relation to socially responsible purchasing and supply chain performance. Research reliability is assumed to be good if another researcher approaches the same phenomena with the same methods and reaches similar conclusions (Yin, 2003).

Validity is concerned with whether the findings of the research are really about what they appear to be about (Saunders et al., 2009). The threats to validity can be historical which may be due to the wrong timing of the data collection; having inappropriate instrumentation is another threat; mortality, that is, participants dropping out of the studies; ambiguity about causal direction is another threat. Within qualitative research, rigour is important in order to ensure that the research is valid. According to Barbour, (2001) and Mays and Pope, (2000), the nature and diversity of a qualitative research suggest that there is no 'one size fits all' solution to the issue of rigour. Barbour, (2001) and Harding and Gantley, (1998), posit that qualitative research cannot be reduced to a 'cookbook' or formulaic approach. The challenge, therefore, is to find a central ground between the formulaic approach of the checklist and the more pragmatic anthropological approach. Rigour was however ensured in this research through discussion of the transcripts and coding process and themes that ensued with senior colleagues and supervisors.

According to Bryman and Bell (2011), validity is a very important criterion regarding research. It is concerned with the integrity of conclusions generated from the research. Validity refers to the certainty and authenticity of the findings of the research in order to find out if they are true (that is, the findings reflect the situation accurately and the findings are supported by the evidence) and certain or not (Frankfort-Nachmias and Nachmias, 2008; Guion, Diehl and McDonald, 2011).

Data for this research were collected from various sources (that is, survey, interviews, internet and organisational documents). This utilisation of various data source permits the use of data triangulation which is suggested by different researchers (Yin, 2009; Mays and Pope, 2000; Neuman, 2000; Miles and Huberman, 1994). According to Chau (1999), triangulation

is seen as a mechanism by which both the reliability and validity of a piece of qualitative research can be increased. This triangulation approach was used in this research. Triangulation helps to overcome the limitations of the interview approach and enhances the validity and accuracy of the research findings and conclusions (Johnson and Duberley, 2000; Saunders, Lewis, and Thornhill, 2007). Factual evidence which indicates the socially responsible purchasing practices and performance achieved by the organisations gathered by the researcher from third-party organisations and the chosen organisations were used to support the findings of the research. This was utilised to verify the credibility of the key informants' responses and therefore used as a tool to validate the data.

### **3.13 Generalisability**

Generalisability in research is the extent to which research results may be equally applicable to other research settings, such as other organisations (Saunders et al., 2009). The findings of a small, qualitative study are somehow difficult to generalise to a wider population as a result of the site and person-specific nature of each sample (Halford, 2006; Stockley and Daly, 1999). Generalisability may be seen as a flawed concept because of the differing social and economic structures that exist across and within communities (Seale, 1999). However, according to Bartezzaghi and Ronchi (2003), the study of multiple cases creates a wide perception of the various possible situations in the research and helps in the generation of general conclusions about the findings. The findings generated from this mixed methods research, therefore, can be generalised to the other food and beverage organisations that were not covered in the research.

Gathering data from multiple organisations is appropriate to research that aims to understand the research phenomena and when the research uses multiple research methods for collecting data (Yin, 2003). The researcher gathered data from twelve organisations in order to provide an understanding of the influence of socially responsible purchasing practices on the success of organisational supply chains.

### **3.14 Ethical approval**

Ethical consideration in research relates to ensuring that the issues of confidentiality are addressed. Ethical considerations in social science research ensure that participants' image and interests are safeguarded (Hollway and Jeferson, 2000).

Before the research was carried out, the researcher sought the consent of the respondents and key informants stating the purpose of the research and assuring them that they were under no obligation to fully complete the questionnaire or answer all the interview questions, and that they have the rights to participate, withdraw or decline to at any stage of completing the questionnaire or during the interview. This process resonates with Neuman's (2003) suggestion that participants should give their consent with the researcher informing them of their right to decline or withdraw from the research at any stage. Some of the organisations provided their ethics form for the researcher to complete and sign before the researcher was allowed to conduct interviews with their employees.

The organisations agreed to the publishing of these research findings on the condition of their anonymity. Therefore, the organisations are referred to by pseudonyms. Ethics approval for the fieldwork was granted by Brunel University Business School research ethics committee. This research conforms with the appropriate ethical regulations regarding the research process. The ethical approval is presented in the appendix section. The next section discusses the limitations of the methodology and methods used.

### **3.15 Limitations of the Research methodology**

Despite the above advantages of the use of mixed methods, there are some challenges which include the time taken in conducting two different research approaches (Thompson and Aspinwall, 2009; Creswell, 2003, 2009). The organisations selected for this research were from five selected sectors of the Nigerian food and beverage industry rather than all the sectors, potentially resulting in sectorial limitations. Also, there was the challenge of time constraint and budget because it was not easy accessing the organisations as well as the key informants; the researcher had to make several calls and visits to the organisations before finally gaining access. There was also the issue of generalisability in the qualitative research. However, the use of various organisations and the quantitative findings helped in addressing the issue. Despite these limitations, this exploratory research has contributed to providing

more insights into the concept and drivers of socially responsible purchasing and determining how it influences the success of the organisational supply chains despite the barriers encountered.

### **3.16 Pilot interview process and findings**

For this study, a pilot interview was carried out. Five informants at management and staff levels from the two food manufacturing companies were interviewed in order to ensure the questions are well understood, that they are geared towards the focus of the study and that adequacy of the research instrument is assured. Based on the responses of the informants, some of the questions were adjusted to make them more understandable.

Frankland and Bloor (1999: 154) stated that piloting provides the qualitative researcher with a "clear definition of the focus of the study". This assists the researcher to focus collection of data on a narrow scale of logical topics. According to Holloway 1997: 121, piloting of qualitative methodologies can be carried out if "the researcher lacks confidence or is a novice, particularly when using the interview technique".

The interviews ranged from thirty-five to forty minutes. Based on their varying levels of knowledge, the five interviewees gave a wide diversity of responses regarding their company's socially responsible purchasing practices and other issues discussed. I asked questions and requested that the interviewees provide extensive responses as much as possible. The interviewees were not briefed on the precise topic of discussion prior to the interviews and when asked about their views on socially responsible purchasing, some took their time before answering. In summary, two of them view it as sourcing raw materials appropriately while the others view it as considering the people in the purchasing process.

During the interview, it appeared that the concept of supply chain performance was not well construed by the interviewees. They tended to give their responses based on the general company performance rather than the more specific supply chain performance. Some other questions were also misinterpreted. Key concepts were captured via note-taking in order to adjust or delete for clarity and then develop new questions to be used in the subsequent main interviews.

This initial exercise was useful in identifying the terminologies the interviewees used to articulate the issues raised.

All the interviewees believed that the need to satisfy the demands of their customers is a driving factor in the bid to inculcate social responsibility in their purchasing process. So, they ensure that the right quality of products is manufactured especially when the products are in the category of edibles. One interviewee said that “our suppliers are given specification and the quality control unit ensure that the standard is met, if not, they will not be paid” (*Staff, purchasing, Gbentil, indigenous*)

Some of the interviewees stated that the regulatory bodies do visit their organisation for inspection regularly in order to check for responsible practices, however, they were of the opinion that the representatives of the bodies need to be sincere and not be biased in their report. One of them made a comment that “sometimes, the officers tend to give a clean bill report to companies that offer them kickback while they expose those that refuse to do so” (*Manager, purchasing, Gbentil, indigenous*).

Given that each interviewee was cognisant with some socially responsible purchasing issues and relationship with their suppliers, some aspects were not identified and adequately addressed, it was vital that the subsequent key interview was qualitative in nature, allowing an in-depth discussion of the phenomenon and inherent issues raised.

### **Preliminary findings and interpretation**

Based on the pilot interview, below are some of the key issues on socially responsible purchasing practices identified:

**Table 3.2: Socially responsible purchasing issues identified in the preliminary interviews**

<b>Perspective on socially responsible purchasing</b>
Due process in purchasing
Sourcing responsibly
<b>Drivers of socially responsible purchasing practices</b>
Conformity with rules and regulations
Need to satisfy customers
<b>Barriers to socially responsible purchasing practices</b>
High operational cost
Difficulty in adapting to change
Lack of sincerity

All the interviewees believed that the need to satisfy the demands of their customers is a driving factor in the bid to inculcate social responsibility in their purchasing process. So they ensure that the right quality of products is manufactured especially when the products are in the category of edibles. One interviewee said that “our suppliers are given specification and the quality control unit ensure that the standard is met, if not, they will not be paid” (*Staff, purchasing, Gbentil, indigenous*)

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Given that each interviewee was cognisant with some socially responsible purchasing issues and relationship with their suppliers, some aspects were not identified and adequately addressed, it was vital that the subsequent key interview was qualitative in nature, allowing an in-depth discussion of the phenomenon and inherent issues raised.

### 3.17 Data description and analysis

#### *Qualitative Sample*

As indicated in the previous section, the sample for the main interviews consisted of thirty-one key informants from thirteen food and beverage companies. The researcher made use of an interview guide which provided an introduction to the topic and what the interview entails to the interviews. It stated the structure of the interview questions and how long it will take and also sought to gather demographic data from the key informants in the study. Their positions cut across executive manager, senior manager, manager and staff levels from the purchasing, quality control, health & safety, sales/marketing, human resources, and finance departments.

All companies and interviewees' names were anonymised, hence pseudonyms are used. The table detailing an overview of key informants' demographic profile is attached to Appendix V.

The data in table 5.2 (appendix 5) shows the demographic information of each individual key informant which constitute thirty-one key informants (22 males and 9 females) from both multinational (3) and indigenous (9) organisations. The age range was from 28 to 57 with the majority of the male and female respondents being in the 38-47 age bracket.

The key informants ranged from executive manager to staff level and their department cuts across the purchasing, production & packaging, quality control, marketing/sales, health & safety, human resources, and finance units. Majority of the informants (22) had been in the organisation for 4 to 6 years and all had a minimum of a year on the job. This shows that most of them are experienced and therefore were able to give diverse and in-depth information on the subject matter. Below is a summary of the data in percentages.

**Table 3.3: Grouped demographic information of the key informants**

SN	Demographics	Frequency	Percentage (%)
1	<b>Gender</b>		
	Male	22	70.97
	Female	9	29.03
2	<b>Age range</b>		
	28-37	8	25.81
	38-47	18	58.06
	48-57	5	16.13
	Above 57	0	
3	<b>Department</b>		
	Purchasing	14	45.16
	Quality control	3	9.68
	Health & safety	3	9.68
	Human resources	2	6.45
	Production & packaging	3	9.68
	Logistics	2	6.45
	Marketing/sales	2	6.45
	Finance	2	6.45
3	<b>Position</b>		
	Executive manager	2	6.45
	Senior manager	9	29.03
	Manager	14	45.16
	Staff	6	19.35
4	<b>Experience on the job (years)</b>		
	1-3	14	45.16
	4-6	17	54.84

5	<b>Sub-sectors</b>		
	Alcoholic beverages	2	6.45
	Confectionery	10	32.26
	Dairy products	4	12.90
	Non-alcoholic drinks	11	35.48
	Processed foods/grain and oilseed milling	4	12.90
6	<b>Company type</b>		
	Indigenous	24	77.42
	Multinational	7	22.58

Source: Field survey

The table shows that 70.97% of the key informants were male while 29.03% were female. This denotes that majority of the respondents were male and this can be attributed to the fact that these companies which are private, are male-dominated compared to government parastatals. The table reveals that 58.06% of the informants had their age ranging between 38-47, while the other age range of 28-37 and 48-57 were 25.81% and 16.13% respectively. Majority of the informants were from the purchasing department with 45.16% of the total key informants. This can be attributed to the focus of the research which is looking at socially responsible purchasing in the supply chain process. The table also shows that most of the informants were at the managerial level and they have long years of experience on the job with 45.16% managers, 29.03% senior managers, 6.45% executive managers while the rest are staff. The ability of the key informants to give in-depth information to the interview questions are evidenced by this data since they are at a level in which they have access to company information and activities.

The chosen companies were mostly indigenous (75.86%). The reason behind this is the fact that the research is focused on the Nigerian context in order to have a holistic view of what obtains in the industries. The sub-sectors that had the highest percentage were the Confectionery and Non-alcoholic drinks. This could be attributed to the high demand for these products by the consumers.

The interviews were conducted at the offices of the key informants one at a time lasting between 40 to 50 minutes. The interview used a semi-structured interview script. Some of the informants allowed audio recording while some didn't. Therefore, the researcher had to write out the responses in such instances. Both the audio and hand-written responses were transcribed.

### **3.18 A summary of how the interviews were conducted, transcribed and analysed**

This chapter presents the data gathered from the interviews which were carried out in English since that is the official language in Nigeria. Some of the interviews were recorded while some were hand-written since the respondents prefer not to have their voice recorded. The interviews were transcribed verbatim, all the transcriptions were reviewed against recording and written notes for accuracy.

On the subject of transcribing, direct informant quotations were followed by the key informant's position, job title, a fictional company name<sup>1</sup> and whether the company is multinational or indigenous. The data gathered were uploaded directly into NVivo and was analysed with the use of NVivo software version 10. After the initial use of the software, the researcher carried out a more rigorous thematic analysis of the data. From the analysis, the initial themes and sub-themes that emerged were displayed.

### **3.19 Sample overview - Quantitative**

This research is a mixed method exploratory study; thus, no hypotheses will be tested. The research rather contributes by reporting the key constructs in the data collected and generating areas for future research. The questionnaire sample consists of 149 respondents from Nigerian food and beverage organisations. The questionnaires were distributed to employees from different organisational levels, such as top management, middle management, and entry-levels. Analysis of the responses was carried out using Statistical Package for Social Sciences (SPSS) version 20.0. The demographic characteristics include the respondents' personal information such as age range, gender, department, position, duration of work on the job (years), duration of work in the organisation (years) and the sub-

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<sup>1</sup> For confidentiality, the food and beverage companies are given fictional names and if the name of any of the companies, suppliers or regulatory bodies is mentioned during the interview, a fictional name will be given to the company.

sector which they belong to. Table 4.1 presents a summary of the demographic data for the respondents.

**Table 3.4: Summary of demographic information of the respondents**

<b>Characteristics</b>	<b>Sample percentage</b>
<b>Sex</b>	
Male	56.4
Female	43.6
<b>Age</b>	8.7
18-27	69.1
28-37	17.4
38-47	4.7
48-57	
<b>Position</b>	
Senior manager	12.1
Manager	32.2
Permanent staff	48.3
Casual staff	7.4
<b>Department</b>	
Purchasing	31.5
Quality control	8.7
Accounting	4.7
Human resources	18.8
Marketing/sales	27.5
Health/safety	8.7
<b>Sub-sector</b>	
Alcoholic beverage	10.7
Confectionery	25.5
Dairy product	9.4
Non-alcoholic beverage	30.2
Processed foods	24.2
<b>Duration of work on the job (years)</b>	
Less than 1	
1-3	8.7
4-6	34.9
7-9	34.2
above 10	11.4
	10.7
<b>Duration of work in the organisation (years)</b>	
Less than 1	
1-3	5.4
4-6	31.5
7-9	30.2
above 10	16.8
	16.1

From the data gathered, the dichotomous scale (male and female) shows that 56.4 percent were male and 43.6 percent were female and the majority of them were from the 28-47 age bracket (86.5%). This resonates with statistics which shows that the working age group of Nigerian worker is between 15 to 59 (the Federal Republic of Nigeria, 2013). The respondents came from various organisational levels, however, most of them are within the permanent staff and manager level (80.5%) while the others are senior managers (12.1%) and casual staff (7.4%). This shows that majority of the employees are in a position to provide adequate information regarding the questions asked in the questionnaires.

The respondents' department cuts across all organisational departments; however, the majority were from the purchasing department (31.5%). The Marketing/sales and the human resources departments have relatively high respondent percentage with 27.5% and 18.8% respectively. The other departments - quality control, accounts/finance and health and safety comprise 22.1% of the respondents. The fact that the respondents come from a wide range of departments will allow for better representation of the organisations' practices.

For employees to be able to give adequate information about their organisations' activities, they need to have spent some considerable number of years on the job and/or in the organisation. From the data, the majority of the respondents have spent up to six years on the job (69.1%) and/in the organisation (61.7%). A considerable number of the employees have spent up to 7 years and above on the job (22.1%) and in the organisation (32.9%). A very small percentage of the respondents have spent less than a year on the job and/or in the organisation (8.75 and 5.4% respectively).

The results of the survey show the socially responsible purchasing practices in operation, the driving and impeding factors to the adoption and implementation of the practices, the main supply chain performance determinants and how much the practices influence the success of the organisational supply chains.

### **3.20 Reliability test of the questionnaire items**

A reliability test is used to test for internal validity of the measurement (Wells and Wollack, 2003). Testing the reliability of responses is critical as errors may occur completing the

questionnaires. In order to test to determine the reliability of all the questions asked, Cronbach's Alpha test was carried out. Cronbach's Alpha examines the extent to which a set of scale level variables are consistently scored. Responses should have a score of 0.7 and above for them to be accepted (Nunnaly, 1978). Table 4.2 below shows the score 0.962, it can, therefore, be concluded that the responses are reliable for the data to be acceptable.

**Table 4.2: Reliability Statistics**

		N	%
Valid		147	98.7
Cases Excluded <sup>a</sup>		2	1.3
Total		149	100.0

Cronbach's Alpha	N of Items
.962	277

a. Listwise deletion based on all variables in the procedure.

The table shows a Cronbach Alpha value of 0.962 which signifies a strong reliability for the variables and the responses. Therefore, the data is reliable for acceptance. The data are therefore analysed in the following sections.

### 3.21 Conclusion

This chapter discussed an overview of the research objectives and the research philosophy chosen. The research adopted the pragmatist viewpoint since the view advocates the use of the various approach to data collection and analysis. The research was exploratory in nature and the convergent parallel mixed method strategy (triangulation) was utilised in answering the research questions where both the quantitative and qualitative strategies were utilised in collecting and analysing data. The choice of the triangulation approach was based on the fact that the subject matter can be viewed from different angles and enable deeper insight into the socially responsible purchasing phenomenon.

Given the focus of identifying the adoption and implementation of practices in the context of socially responsible purchasing and the supply chains, mixed methods strategy was assumed to be the appropriate research strategy. This study is both descriptive and exploratory as new and deeper insight into the concept of socially responsible purchasing will be explored.

Again, there is little research in socially responsible purchasing especially in the context of supply chain performance in literature and within the Nigerian food and beverage sector.

For the survey research, the main data collection instrument was a questionnaire while for the qualitative research, the major data collection tool was semi-structured interviews, however, these were supplemented with access to secondary data from the organisations' documentation, internet, and information from the social media. Subsequent chapters present the results and findings of these two methods. The quantitative data were analysed descriptively while the interview transcripts were coded and analysed using Nvivo software package version 20. The use of triangulation provided access to an adequate amount of information about socially responsible purchasing practices and their influence on the success of the supply chains in the organisations.

It has been shown that the qualitative and quantitative research methods have different assumptions and goals of inquiry. For example, one of the goals of qualitative research is to capture subjective realities from the perspectives of participants (phenomenology). As such, researchers attempt to select "information rich" respondents. Quantitative researchers believe in a single quantifiable reality, measured (collapsed) from a large sample of respondents. To some degree, the use of mixed methodologies (qualitative and quantitative) helps mitigate purists' concerns and provides the needed depth of understanding (Arora and Stoner, 2009). Looking at the quantitative and qualitative assessments provides a broader and more complete image.

A mixed methodology, based on a concurrent, two-studies design was utilized (Srnrka and Koeszegi, 2007). In two studies design, the qualitative and quantitative data are both collected and analysed separately (concurrently or sequentially). The interviewers' guide was developed to capture the perceptions and dimensions of the phenomena. The interviews followed a semi-structured, open-ended questionnaire format. Semi-structured interviews allow for a focused and in-depth conversation. The respondents can express their responses in any level of detail and the interviewer can choose to go to the next question or probe for further elaboration or clarification.

Furthermore, since the purpose of the research was to explore key informants' perspective, the questionnaire contained focused questions. The coding and the resulting framework that

emerged were based on the study of transcribed interviews. In order to capture a full range of impressions, participants were encouraged to provide detailed examples and stories of their experiences or perceptions regarding their socially responsible purchasing practices. These interviews were recorded and transcribed for analysis (Arora and Stoner 2009). The quantitative data presentation and analysis will be discussed in the next chapter.

## **Chapter Four**

### **CSR in supply chain industry: meaning and contestation**

#### **4.1 Introduction**

As indicated in the methodology chapter, the sample for the main interviews consisted of twenty-nine key informants (twenty-two men and nine women) from ten food and beverage companies. This chapter explores the different meaning of socially responsible purchasing, an aspect of CSR in the supply chains within the context of Nigerian food and beverage industry. It also examines the conflicts that arise in the meaning coming from different perspectives. The perspectives are based on variations between young and old, the length of service in the organisation, experience on the job, gender, position, the company type, the business environment, etc. It is observed that being socially responsible in a supply chain is an important ingredient in business success. A review of the socially responsible purchasing literature has shown that socially responsible purchasing is multifaceted and it has been investigated through a range of academic research. However, primary data, especially in the context of the societal influence of responsible purchasing in the supply chains of manufacturing businesses are in short supply and this gives rise to a scarcity of practical business models. This chapter is divided into two main sections, first is the meaning of socially responsible purchasing, where the practitioners provided their perspectives on the phenomenon. The second section examines the disparities in the meanings based on different factors.

The working definition of socially responsible purchasing in this research describes it as including stand-alone activities such as sourcing from minority-owned suppliers, environmental purchasing, safety, human rights and philanthropy issues at supplier plants. The quantitative and qualitative data in relation to the social issues in the purchasing process are discussed in detail. During the food security conference in Nigeria, it was said that loss and waste must be reduced (Independent Research Project in May 2016). One of the keynote speakers noted that there is need to feed the people sustainably without depleting the natural resources. The caption, healthy people healthy planet was mentioned and the general wellbeing of the society being in jeopardy because of substandard products and air pollution

during purchase and production of goods was a cause for concern. Again, the involvement of social issues across the supply chains is not in most Nigerian organisations and in the extant literature, therefore, the need to investigate and explore the phenomenon. Despite the keen attention paid to social responsibility in the supply chains, the research area of socially responsible purchasing is relatively new and little has been studied in academic literature regarding the practice of including social and ethical aspects in purchasing (Leire and Mont, 2010). Yet CSR has demanded this for decades with a large body of research.

Socially responsible purchasing is emerging as very important in the supply chain process. This is evidenced by the key informants' responses. The first research question was developed to explore the key informants' perception of the concept of socially responsible purchasing. The qualitative findings indicate that socially responsible purchasing was viewed from different perspectives. In understanding the general perspectives, key informants from various departments were interviewed to get a greater variety of perspectives from different organisational levels.

To address this thesis' research questions, a quantitative method based on questionnaire distribution and qualitative method through semi-structured interviews were adopted. The data collected were analysed under the mixed methods approach. This chapter focuses on identifying the various meaning of socially responsible purchasing and differences in meanings. It outlines the key informants' perception of socially responsible purchasing and provides an insight into the conflicts in meaning based on individual differences. It includes a combination of the qualitative findings and quantitative results, supported by relevant literature and underpinned by the stakeholder theory, institutional theory, and Carroll's CRS pyramid.

## **4.2 Socially responsible purchasing phenomenon in the Nigerian food and beverage industry**

Purchasing and supply chain management started to evolve as an area of academic enquiry in the early 1990s, and while the focus varies, the field continues to expand (Chicksand et al. 2012). Similarly, social sustainability has grown as an area of focused academic enquiry since the early 1990s, focusing largely on social justice. With the arrival of Elkington's triple bottom line (1998), further impetus was given to the social strand of the sustainability

concept, an area that was already well-covered by the wealth of research into corporate social responsibility (Crane & Matten, 2010). Academic enquiry into the incorporation of social responsibility into the purchasing activities of organisations and how these influence the success of their supply chains remains relatively limited. Yet, according to Amaeshi, Nnodim, and Osuji (2008), “multinational corporations are often challenged by the global reach of their supply chains and the possible irresponsible practices inherent along these chains” (p.1).

The theoretical framework in this thesis enabled deeper insight into the various socially responsible purchasing practices carried out in the chosen organisations. Questions derived gave rise to the data gathered from the key informants’ both from the quantitative and qualitative methods. From the data gathered, most of the responses and themes that emerged from the questionnaire and semi-structured interviews respectively show that there are similarities in the data collected regarding the socially responsible practices and meaning is given to the phenomenon. This suggests that socially responsible purchasing practices across most manufacturing organisations are the same which may be due to the common industrial and institutional environment. Using the stakeholder and institutional theories underpinned by Carroll’s pyramid, the framework facilitates the structuring of the information gathered. This allows one to develop an understanding of the evidence gathered regarding socially responsible purchasing practices in the food and beverage manufacturing industry.

Despite some similarities in the meaning of socially responsible purchasing, there are contestations based on the institutional environment. According to Jamali (2014), national institutional environments such as weak governments, gaps in public governance and transparency, arbitrary enforcement of rules, regulations, and low levels of safety and labour standards affect how CSR is perceived and practiced in developing countries. Therefore, CSR is equated with philanthropy in the developing world such as Nigeria, and practical engagement with CSR is the exception rather than the norm.

The contestation rest on the assumption that while the environment and what is important to the people in developing countries might be similar to the western world, it is also different from them. In other words, does CSR have a Nigerian brand or is it an imitation of CSR practices in the Western world? It is argued that the difference in an environment not only shape the nature of obligations organisations are expected to attend to in developing countries, it also

affects the success or failure of business initiatives to meet their social obligations (Idemudia, 2011).

The informants provided their perspectives on the meaning of socially responsible purchasing in line with their institutional environment. One of the informants when asked about his perception of socially responsible purchasing said:

*“I view it as appropriately sourcing from local suppliers from suppliers with a good image, good reputation and are socially responsible. For example, when bidding for suppliers, companies consider suppliers that are known to always supply quality raw materials, that provides a healthy and safe environment for their staff etc. However, this awareness is just coming to play in most Nigerian manufacturing industries”* (Purchasing, manager, CBNI2, indigenous).

This agrees with Janes and Norris (2017), who argue that organisations should not only look at the environmental impact of products but also address the social dimension of manufacturing and production.

Some of the key informants defined socially responsible purchasing as exercising best practice in the purchasing process while some see it as environmental purchasing. It is also seen as meaning following guiding principles, sourcing responsibly while meeting the needs of the customers. All these meanings have been postulated by previous authors, for example, So, Parker and Xu, (2012); Saxena and Khandelwal, (2012); Mont and Leire, (2009); Elci and Alpkan (2007); Lobel 2006); Carter and Jennings (2004); Carter, (2004); Drumwright (1994). However, the concept of due process purchasing came up strongly from the definitions given by the key informants. Drawing on the data collected, the key informants’ perspective of the meaning of socially responsible purchasing provided new insights into the area such as meaning ‘following guiding principles, standards and due process in the purchasing and supply process’. Issues surrounding due process are not frequently identified in previous studies. The research adds further empirical data to the works of e.g., Paulikas & Brazdauskaite (2010), Lobel (2006) and Carter and Jennings (2004), amongst others, who refer to socially responsible purchasing in terms of sourcing from minority-owned suppliers, environmental purchasing, health and safety, equality, human rights and philanthropy issues.

Table 4.1 reminds the reader of the meaning given to the socially responsible purchasing phenomenon, the previous authors who have identified similar constructs and the points in this thesis that provided evidence to support the phenomenon:

**Table 4.1: The definition of socially responsible purchasing**

<b>SOCIALLY RESPONSIBLE PURCHASING</b>	<b>AUTHORS</b>	<b>EVIDENCE IN THE DATA</b>
<p>Environmental Purchasing</p> <p>Purchasing's involvement in activities that include reduction, reuse, and recycling of materials.</p>	<p>Montabon et al. (2007), Zhu, Sarkis and Geng (2005): environmental focused  Cramer (2008): waste reduction (Seuring 2012): environmental awareness</p>	<p>Chapter Four, sections 4.2.1</p>
<p>Best practices/Responsible sourcing</p> <p>Commitment by organisations to take into account ethical, social and environmental considerations in their relationships with suppliers.</p>	<p>Blome and Paulraj (2013), Carter and Jennings (2004): ethics  Eltantawy, Fox, and Giunipero (2009): economic and people focused</p>	<p>Chapter Four, sections 4.7</p>
<p>CSR inclined</p> <p>The conduct of a business so that it is economically profitable, law-abiding, and socially supportive.</p>	<p>Blome and Paulraj (2013), Cater (2004) Carroll (1983): philanthropy  Sarkis et al., (2010): social sustainability</p>	<p>Chapter Four, sections 4.8</p>
<p>Due process purchasing</p> <p>Set standards of behaviour, integrity, and procedure that must be followed in the supply chain process – A voluntary act</p>	<p>The researcher's own term representing operations and procedures that must be followed in the Nigerian supply chain environment.</p>	<p>Chapter Four, sections 4.4</p>

From the quantitative and qualitative analysis of the socially responsible purchasing practices, below is a summary of the practices:

**Table 4.2 Summary of the socially responsible purchasing practices**

<b>Quantitative Data</b>	<b>Qualitative Data</b>
Ensuring suppliers commit to waste reduction	Socio-environmental
Frequent supplier visits	Diversity
Employees working in a safe environment	Equality
Ensuring safe product transportation and storage	Child labour law compliance
Equality	Philanthropy
Compliance with child labours laws	Due Process purchasing
Supporting local communities	
Community donations	

Some of these constructs are similar and can be used interchangeably, for example, supporting local community can also be referred to as philanthropy. Some of them are embedded in an upward theme, for example, socio-environmental oriented purchasing can be deemed to comprise ensuring suppliers commit to waste reduction; frequent supplier visits; working in safe environment/health and safety and ensuring safe product transportation and storage. Although some of the data are similar, diversity and due process purchasing did not emerge strongly from the quantitative results. For the purpose of discussion, six distinct constructs which described the informants' perception of socially responsible purchasing will be evaluated. These are: (1) Diversity (2) Due process purchasing (3) Socio-environmental oriented purchasing (4) Equality in terms of gender, age, pay, race (5) Responsible sourcing (Child labour compliance) (6) Philanthropy. The characteristics of these constructs in relation to literature are discussed below:

### **4.3 Diversity in business**

The concept of diversity in a business environment is significant for business sustainability. However, from the quantitative data, only 24% of the respondents agreed that their

organisations purchase from diversely-owned suppliers while 58.4% disagreed. This is in contrast with the interview data as most of the key informants stated that their organisations involve minority-owned-suppliers in their supply chain. This might be attributed to the fact that the practice is considered to be a voluntary act, not a legal responsibility and therefore, it is more of a commitment on the side of some of the organisations to encourage minority-owned suppliers.

Among the key informants interviewed, supplier diversity and development was one of their main practices. They consider the business continuity of their suppliers especially the small and medium scale and women-owned suppliers and encourage a good relationship with them. This good rapport results in the supply of good quality products. Supplier diversity originated from the United States and has become a significant feature of the corporate world in the United Kingdom and other countries in Europe (Worthington, 2009). Some of the informants also mentioned that their organisation is involved in supplier development which is trying to work with or collaborate with their suppliers in order to increase their capabilities regarding their supplies. This was in contrast with the quantitative data which shows that 61.10% of the respondents disagree with the statement that their organisations develop diversely-owned suppliers. However, this process of supplier development is seen not only as a benefit to the suppliers but also to the organisation that buys from them. The informants' responses on supplier diversity in their organisations were consistent with the findings of Carter (2004). His study revealed that majority of the manufacturing and service organisations purchase from diversity-owned suppliers and have a formal supplier diversity purchase programme.

Supplier diversity is vital for any business, for their supply chain process and suppliers. This is because it will encourage flexibility, market penetration (since the suppliers operate in various business networks) and also save cost. In the study on how socially responsible purchasing can pay from the view of a business case for supplier diversity, it was argued that it is possible for supplier diversity programmes to improve organisational performance through reduction of cost and enhancing corporate reputation (Worthington 2009). Supplier diversity and development seems to be a step in the right direction, however, it is important to ensure that the program is not just for activity sake but it should fulfil its purpose that is, increasing product quality, reducing the cost of supply chain and increasing revenue. Also, there is need to sustain the initiative. Continuing and developing this initiative will be of paramount interest and beneficial to the suppliers, buying organisation and the entire society.

Data gathered indicated in the global diversity survey conducted by the Society for HRM, USA and The Economist Intelligence Unit in 2009 show that Nigeria exhibits high levels of diversity. From the informants' responses, it is obvious that in recent time, their organisations have policies that are put in place regarding equality and diversity and are committed to ensuring they are followed to the letter. More organisations in Nigeria are now encouraging this initiative by using small-scale business and minority-owned business as suppliers such as women-owned suppliers. This is because it is cheaper to do that and they believe that it is part of contributing to the society. However, due to the increasing number of suppliers not meeting up with the expected quantity of materials and standard quality, most of the manufacturing organisations prefer to source from foreign suppliers.

The organisations involve local suppliers such as minority suppliers that is, women-owned and small/medium scale suppliers in their purchasing process, however, standards are required. In fact, when asked about what socially responsible purchasing means to them, a manager in the purchasing department said:

*"I view it as appropriately sourcing from local suppliers...for example, when bidding for suppliers, the company consider suppliers that are known to always supply quality raw materials..." (Purchasing, manager, CBNI2, indigenous).*

This shows that it is a deliberate decision by the organisation to involve local and minority suppliers in their supply chain. This is corroborated by the statement made by the marketing/sales manager of Stlenest quoted earlier when he mentioned that a major percentage of their raw materials are supplied by local suppliers. Despite being an intentional act by the organisations to involve minority suppliers, these suppliers are required to be registered with a certificate of incorporation and should adhere to set standards. The manager of Mineg quoted below believed the suppliers are to meet up with expected standards. In his definition of socially responsible purchasing, he said:

*"I see it (socially responsible purchasing) as including activities such as sourcing from local or foreign suppliers and ensuring they obey set standards during their supply process, for example, committing to waste reduction." (Manager, Purchasing, Mineg, indigenous).*

### 4.3.1 Supplier relationships

The issue of diversity amongst the organisations relates to local purchasing (which involves minority suppliers such as women-owned, small and medium scale enterprise), fairness and supplier diversity and development. Majority of their suppliers are local suppliers which they involve to improve their business growth. Promoting a fair society requires that organisations value diversity in their supply chains. One of the key elements of diversity in the context of social sustainability in relation to purchasing is purchasing locally and sourcing from underrepresented or minority suppliers. These can be women-owned enterprise, small/medium enterprise-owned suppliers and retirees who decide to venture into supplies and are given a chance to supply as one informant mentioned:

*“Increased percentage of our raw and packaging materials are sourced locally...We consider purchasing from small/medium enterprises in order to help them in their business continuity”* (Manager, marketing/sales, Stlenest, multinational).

Detailed views of other managers are stated below:

*“I view it as appropriately sourcing from local suppliers from suppliers with a good image, good reputation and are socially responsible. For example, when bidding for suppliers, companies consider suppliers that are known to always supply quality raw materials, that provides a healthy and safe environment for their staff etc. However, this awareness is just coming to play in most Nigerian manufacturing industries”* (Purchasing, manager, CBN12, indigenous).

*“It means sourcing from vendors with good reputation regarding quality and those that adhere to a code of conduct and set standards.” Sourcing from these suppliers gives the companies assurance that quality cannot be compromised. (Manager, human resources, cau3, indigenous).*

*“We ensure that our suppliers have a good image and have a competitive business regarding price, quality and ensuring that are purchase is cost-effective but not to the detriment of our customers.”* (Senior manager, purchasing, Folafoods, indigenous).

Organisation-supplier relationships and the advantages inherent in the relationship came up amongst some of the key informants. Some of the organisations are involved in supplier

diversity and development, a practice that is common to them. Harnessing good relationship with the suppliers was of importance to them as well. According to a senior manager, training the suppliers and having a good rapport with the suppliers can equate to quality products being supplied. He said:

*“we encourage good relationship with our suppliers within the business value chain, for example, we try to train them regarding quality and also have a good rapport with them so that they can be sincere enough to supply us with good quality raw materials for our production”* (Senior manager, purchasing, Colaco5, indigenous).

One of the reasons for the organisations’ involvement in supplier diversity is due to their intentions to help the minority suppliers to remain in the market. This is deemed to be a moral aim and/or intention on the part of the buying organisation. Minority suppliers are part of the stakeholders and they should be supported throughout the supply chain. For example, a manager mentioned that: *“we consider the business continuity of suppliers especially women, small/medium enterprises. We practice vendor finance scheme to ensure funding is not a challenge to them”* (Manager, marketing/sales, Stlenest, multinational). Another reason for diversifying their supplier base according to one informant is *“having various vendors that supply helps improve our production line and reduces stock out...”* (Manager, purchasing, CBNI2, indigenous).

Similarly, another manager from CAU also added that they support the suppliers regarding the correct information about the raw materials or products required:

*“We consider purchasing from small/medium enterprises and assisting them whenever the need arises to help them in their business continuity. For example, we offer to give them information about product requirements”. “Also, when some of them mention that they want us to pay them immediately, we try as much as possible to do that even though the usual procedure is to make payment within fifteen working days. They also adjust their payment options, this is because we want them to have enough funds to carry out their subsequent supplies”* (Human resources, manager, CAU3, indigenous).

Backward integration (association or merger with suppliers up the supply chain to improve efficiency), another means of supporting suppliers, was mentioned by the informants. This could be in the form of training or providing finance as at when it is due. This is however not a legal requirement, the organisations deemed it fit to assist the suppliers as it will result in

the improvement of their product quality. This can be a strategy for good competitive business. As one manager at Buricad describes: “We help our suppliers produce the best quality by training them and providing some resources to them for example, cocoa is our major raw material, we, therefore, engage in backward integration in which we give farmers fertilizers, farm inputs and insecticides that will help them produce better output both in quality and quantity. This manager goes to say: “we help them facilitate loans in the bank to purchase sophisticated equipment in case they do not have the financial muscle and want to import the equipment” (*Manager, quality control, Buricad, multinational*).

Sourcing from local suppliers can be advantageous as posited by an informant: “*Sourcing locally reduces the inventory of raw and packaging material and demurrage. As the company will procure just what is needed*” (*Manager, Health & safety, Stlenest2, multinational*). Local sourcing can also result in a peaceful co-existence between the organisation and the community since the organisation is patronising the community. As one informant puts it: “*When we source raw materials locally, there is less community or industrial action or lock up and the community is favourably disposed to us.... This is more conversant with oil companies but some manufacturing organisations experience it too*” (*Executive manager, purchasing, CAU2, indigenous*).

However, buying raw materials locally may not be as easy as it seems, this is because “*sourcing locally is a challenge...*” (*Senior manager, purchasing, Stlenest3, multinational*). This can be a barrier to diversity, a part of socially responsible purchasing since “*when we source from local suppliers, they sometimes cannot meet up with demands, and this is costly because there will be shortfall in production or we might need to source internationally which sometimes is not guaranteed*” (*Human resources, manager, CAU3, indigenous*). Another reason is that “*huge government tariffs make it difficult to source from local suppliers..... so, we have to adopt the quick service response (QSR) by buying internationally in order to meet up with demand*” (*Manager, Purchasing, CAU1, indigenous*).

Despite sourcing from local suppliers, the bureaucratic process involved is quite discouraging. One manager said: “*Even when we want to source from local suppliers, the process it takes for suppliers to acquire their certification is bureaucratic*” (*Manager, human resources, CAU3, indigenous*).

Again, despite the buyer-supplier relationships, suppliers' non-compliance with standards and product quality pose a problem and this has led to high monitoring activities. Previous study shows that monitoring for compliance with regulations and set standards is rather complicated as regulations vary by country, state or city and not all suppliers will be comfortable with restrictions placed on them (Koplin, Beske, and Seuring, 2007; Nidumolu, Prahalad, and Rangaswami, 2009; Koplin, Beske, and Seuring, 2007). The organisations monitor their suppliers for compliance by carrying out frequent supplier visits. This is a voluntary action which is deemed to be ethical. The monitoring is carried out to ensure responsible sourcing, good quality, adherence to child labour laws, reducing waste, ensuring customers are happy and to protect the reputation of the organisation.

#### **4.4 Due process purchasing**

In the bid to encourage diversity, the organisations ensure that due diligence is followed. Whosoever that supplier is, they are required to meet up with required standards. In fact, a purchasing manager said:

*“We source from local suppliers..., however, they must be registered, have their certificate of incorporation and meet the standard requirements given by the company” (Manager, Purchasing, CAU1, indigenous).*

The organisations do not purchase from different suppliers just because they want to encourage diversity. In their bid to welcome all on board, they also ensure that they source from suppliers who have the materials available and quality is not compromised:

*“We source from suppliers who are not big suppliers but import raw materials if they are not available locally or there are quality issues” (Manager, Purchasing, CAU1, indigenous).* Another purchasing manager mentioned that *“... when bidding for suppliers, the company consider suppliers that are known to always supply quality raw materials...” (Manager, purchasing, CBNI2, indigenous).*

From the interviews carried out, the concept of due process came up strongly in the organisations' responsible purchasing activities. This is evidenced by the definitions given by the key informants and responses they gave when asked about their socially responsible

purchasing practices. From their responses, the term represents set standards of behaviour, integrity, and procedure that must be followed in the supply chain/purchasing process no matter who is involved as some of their suppliers undergo supplier ethical data exchange (SEDEX) audit, an internationally agreed audit for suppliers. However, issues surrounding due process purchasing are not frequently identified in previous studies. Due process in purchasing relates to carrying out activities in agreement with established organisations rules and principles regarding supply chain processes. Following due process of purchasing and supply is ensuring that the right process and due diligence is followed when choosing suppliers. In any purchasing or procurement processes, it is expected that organisations adhere to due process. Transparency and fairness on the part of the staff of the focal organisations and their suppliers are essential to make the process work. The following quotations are detailed examples of the key informants' views:

*“I see it as exhibiting integrity and transparency in a purchasing process and also following guiding principles and due process laid down by the company. When a company’s management decide on principles and rules that will guide their purchasing process especially when it is beneficial to the society and their consumers, the rules are expected to be followed through by both the management and employees of the company” (Senior Manager, Purchasing, AUBI, indigenous).*

*“Socially responsible purchasing is identifying the need for something and providing suppliers that will meet up with the demand. It is also adhering to policy guiding purchasing. Looking at the check and balances and somebody being there from the start to finish and not involving the end users to remove or avoid bias. A department is responsible for purchasing separately from the end user. End users guided by employees” (Manager, quality control, Buricad, multinational).*

*“It involves conducting regular visits to suppliers' plant or factory no matter who they are to find out if they engage in child labour, ensuring equality of staff that is treating both male and female equally at work. Employees are not segregated and promotions are not given based on gender” (Senior manager, health & safety, CBNII, indigenous).*

Due process requires that set standards of behaviour and procedures must be followed by any organisation, this, the researcher believes is to ensure that the companies do not encroach on

consumers' rights to good quality products and safe environment. The core informants view socially responsible purchasing as demonstrating transparency and integrity and following the laid down rules while engaging in their purchasing process. The managers see it as not being partial regarding choosing their suppliers or having a relationship with them. They believe both suppliers and staff members are to be treated with respect no matter their status.

This is in agreement with the definition of purchasing given by Winthrop.edu (2014) that "purchasing is the process of procuring the proper requirement, at the needed time, for the lowest possible costs from a reliable source". Suppliers' non-compliance with guiding principles and providing best product quality and pricing may lead to high monitoring activities. Monitoring for compliance on the part of the organisation is an intentional aim which is deemed to be ethical. The monitoring is carried out to ensure responsible sourcing, good quality, adherence to child labour laws, reducing waste, ensuring customers are happy and to protect the reputation of the organisation.

Monitoring suppliers to ensure they adhere to the supplier guiding principles<sup>2</sup> and providing quality materials is believed to be both legal and ethical as the organisation's suppliers conform to acceptable standards of social and professional behaviour. This results in improved product quality as the people (customers) are satisfied with the right products, which is what socially responsible purchasing revolves around:

*"We ensure policies and principles that guide suppliers are followed... and we train our employees to be ethical in purchasing the best products at the best price. This is a boost to our reputation"* (Purchasing, senior manager, Colaco5, indigenous). Corroborating this, one of the Colaco5 suppliers mentioned the importance of the supplier guiding principles - the key, which revolves around the people (end consumers): *"Supplier guiding principles of Colaco help to know who does what with them...i.e., identification of a weak supplier. If there is a problem that emanates from the supplier, it affects the whole supply chain because of each link matters and counts. Since we produce sugar for the company, we make sure that our products are of good quality"* (Manager, purchasing, AUB3, indigenous).

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<sup>2</sup>This is an example of supplier guiding principles of one of the organisations. However, most of them are the same. The principle stipulates the organisation's values and expectations, emphasizing how important responsible workplace policies are and practices that comply with appropriate environmental and local labour laws and regulations. Some of which entails freedom of association and collective bargaining, prohibit child labour, prohibit forced labour and abuse of labour, eliminate, work hours and wages, provide a safe and healthy workplace, protect the environment, business integrity, grievance procedure and remedy and proper management systems.

One manager sees socially responsible purchasing as *“It involves conducting regular visits to suppliers' plant or factory to find out if they engage in child labour, not male or female dominated...”* (Executive manager, purchasing, Levuni, multinational)

As responsible sourcing is important, so is supplier visit and the motive behind it. The visits are carried out and the suppliers are expected to follow the supplier guiding principles no matter their status. For example, when asked about their perception of socially responsible purchasing, one of the informants said: *“It involves conducting regular visits to suppliers' plant or factory no matter who they are to find out if they engage in child labour, ensuring equality of staff, .... Employees are not segregated and promotions are not given based on gender”* (Senior manager, health & safety, CBNII, indigenous).

Also, in their responsible purchasing bid, the organisations inspect materials to ensure they are of required standards. Their suppliers are also made to have the necessary national and international certification: *“...we carry out an inspection of raw materials and finished-goods to ensure they meet the expected quality standard. Ensuring the company and its suppliers have NAFRS, ISO 9001, 2008, 2001, 2004, 2005, SEDEX, and SON certification”* (Manager, purchasing, AUB3, indigenous). In fact, one informant said his organisation has the tool to detect the standard of materials supplied to them. This shows that product quality is of paramount importance to most of the organisations: *“We ensure that suppliers know our standard and ethos and that they meet the standards... we give suppliers specifications and we have gadgets or testers to check whether they are of acceptable standards”* (Manager, logistics & transport, Dapco, indigenous). The detailed views of the informants are stated below:

*“To me, it means, small or medium firm will not price below the expected price which should be sustainable for both the firm and the vendors”* (Manager, marketing/sales, Stlenest, multinational).

*“I will say it is a situation where policies and guiding principles that guides suppliers are followed to the letter and not compromising at all. From a layman perspective, it is ethical buying and purchasing the best products at the best price”* (Purchasing, senior manager, Colaco5, indigenous).

It is believed that following the right part in the socially responsible purchasing process will result in good quality products. Responses from the key informants show that their suppliers are carefully selected through a proper non-biased process in order to avoid supply of non-standardised products, avoid endangering their reputation, and for the general good of the society. Although the purchasing processes and supplies are meant to be flexible, it is also essential that they are well-coordinated through the supply chain while reducing costs (Nudurupati et al., 2011). The key informants' responses also confirm the argument that there is a demand on companies by stakeholders regarding their social performance in relation to responsible product and processes (Elci and Alpkın, 2007). These stakeholders can be the staff, customers, the government and the society in general. Since issues surrounding due process purchasing are not frequently identified in previous studies, the concept will be further developed in relations to social sustainability in a subsequent study.

Looking at it from the broad spectrum of ethical or unethical practice or whether it is voluntary or legal. The actions and practices taken by some suppliers and the focal organisations are deemed to be ethical to some extent. This is because they sometimes intentionally decide to be morally conscious in the face of temptation to provide substandard products when it is certain that it cannot be detected nor infringe on their reputation. This act can be deemed as going above and beyond the legal responsibility. So, if a supplier exhibits ethical practice but sells his products at high prices, it is deemed acceptable.

Within the Nigerian industrial environment, suppliers have legal responsibilities which means they are expected to adhere to set standards. However, the buying organisations take it upon themselves to carry out regular visits to their suppliers' factory. Apart from ensuring that forced or child labour is eliminated, supplier visit is also carried out to ensure health and safety of the employees at work. As posited by a senior manager:

*"... supplier visit is carried out to ascertain that health and safety targeted at making people safe at work and ensuring good job environment are maintained" (Senior manager, health & safety, CBNI3, indigenous).*

As one of the informants puts it: *"The actions have to be ethically acceptable, for example, use of forced or child labour in production is not ethical. The supplier can be ethical even at higher price..." (Purchasing, senior manager, Colaco5, indigenous).*

Despite the voluntary actions taken by the organisation, it calls for questioning when some of the organisations said they are somewhat lenient with their suppliers for them to achieve a quality product. However, this may not always be the case. An informant mentioned that: *“Monitoring our suppliers and being a little bit strict with them makes them sit up and provide quality products which allows our customers to have confidence in us and which also leads to the robust spreading of reputation”* (Manager, logistics & transport, Dapco, indigenous). Another informant puts it this way: *“There are three legs of the supply chain which are the source, make and deliver... We try as much as possible to monitor our suppliers to ensure they do not get their supplies from deforested lands. For example, not getting eggs from deforested lands used for livestock poultry”* (Executive manager, purchasing, Levuni, multinational)

Due process and diversity, viewed through the lens of Carroll’s pyramid are deemed to be ethical responsibilities. The issues surrounding ethics within the business environment came up in the interviews. Majority of the organisations took up the responsibility of going above and beyond the normal business as usual or adhering to legal requirements. They carried out supplier diversity and development initiatives which are a voluntary act to support minority suppliers. While monitoring for compliance is carried out by government agencies to ensure organisations comply with set standards or codes of conducts, the organisations have supplier guiding principles and carry out frequent supplier visits to ensure their suppliers meet up to standards. Local suppliers were involved in the supply chains while ensuring quality. This voluntary action boosted their relationship with their suppliers and resulted in quality products.

#### **4.5 Socio-Environmental purchasing**

From the research findings, socio-environmental oriented purchasing is deemed to encompass being friendly to the society in that the people are not exposed to any harm. It also entails ensuring reduction or elimination of waste, the safety of people (employees, customers, suppliers etc) and the environment, and lack of pollution.

As posited by one key informant:

*“For me, I would say it is related with health and safety targeted at making staff safe at work, evaluating hazards, propose controls – redesign machines, ensuring good job environment, adjustable workspace, training sourced for efficiency”* (Senior Manager, Health & safety, CBNI1, indigenous). This is supported by the argument that socially responsible purchasing has implication for all elements of the supply chain which include employees, suppliers, and customers (Carter, 2004).

#### **4.5.1 Health and safety**

Customers’ and visitors’ health and safety matter to the organisation<sup>3</sup>. As one informant mentioned the socially responsible purchasing practice in his organisation: *“We ensure health and safety targeted at making people safe at work, evaluating hazards, ... ensuring good job environment, adjustable workspace, ... We also ensure hazard prevention, especially for our employees. We develop safer and efficient ways for them to handle or move heavy products. As a result, injuries are limited”* (Senior manager, health & safety, CBNI1, indigenous). The organisation takes records of employees (especially staff in the purchasing and production department) that fall sick as this will impact on productivity and performance:

*“We look at our production hours, how many employees were involved ...we consider employees’ health, so we also record the number of staff that call in sick so that we can avert reoccurrence”* (Senior manager, health & safety, CBNI1, indigenous).

It is compulsory for both the employees and suppliers of the organisations to adhere to the safety rules as this might either make or mar the organisation’s performance:

*“We ensure that health and safety measures are obligatory and mandatory in our company and those of our suppliers. Failure to follow safety rules on the part of our suppliers’ results in our company not patronising them because when they fail, we are affected one way or the other”* (Purchasing, senior manager, AUB, indigenous).

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<sup>3</sup> During a visit to one of the organisations where the researcher went to conduct an interview, the researcher was asked to follow the safety measures while climbing the stairs.

Training (where safety procedures are addressed) is carried out to ensure that the employees are well equipped with handling gadgets so that hazards can be avoided. The consequence faced by employees for not adhering can be grievous – as posited by an informant:

*“...We ensure that our staff members understand the rules and policies of the organisation.... If they fail to adhere especially to the health and safety rules, they may be fired because insurance premium paid is high which will affect the company’s profit. We also ensure our staff are well trained in hazard control, manhandling and some other courses. Safety procedures and measures are addressed during the training. The training is carried out routinely. The vehicle drivers are also trained on health and safety. We ensure the safety of workers throughout the supply chain”* (Manager, logistics & transport, Dapco, indigenous).

The health and safety of these ‘elements’ are of paramount importance to the organisations for them to remain sustainable. Manufacturing organisations are prone to varying hazards within and outside the factory which affects stakeholders. These stakeholders can be internal i.e. employees or external i.e. suppliers, society (Salam, 2009) and the consequences of these hazards on the stakeholders need to be considered by having a positive socially focused purchasing behaviour (Drumwright, 1994). One manager considers socially responsible purchasing as:

*“It is considering the environmental conditions of the workplace, for example, if there is a leakage of the gas, the gas detectors will blow an alarm. The fire alarm is provided to detect fire or smoke, this is to make property and people safe”* (Senior Manager, Health & safety, CBNII, indigenous).

The Factories Act Cap 126, Laws of the Federation of Nigeria, 1990 is the legislation for the enforcement of safety and health standards in Nigerian workplaces. It provides minimum standards of safety and health in Nigerian Factories (National Occupational Safety and Health Information Centre). The Labour, Safety, Health, and Welfare Bill of 2012 empowers the National Council for Occupational Safety and Health of Nigeria to administer the regulations on its behalf. Some organisations and other key stakeholders disregard this law by not making adequate provisions for workplace health and safety, therefore, cases of accidents in the workplace were increasing.

Suppliers are an essential element in the purchasing and supply chain process and being socially responsible in the purchasing and supply process means ensuring the supply of quality products. As a result, there is a need for proper monitoring in order to ensure quality products, safe and healthy environment, timeliness of delivery etc. In the past, most African nations are not involved in the proper structure of monitoring suppliers. However, in recent times, most organisations in Africa and particularly in Nigeria, are involved in putting in place supplier monitoring. This is because of government regulatory bodies established to correct the anomalies of the past. According to the key informants' responses from the interview, supplier monitoring is one of the major socially responsible purchasing practices carried out in their organisation. Therefore, monitoring for compliance may be viewed as being ethical as this is a voluntary initiative by the buying organisations.

Health, safety, and environmental issues have significant implications for all businesses, across all sectors and industries. To trade and be part of global supply chains it is essential to ensure that your health, safety, and environment management stands up to close examination and meets regulatory standards and global best practice, including OHSAS 18001 and ISO 14001 certification (SGS 2016). Based on statistics, the number of workplace accidents in Nigeria has reduced compared to previous years. This is as a result of the enforcement of the law and sanctions given to non-compliant organisations. The officers from the ministry of safety and health also carry out routine inspections to factories. This made most organisations to take health and safety practices very seriously. Apart from organisations ensuring safety in their factories, suppliers also have to comply with codes of conduct and improve health and safety and workplace practices in their factories (Mont and Leire, 2009). This is step most Nigerian organisations are taking in recent times.

As mentioned in the section above, socially oriented purchasing also includes environmental awareness during purchases, manufacture, and delivery. Operating successfully in any business environment today requires companies to become much more involved in how their supply chain process does not affect the product and the environment negatively. There is need to pay closer attention to the source of the raw materials, how they are transported and stored and the overall impact on the environment (Wisner, Tan and Leong, 2014). This is important as 94.6% of the respondents from the survey carried out indicated that their organisations are committed to ensuring that their purchasing is environmentally focused

This is also confirmed from the qualitative data as the majority of the key informants mentioned that their organisations are involved in ensuring the safety of their products.

The responses from the regulatory bodies (LUSAPA, BUNCA, and NOS<sup>4</sup>) from the structured interview carried out confirm that the manufacturing organisations indeed ensure that the products are environmentally friendly, ensure safe transportation of products and that their suppliers commit to reducing waste. This is because the majority (90.5%) of the informants agree to the statements.

#### **4.5.2 Environmental orientation**

From the informants' views, being conscious of the environment can also be related to being people conscious. This is because the people are safeguarded from health hazards when the environment is not polluted by waste and emissions from the factory. He said:

*“It has to do with the society at large being considered by ensuring that the environment is safe for them.”* (Manager, quality control, Mineg3, indigenous). Another manager said: *“Socially responsible purchasing includes activities such as sourcing from suppliers and ensuring that the purchase process does not impact the environment and the people negatively.”* (Manager, quality control, Levuni2, multinational).

Some other informants corroborated the above statement as they mentioned that:

*“When buying materials, environmental pollution is being considered for example, when chemicals are bought, because of its adverse effect on residential areas, we ensure that we produce in a commercial location. Again, not buying the materials if they are seen to be dangerous to health or harmful to the people or environment... Goods are well kept and arranged in the vehicles in order to ensure they are not causing a mess on the roads”* (Senior manager, logistics & transport, Dapco, indigenous).

*“We consider the environment when sourcing raw materials, for example, we try to source for paper which is eco-friendly and biodegradable rather than polythene”* (Manager, Purchasing, CAU1, indigenous)

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<sup>4</sup> These are pseudonyms for the regulatory bodies that were surveyed. LUSAPA oversees regulating the environment, BUNCA and NOS have the responsibility of ensuring that products are up to the required standards.

*“We ensure that the market value of finished products is not too expensive.....Socially, we ensure environmental friendliness of products and that our purchases are not injurious to the environment, our consumers and the community”* (Manager, human resources, AUB2, indigenous).

*“Ensure we are environmentally friendly regarding our purchases and the way we use paper, more papers, more trees are destroyed and more waste in the environment. We make use of SAT, a system used in production and this can be checked without printing. .... We also ensure recycling of recyclable materials”* (Manager, purchasing, AUB3, indigenous).

*“We source materials that are sustainable and recyclable and ensure that our water and sugar are customer and environmentally friendly. They should not affect them directly or indirectly. .... Raw materials got from the environment that is good”* (Senior manager, purchasing, Colaco4, indigenous).

*“Environmental purchasing for example (plastic and polytene). Working with NGOs in recycling by educating consumers on the need to recycle... Education and financial assistance by setting up recycling plants so that the products will not affect the environment negatively”* (Purchasing, senior manager, Colaco5, indigenous).

*“Ensuring that our company produces and package products that are friendly to the environment i.e. reusable and/or recyclable and our suppliers reduce or eliminate waste in their supply chain process. We ensure that the environment is not hampered during production and packaging of our products”* (Staff, production & packaging, Mineg 2, indigenous).

*“We try to be environmentally friendly regarding our purchases as we ensure we buy recyclable products and our purchases are not detrimental to the environment”* (Staff, purchasing, Milsab, indigenous).

### ***Environmental-friendly machinery***

The issue of being environmentally conscious led some organisations to purchase environmentally friendly machinery for production: *“We ensure our factory have all necessary machinery for production”* (Executive manager, purchasing, CAU2, indigenous).

This is done through the *“importation of environmentally friendly machinery that will be used to produce”* (Manager, purchasing, CBNI2, indigenous). As one informant puts it: *“...when environmentally friendly machinery are imported, designated employees are trained on how to operate them...”* (Manager, human resources, AUB2, indigenous). This was backed up by another informant: *“We consider optimisation... and our factory having all necessary environmentally friendly machinery for production”* (Executive manager, purchasing, CAU2, indigenous).

### ***Waste and pollution reduction***

Apart from being a legal responsibility, what motivates purchasing environmentally friendly machines is for customers and the entire society to be endeared to the organisation. However, the customers' needs are met; emissions and waste are reduced, and the customers and community are safe from harm. As one informant puts it:

*“Our customers will be displeased if their demand is not meant... and ensuring there is no environmental harm and no pollution will endear our customers and the community to us since they know we are conscious of our environment”* (Human resources, manager, CAU3, indigenous). When asked about their perception of socially responsible purchasing, an informant's response reveals that waste reduction is an important aspect:

*“I see socially responsible purchasing as a way of ensuring that in the process of purchasing and manufacturing, waste is reduced to the barest minimum.”* (Staff, production & packaging, Mineg2, indigenous). This was backed up by another informant who puts it this way: *“I see it as including activities such as ... committing to waste reduction”* (Manager, Purchasing, Mineg, indigenous). The issue of waste reduction at the supplier's factory was also mentioned as one key informant puts it: *“We do frequent supplier visits to ensure they commit to waste reduction...”* (Manager, quality control, Levuni2, multinational).

Apart from considering waste reduction during production, from the data, some of the organisations are also aware of the environment during delivery. Two informants noted this when they mentioned their perception about socially responsible purchasing: *“I see it as buying good quality raw materials or goods, considering the environment during purchases and delivery ...”* (Manager, purchasing, AUB3, indigenous). Similarly, another informant explains:

*“I understand it to mean purchasing good quality raw materials and considering the environment during delivery as well”* (Staff, purchasing, Milsab, indigenous). Similarly, in relation to delivery, an informant mentioned the importance of reducing air pollution: *“Looking at the delivery aspect, ...if the trucks are in shape, the amount of carbon monoxide released in the atmosphere will be reduced...”* (Executive manager, purchasing, Levuni, multinational). Below are the views of more informants:

*“From my own perspective, socially responsible purchasing is ensuring that sourcing is from suppliers that do not impact the environment negatively, that is, suppliers that are not involved in environmental degradation”* (Executive manager, purchasing, Levuni, multinational)

*“It involves sourcing materials that are recyclable and sustainable, ensuring the longtime positive impact on the environment and society at large.”* (Manager, purchasing, CBN12, indigenous).

*“I understand it to mean dealing with a company on sustainable pricing method that is, businesses which are sustainable even when the environment is put into consideration and money is spent to ensure suppliers comply with the rules of sustaining the environment by not exhausting resources or releasing harmful chemicals into the air”* (Manager, marketing/sales, Stlenest, multinational).

It is not only the health and safety of the employees at the supplier plant that will be checked but also that of the focal organisation. The focal organisations and regulatory bodies visit the suppliers while the regulatory bodies visit the focal organisations. The reason is to monitor for legal compliance with rules regarding health and safety, quality products and child labour (this will be discussed in detail in the subsequent section). An informant posited:

*“We monitor our suppliers by doing audit and compliance checks on them. Majority of the materials are regulated ... to ensure they are up to standard. Majority of our materials like sugar come from Brazil and wheat from the United State of America. We have an office in the United Kingdom that have responsibility for ensuring that these materials are up to standard. The policies and practices are open to public viewing and they are open for audit and compliance checks”* (Manager, human resources, AUB2, indigenous).

The issue of waste reduction is of importance to the organisation and it is deemed to be an ethical responsibility on the part of the organisation since they are not legally bound to do this. They visit their suppliers to check they work at reducing waste to the barest minimum, therefore, they “...do frequent supplier visits to ensure they commit to waste reduction...” (Manager, quality control, Levuni2, multinational). Sourcing from the right supplier who has well-monitored safes the organisation a lot of money since there will be a limited waste: “When our raw materials are adequately inspected before production, the finished goods are of the right quality and there will be no need to discard products. If not, the company has to bear the cost of replacement of raw materials” (Senior Manager, Purchasing, AUB, indigenous).

#### **4.5.3 Avoidance of harm**

Friendliness to the people and the society at large and not harming them, a frequent word that came up from the interview, is deemed to be an essential element regarding socially responsible purchasing practices. As one informant puts it: “It has to do with being friendly with the society during purchasing and manufacturing of products. This is essential “in that the environment and the people are protected from hazardous substances during the purchase of materials and production process” (Staff, production & packaging, Mineg4, indigenous). The fact that the supply chain process does not influence the society negatively was posited by another informant: “Socially responsible purchasing ... making sure their supply chain process does not affect the society negatively” (Staff, production & packaging, Mineg2, indigenous). The society here “... mean considering people that are, staff, community, customers...” (Senior manager, purchasing, Stilenest3, multinational). This is corroborated by another informant who said: “...Socially, we ensure ...that our purchases are not injurious to ... our consumers and the community” (Manager, human resources, AUB2, indigenous).

Consideration of whether the concept of socially responsible purchasing is people focused or environmental focused, based on the informants’ responses, the concept, in relation to social responsibility is more of people focused. From the viewpoint of Carroll’s pyramid, the health and safety of employees during purchase and manufacture of products, ensuring that the environment is not polluted and that the society is safe came up strongly and are regarded as

legal requirements that the organisations are responsible to comply with. This is viewed as complying with the legal requirements rather than an intentional voluntary act.

#### **4.6 Equality in the supply chain**

Socially responsible purchasing is viewed as fairness and equality in the purchasing process especially when bidding for suppliers and it is deemed to be an important responsible practice. Ensuring equal opportunities in the supply chain process of any organisation indicates that everybody, no matter who they are and regardless of their gender, age, race, is treated equally (Lobel 2006).

Equal treatment of employees was a prominent socially responsible purchasing practice mentioned by many of the informants. Employers are expected to be committed to treating their employees fairly and not allow any discrimination notwithstanding the age, race, religion, marital status, sex or belief. Most of the informants mentioned that whether they are full time or on a contract basis and whatever position they are, they feel respected. In fact, an executive manager said:

*“We are committed to ensuring equality regarding employees' pay or compensation. Partiality is not encouraged and employees are promoted based on their performance” (Executive manager, purchasing, Levuni, multinational).* This was supported by another manager's definition. He said: *“I view as treating staff fairly and humanely. The employees involved in these supply chains should be considered to ensure that they are well taken care of. Bonuses should be given when the staff performs well” (Manager, Quality control, Mineg3, indigenous).*

When the supplier's factory is visited, some of the things being looked out for is adherence to equality in the workplace not minding the gender, age or colour: *“... conducting regular visits to suppliers' plant or factory to find out if they engage in child labour, not male or female dominated. ... equality at a workplace where employees are not segregated but motivated and benefits are not given based on gender, age or colour” (Executive manager, purchasing, Levuni, multinational).* Another informant corroborated this when he puts it as no segregation is allowed: *“... ensuring equality of staff that is, treating both male and female equally at work. Employees are not segregated and promotions are not given based on gender” (Purchasing, manager, CBNI2, indigenous).*

Organisations that want to exhibit good management practice need to ensure equality not only in their workforce but also amongst their suppliers (Cramer, 2008). This will invariably result in the sustainability and success of their businesses. The policy guiding the organisation is a yardstick used to measure whether the management and other employees are abiding by the non-discrimination policy. No discrimination is allowed regarding religious or gender differences. This then is viewed as an ethical workplace practice. As one informant puts it:

*“There is fair equality where discrimination is not allowed as we have HR policy regarding that. We ensure equality despite religious beliefs and offering good positions despite gender differences. For example, we have three women managing director based on performance”* (Purchasing, senior manager, Colaco5, indigenous).

Although the Nigerian government is being criticized for not allowing gender equality in the Senate as there are only seven women senators compared to over one hundred men in the national of assembly, most of the informants’ organisations do not support gender differences. They treat all employees whether male or female the same way and promote based on performance. They *“... support equality, no discrimination because everybody is given equal opportunity except if they don't perform, for example, female staff that is pregnant is allowed to work, promotion is given to male or female as long as they deserve it”* (Manager, Human resources, CAU3, indigenous). Apart from ensuring non-discrimination amongst their employees, some of the key informants mentioned that their organisations embraced the no favouritism agenda amongst their suppliers: *“...We request for proposal and bidding online to improve speed and avoid favouritism”* (Staff, production, Comfoods, indigenous).

Some other informants corroborated these views as stated below:

*because everybody is given equal opportunity except if they don't perform, for example, female staff that is pregnant is allowed to work”* (Manager, Purchasing, CAU1, indigenous)

*“We engage in competitive bidding, that is, we book all suppliers application together and the bid is given based on quality, price, and delivery...This is equal treatment of suppliers”* (Manager, purchasing, AUB3, indigenous).

*“There is fair equality where discrimination is not allowed as we have HR policy regarding that. We ensure equality despite religious beliefs and offering good positions despite gender differences. For example, we have three women managing director based on performance” (Purchasing, senior manager, Colaco5, indigenous).*

*“We support equality, no discrimination because everybody is given equal opportunity except if they don't perform, for example, female staff that is pregnant is allowed to work, promotion is given to male or female as long as they deserve it (Human resources, manager, CAU3, indigenous).*

When asked about the issue of equal opportunities, about 85% of the survey respondents revealed that their organisations are involved in the practice of equality as they are treated equality notwithstanding the age, gender, colour, pay etc. From the interview carried out, some of the key informants even defined socially responsible purchasing as ensuring equality at the workplace where there is no segregation of employees. The policy or principle of equality obtains all over the world. For example, equality, at the workplace and other places in the United Kingdom is subject to the law (2010 Equality Act). The United Kingdom and European principles of equality provide a helpful model for any organisation anywhere in the world. Research revealed that in any purchasing function, such as supplier selection and assessment, social equity, that is, ensuring equality in employment and among suppliers in terms of diversity, gender, etc. is essential Miemczyk, Johnson, and Macquet (2012).

From Carroll's pyramid point of view, equality within the organisation and in the entire supply chain is regarded as a legal responsibility on the part of organisations as there are rules and guidelines to follow to ensure equality.

#### **4.7 Sourcing responsibly - Child labour compliance**

The issue of child labour in Nigeria is of utmost concern to the government and some organisations. Child labour is defined as work that is mentally, physically, socially or morally dangerous and harmful to children. It deprives them of the opportunity for education and development (UNICEF, 2016). The challenge in Nigeria regarding child labour is the lack of enforcement of legal instruments on offenders. In August 2003, the Nigerian Government

formally took on three International Labour Organisation (ILO) conventions setting the lowest possible age for the employment of children in any organisation. Abiding by the child labour laws can be deemed to be more of a legal compliance than a strong ethical commitment. Despite the law, the use of under-aged children in the labour force in Nigeria is becoming alarming, according to report from the International Labour Organization, the number of children under the age of 14 working in Nigeria is estimated at 15 million. However, some very few organisations are committed to abiding by the child labour laws. According to the key informants' responses, they do not only work at preventing child labour in their organisation but also prevent their suppliers from encouraging the use.

From the quantitative data gathered, 93.2% of the respondents indicated that their organisation complies with the child labour laws. The data that emerged from the interview also corroborate this as the key informants reveal that their organisation tries as much as possible to ensure that they and their suppliers comply with the child labour laws. However, this not shows that they strongly or totally prohibit the use of child labour. This can be attributed to the statement made by some of the key informants that it is cheaper to engage under-aged labour. As posited by one key informant:

*“We try as much as possible to comply with child labour laws. We ensure that we and our suppliers don't make use of under-aged labour although it's not easy. This is because it's cheaper to make use of the under-aged especially for the menial jobs, for example, packaging of products”* (Staff, production & packaging, Mineg 2, indigenous).

*Some managers also stated their views:*

*“I see as involving complying with child labour laws. It involves equality in a workplace where there is no segregation of employees based on gender, age or colour and the safety of these employees are of paramount importance.”* (Purchasing, manager, Mineg1, indigenous)

*“It has to do with considering the people throughout the process of the supply chain, from buying the raw materials to transporting them to the warehouse and the production and final distribution to the end consumers.”* (Manager, Quality control, Mineg3, indigenous).

*“I see it as supplier or companies not engaging under aged workers in their purchasing, production or other activities in the supply chain process.”* (Manager, Health & safety, Stlenest2, multinational).

Also, from the data, most of the key informants that explain the issues of child labour are indigenous organisations. The responses of the regulatory informants show mix feelings regarding organisations’ compliance with the child labour laws. This is because out of the 19 informants, 31.58% agreed, 42.11% disagreed while 26.32% were undecided and one of them did not answer the question. This suggests that there are some organisations that still make use of under-aged children in their supply chain activities.

It is interesting to discover that some suppliers and or organisations are still engaging the use of child labour in this 21<sup>st</sup> century. Despite the policies and legal requirements regarding avoiding the use of, underage or child labour, some organisations are still involved in monitoring for compliance and doing spot checks on their suppliers to ensure adherence – as one informant puts it: *“We do spot checking to know if our suppliers are using child labour...”* (Executive manager, purchasing, CAU2, indigenous). Prohibition of the use of child labour is seen to be of paramount importance as one informant amongst many said: *“... conducting regular visits to suppliers' plant or factory to find out if they engage in child labour...”* (Executive manager, purchasing, Levuni, multinational). In fact, an informant perceived socially responsible purchasing to mean *“...vendors abiding by general business principles, not making use of underage workers...”* (Manager, marketing/sales, Stlenest, multinational).

Majority of the key informants indicated that their organisations comply with the rules and policies guiding the use of underage children, especially on the farm. This is because of the negative consequence of the product quality. They believe a mature staff is better off especially in the production of goods:

*“We ensure that child labour is prohibited at our supplier plant and even in our own factory. We have enough hands from unskilled, casual and skilled staff that are capable. These people are mature enough and they are trained to work especially in the production unit. They understand the importance of producing products that meet up with required standards and also the consequence of producing substandard products...”* (Senior Manager, Purchasing, AUB, indigenous).

This is perceived to be an issue of legal compliance as there is child labour act that is being enforced by law. However, it is also seen as a moral/ethical responsibility being carried out by the organisation. This is because some other organisations are believed to be involved in the use of child labour and they get away with it despite the law.

However, the intensity given to enforcing the law leaves much to be desired as they only frown at it stating that complying with the law is not easy even though it has a negative impact on the children:

*“Not allowing under-aged children to work on the farm. We frown at forced or child labour. Even though the government is trying to enforce the law, it has not been easy. However, we as an organisation we are committed to abiding by the law since we know the negative impact it has on the children”* (Senior manager, purchasing, Colaco4, indigenous).

From the responses, even though the prohibition of child labour is more of a requirement for legal compliance than ethical commitment, most of the organisations display rather a lax attitude to it rather than strongly prohibiting it – as one informant mentioned:

*“We try as much as possible to comply with child labour laws. We ensure that we and our suppliers don’t make use of under-aged labour although it’s not easy. The obvious reason ... is because it’s cheaper to make use of the under-aged especially for the menial jobs, for example, packaging of products”* (Staff, production & packaging, Mineg2, indigenous).

To summarise, monitoring for compliance are exhibited through:

- on the spot checking of suppliers
- adhering to legal compliance
- ensuring product quality
- showing that moral issue is least important

Apart from being cheap, the families of the under-aged children who allow them to be used do so because of poverty and the need to make ends meet. Engaging in child labour does not present an organisation as being socially responsible. It is assumed that the welfare of these working children is not taking into consideration. A study of children in thirty-four low-income countries conducted by UNICEF in 2000 found that a little less than three percent of children work in order to earn wages and most of these children work in the agricultural

sector. This may be attributed to the dwindling economic situation in the developing countries. It is observed that children are engaged in the production of low-quality products and they are often termed to be non-productive workers. Levison et al (1998), in their research on children and adult labour productivity in the hand-knitted carpet industry, argue that, where productivity is measured in square inches knit per hour, children are twenty-one percent less productive than the adults (Levison et al., 1998). As mentioned earlier, the economic situation sometimes is the reason why families allow their children to be used in child labour. For example, Baland and Robinson (2000) and Ranjan (2001) highlight that families want their children to work since they cannot afford to borrow against future income. This is done despite knowing how advantageous it will be if their children are educated.

This is a usual occurrence especially in developing economies. For example, in 2014, CNN's documentary on child labour reports the use of under-aged children in the cocoa plantations especially in family farms in one of the West African countries. In the interview, the global head of operations for Nestle was asked what the company is doing to eradicate child labour from its supply chain and to improve the social and economic conditions of cocoa farmers. This shows that the issue of child labour is not only peculiar with Nigeria but is also an issue of concern in other developing countries. The fact that these families want to survive in the harsh economic situation of Nigeria lead them into making the wrong decisions. However, it argued that it is the duty of individual organisations to ensure that the child labour laws are strictly adhered to and research shows that manufacturing and service industries under study ensure that suppliers comply with child labour laws (Carter 2004). When individual organisations take it upon themselves to be committed to discouraging child labour, then it will be quite easy for the government to monitor offenders. However, the severe penalty will not solve the problem. According to Kolk and Tulder (2002), Severe measures may be counterproductive as these do not change the underlying causes of the use of under-aged labour and it can make the situation worse for the child as it will drive them to more dangerous work in the informal sector.

#### **4.8 Philanthropy in corporate social responsibility**

Philanthropy was identified from the conceptual framework, and the quantitative and qualitative data, and is viewed as corporate social responsibility (CSR). From the data, philanthropic responsibilities came up time and time again amongst the key informants. They

view socially responsible purchasing as being corporate social responsibility in which philanthropy is one of the key parts. Some of the informants view it has sourcing from, and engaging the local community in their responsible purchasing initiatives and donating to the community - as one informant described it: A non-managerial staff said:

*“Socially responsible purchasing is seen as been part of the corporate social responsibility.” For example, companies supporting the community where they are located and making sure their supply chain process does not affect the society negatively.” (Staff, production & packaging, Mineg 2, indigenous).*

Again, one manager viewed it similarly. He said *“Corporate social responsibility is also used in our decision making regarding responsible purchasing. We are located in Jos and our manpower and raw materials are within the locality. We engage members of the community where our factory is located as factory workers, we also repair some of their roads”* (Executive manager, purchasing, CAU2, indigenous).

This was corroborated by another informant who puts it this way: *“We carry out the project in the community in order to support them and we also try as much as possible to employ people in the local community. The community sometimes requests that we carry out some projects and we try as much as possible to meet up with their demand. As a result, they appreciate us more and are interested in our products”* (Senior manager, health & safety, CBNI3, indigenous).

In line with this, another informant said: *“CSR as part of mission and vision, need to support the community. Caring for the people within and outside. Government – adopt a school initiative by Lagos state. The government encourages private sectors to adopt the practice and the companies are promised tax cut”* (Purchasing, senior manager, Colaco5, indigenous).

Although corporate philanthropy (a part of business social responsibility) was conflated with corporate social responsibility<sup>5</sup>, the organisations are very well involved in different philanthropic activities.

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<sup>5</sup> According to Carroll (1983:608), “corporate social responsibility involves the conduct of a business so that it is economically profitable, law-abiding, ethical and socially supportive. To be socially responsible then means that profitability and obedience to the law are foremost conditions when discussing the firm’s ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent”.

For example, an informant mentioned that:

*“We practice good corporate citizen, we support local charities, our company received the best award for CSR... Patronising host communities, some of our materials are purchased from them, the company adopted schools in the community and support them”* (Purchasing, senior manager, Colaco5, indigenous).

In the same vein, another informant described it as carrying out socially responsible behaviour: *“We exercise socially responsible behaviour. We donate to the communities around us, supporting the local communities by providing some social amenities like medical facilities for them and helping to repair some roads”* (Manager, marketing/sales, Stlenest, multinational). The organisations carry out socially responsible activities because of they: *“... want to be seen as a socially responsible organisation and seen as contributing our quota to the society by providing social amenities for the community”* (Manager, quality control, Levuni2, multinational).

Another informant mentioned that the philanthropic act should be void of any form of discrimination: *“It is important because an organisation must be socially responsible and must find a way of giving back to the society. It must be seen to be non-discriminatory”* (Manager, Purchasing, CAU1, indigenous). Giving back to the society is described by some informants as: *“...responding to the environment, for example, providing Medicare to the community, sponsoring football teams, building schools and community boreholes”* (Manager, human resources, AUB2, indigenous).

More examples of responding to the society are described by one informant as: *“...for example building schools and community boreholes”* (Staff, finance, AUB4, indigenous). Stating why they carry out these socially responsible activities, an informant said: *“We believe the community our company is situated should benefit from us”* (Manager, purchasing, AUB3, indigenous).

Corporate social responsibility has become a buzz word for a long time and it is seen to be important for all organisations. CSR is becoming increasingly important in supply chains with an increasing number of organisations considering CSR in their purchasing decisions (Kolk and Van Tulder, 2002; Maignan, Hillebrand and McAlister 2002). Philanthropic responsibilities are believed to be one of the CSR functions of an organisation and it is

evidenced that the need for businesses seeking to improve the society, the community, or some particular stakeholder groups may be traced back hundreds of years (Carroll et al. 2012; Carroll 1979, 1991).

For any organisation that wants to experience market penetration, it is essential that they engage in philanthropy.

The overwhelming perception of CSR as philanthropy is not unconnected to the traditional sociocultural heritage of indigenous (Amaeshi et al., 2006) and multinational organisations. Recently, companies in Nigeria have realised the need to engage in philanthropy. From the quantitative data, 87.9% of the total respondents agree that their organisations are involved in philanthropic activities. This was also confirmed from the interview as some of the managers reveal that they engage in socially responsible behaviour and donating to and supporting the local communities. They mentioned that it is sometimes a demand from their local community or the management come to a decision to carry out the projects based on the needs of the community. Data gathered from the regulatory bodies shows that 63% of the informants agree that the organisations are involved in philanthropic activities. This then implies that the issue of philanthropic responsibilities of the organisations is both voluntary and people oriented.

Philanthropy is contributing to the development of the organisation and the society sustainably through the benefits delivered to all stakeholder. Even if some companies achieve notable efforts with exceptional corporate social responsibility initiatives, it is difficult to be exceptional in all facets of corporate social responsibility. For example, one of the organisations, Levuni, provides good practices on environmental sustainability, one aspect of corporate social responsibility. Levuni is a multinational corporation in the food and beverage sector, with an all-inclusive corporate social responsibility strategy. In the Dow Jones Sustainability World Indexes, the company has been ranked 'Food Industry leader' for 11 consecutive years and in the 'Global 100 Most Sustainable Corporations in the World', it has been ranked 7<sup>th</sup>. An example of one of their unique initiatives is the 'sustainable tea' programme in which Levuni projected sourcing all of its tea bags from Rainforest Alliance Certified™ farms. Kim (2009) posited that ISO 14001 is one of the most widely adopted standards in the area of corporate social responsibility and is recognised as an international standard for environmental management.

The organisations' claims are consistent with the statement of Sarkis et al., (2010) which states that organisations are expected to contribute to the development of a sustainable society and also advance the fulfilment of a social need. This is what some of the organisations are doing. However, the researcher believes the responsibility should not only be towards the community but also to the staff and suppliers of the organisations.

Despite organisations trying to incorporate philanthropy into their activities, failure to harness the support of the suppliers in the carrying the initiative may constitute a problem for the companies. This in agreement with Bjorklund (2010) who stated that corporate social responsibility in purchasing (in which philanthropy is a sub-set according to Carroll's model) is not a one-man show and it is hard for purchasing companies to achieve a high level of corporate social responsibility if the suppliers show no interest in these matters.

Table 4.3 reminds the reader of the socially responsible purchasing phenomenon, the previous authors who have identified similar constructs and the points in this thesis that provided evidence to support the phenomenon:

**Table 4.3: The Phenomenon of socially responsible purchasing**

<b>Socially responsible purchasing phenomenon</b>	<b>Authors</b>	<b>Evidence in the data</b>
Diversity	Mont and Leire, (2009): diversity Worthington et al., (2008): supplier diversity	Chapter Four, sections 4.3, 4.3.1
Socio-environment oriented purchasing	Zhu, Sarkis, and Geng (2005): environmental focused Carter and Jennings (2004): ethics Cramer (2008): supplier monitoring	Chapter Four, sections 4.5, 4.5.1, 4.5.2, 4.5.3
Equality	Cramer (2008): fairness Equity/human rights	Chapter Four, section 4.6
Responsible sourcing	Lee et al., (2009): child labour	Chapter Four, section 4.7
Philanthropy	Lee et al., (2009): social responsibility	Chapter Four, section 4.8
Due process purchasing	The researcher's own term representing set standards of behaviour, integrity, and procedure that must be followed in the Nigerian supply chain/purchasing process.	Chapter Four, section 4.4

## 4.9 Summary

This chapter has provided insight into the various meaning and contestations of socially responsible purchasing phenomenon from the perspectives of practitioners. This reflects the practices carried in the working environment of the Nigerian food and beverage industry. There are similarities in the meaning, for example, majority perceive CSR as a philanthropic initiative. However, based on the department, years of experience on the job, and whether the organisation is indigenous or multinational, there were varieties of meaning. According to Amaeshi, Adegbite, and Rajwani (2016), indigenous firms perceive CSR as corporate philanthropy aimed at addressing socio-economic development challenges in Nigeria. Their finding confirms that “CSR is a localised and socially embedded construct”. The institutional theory is useful in providing a better understanding of the various views of CSR in supply chains based on the institution. The concept of socially responsible purchasing which revolves around the treatment of ‘people’ is a key element in social sustainability. Responsible purchasing is having the people in mind while performing the supply chain process. Diversity is one of the important concepts when it comes to social sustainability in relation to responsible purchasing. In considering this phenomenon, some of the practices are deemed to be legal requirements while some are ethical responsibilities of the organisations which are carried out voluntarily.

To promote a fair business environment, different levels of suppliers (such as the ‘strong suppliers<sup>6</sup>, and minority suppliers) are given the opportunity to be part of the supply chain. However, the focal organisations are expected to be fair and not allow any prejudice in their bidding process. Once the right suppliers are chosen, they are also developed in order to improve their capacities in the competitive market environment. To have a people-focused purchasing, manufacturing organisations need to ensure that they source from reputable suppliers despite being fair in their bidding process.

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<sup>6</sup>These are generally referred to as very important or influential suppliers. They are the big players amongst the suppliers who can dictate the pace.

Because of the socially oriented purchasing, the organisations carry out regular supplier visits to ensure that the supplier guiding principles are followed. The health and safety of not only the employees and customers but the entire society are considered and for this reason, they undertake close monitoring. This can be viewed as a legal requirement as well as ethical in nature – as the customers (and in fact the society at large) are not allowed to suffer any harm in relation to the final product. In an institutional environment, while the health and safety are important, the concept of equality is also very essential and organisations are expected to practice this in their everyday business operations.

The treatment of staff regardless of gender, race, religion, colour or marital status should be well addressed in all organisations. From the data, most of the organisations discouraged partiality or any form of discrimination and deal with every employee based on their individual performance. There are non-discriminatory policies guiding the organisation. Staff members are to be managed ideally for them to be able to carry out the policies and practices of the organisations and improve their performance too.

In a system of emerging and evolving policies and rules, the regulatory requirements to be met by organisations in Nigeria are enormous, and in some cases, impossible or impractical to fulfil. Despite having child labour laws, some of the supplier organisations find it difficult to comply. To make matters worse, some of the focal organisations handle the non-compliance with levity by saying that they discourage the use of child labour rather than prohibiting it. This means the ethical commitment is not strong if there is indeed any.

As part of their socially responsible initiative, many of the informants depicted a moral obligation of providing social amenities and other projects in the community and categorise it as socially responsible purchasing. Philanthropic activities such as carrying out projects in the community, sourcing for materials from the community, providing basic amenities and giving donations are deemed to be socially responsible. Although the organisations are involved in philanthropic initiatives, one might say that it is voluntary and ethical but not necessarily legal. However, the organisations seem to enjoy economic gain from these activities since members of the communities are their consumers and are the ones endeared to buy their products.

Apart from being people oriented in their responsible purchasing bid, the organisations are committed to reducing industrial pollution (in which the main cause is emissions and waste) from the factory during production. This is to safeguard the people from any possible health hazards. If the emissions and wastes are not handled in an environmentally-friendly manner it causes harm to the surrounding environment which directly affects the people.

The next chapter will consider the foregoing concept of socially responsible purchasing describing the key driving and impeding factors of the socially responsible practices. The global and local institutional regulations, the need for compliance, and the role of the organisations in ensuring this will be discussed. The desire to be seen as a socially responsible organisation – doing the right thing, another key driving factor will be discussed.

## Chapter Five

### CSR in the supply chain industry: Drivers and challenges

#### 5.1 Introduction

Carter and Jennings (2004), posited organisational size, government regulations, organisational culture and top management leadership, employee initiatives and values, and customer pressure are drivers of socially responsible purchasing. The views of scholars show that drivers of socially responsible purchasing are of great importance to organisational responsiveness to social responsibility. These drivers influence organisations to adopt socially responsible purchasing practices. However, the organisations are faced with challenges that prevent them from implementing the socially responsible purchasing practices successfully. As mentioned in the previous chapter, in addressing this thesis' research questions, the quantitative method through questionnaire distribution and qualitative method through semi-structured interviews were adopted.

There are quite a several factors that push socially responsible purchasing initiative into existence in the food and beverage sector. However, there are barriers that impede the successful implementation of these practices. From the findings, companies have varying driving factors, however, the key and prominent factors will be discussed. Most informants described regulations and compliance in relation to the organisation and suppliers. Others opted for being perceived as a socially responsible organisation. As will be shown, drivers of socially responsible purchasing initiatives are of paramount importance to organisational responsiveness to social responsibility. Likewise, identifying the barriers is needful so that necessary actions can be taken to avoid them. Trust issues in the institutional environment which encompasses lack of transparency and corruption, high cost, and the risk of failing in successfully implementing the practices and the consequences that may arise.

The themes regarding drivers of and barriers to socially responsible purchasing practices that came up from the data collected will be discussed in this chapter. The chapter explores the driving factors of socially responsible purchasing practices in the chosen organisations supply

chains in Nigerian food and beverage industry. It also examines the barriers to adoption and implementation of the socially responsible purchasing practices. The chapter is divided into two main sections, firstly, it discusses the drivers of socially responsible purchasing and secondly, it examines the barriers to the practices.

## 5.2 Characteristics of the main driving factors

Although the organisations carry out the socially responsible purchasing practices discussed in chapter four, there are factors that drive them despite the uncertain and unstable institutional and industrial environment. For sustainable supply chain management to be integrated into the structure of the organisation, it must be propelled by certain organisational forces which are termed as drivers. These drivers are referred to as the factors that influence companies in adopting socially responsible purchasing practices which can be either internal (i.e. need to protect reputation, top management support, employee commitment, organisational culture) or external (i.e. government regulations, complying with international standards). Organizations seem to be more influenced by external rather than by internal drivers (Walker et al. 2008). From the quantitative and qualitative data, the main drivers that emerged are summarised in table 5.1 below and will be discussed in the subsequent sections:

**Table 5.1 Summary of factors that drive socially responsible purchasing practices**

<b>Quantitative Data</b>	<b>Qualitative Data</b>
Need to protect the reputation	International and governmental regulations
Top management support	Doing things right – responsible behaviour, due process for the protection of reputation
Employee commitment	
Organisational culture	
Government regulations	
Complying with international standards	

From the table, there are similarities in the quantitative and qualitative data. The similar constructs that emerged are the need to comply with international and governmental regulations and doing things right. Other constructs that emerged from the quantitative data were an organisational culture in which top management support and commitment on the part of the employees are categorised under. Some of these drivers are merged and categorised

under a unifying heading. Therefore, this section will evaluate the three categories of drivers of socially responsible purchasing as follows: (1) International and governmental regulations (2) Doing things right (3) Organisational characteristics

### **5.2.1 International and institutional compliance**

To be socially responsible means that adherence to rules and regulations are foremost conditions to be met. As there are global standards set out by international regulatory bodies, so are standards provided nationally. Compulsory factory inspection is carried out by government officials or regulatory bodies and even the organisations have the responsibility to carry out inspections on their suppliers' factory. Therefore, the organisations comply with the rules laid down. It can then be argued that it is more of a legal requirement that needs to be met than a voluntary action. Again, rather being ethical: As one informant puts it, there is *"need to abide by government rules and regulations of the country – for example, it is compulsory that officials of the government conduct factory inspection as well as the company"* (Senior manager, health & safety, CBNI3, indigenous). The informant mentioned that what drives them is because they have to comply with the regulations set out by international bodies as well as regulatory agencies within the country:

*"... need to abide by rules of regulatory authorities within and outside. For example, rules from world health organisation (WHO), NAFRS regulations, etc. Also, the need to comply with policies from regulatory bodies and international code of conduct"* (Manager, purchasing, Mineg1, indigenous).

Another informant mentioned the huge role of government in driving the responsible purchasing initiative. As one informant puts it: *"The government played a huge role in making us become socially responsible in our purchases... Sanction is placed on companies if they don't produce to standard or violate any regulation stipulated"* (Manager, human resources, AUB2, indigenous).

From the data, one might say some of the organisations fear government sanctions<sup>7</sup>. Digging deep into the interview, some of the informants mentioned the reason why they must comply with the rules and regulations.

The most prominent is because “... *if the company does not follow the policies, it will be sanctioned. Regulated bodies do a spot check on the company warehouse, production site, working environment etc. and the company could be penalised if it fails in any area*” (Manager, logistics & transport, Dapco, indigenous).

The feeling that they (the organisation) will be in trouble at the sight of the regulatory officials came up and from the response given by one of the key informants, there’s no need to be afraid of regulatory bodies who carry out inspections when things are done right as discussed in the previous section. The response of one informant describes it:

“... *The company feels they will be in trouble if NAFRS show up. They are not seen as partners but as obstacles, however, this notion is changing*” (Manager, purchasing, AUB3, indigenous).

Detailed comments by the informants are highlighted below:

“*The government plays a huge role in making us become socially responsible in our purchases. Sanction is placed on companies if they don’t produce to standard or violate any regulation stipulated*” (Manager, human resources, AUB2, indigenous).

“*The need to meet up with set goals, rules and regulations. Effluent water treatment - not waiting for NAFRS’s sanction.....Foreign, local and customs regulations*” (Manager, purchasing, CBNI2, indigenous).

“*To excel in compliance, there is need to abide by the rules of regulatory authorities within and outside. For example, rules from world health organisation (WHO) guiding advertisement, NAFRS regulations, etc Also, the need to comply with policies from regulatory bodies and international code of conduct*” (Manager, purchasing, Mineg1, indigenous)

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<sup>7</sup> The organisations are afraid of government’s sanctions and therefore are quick to abide by the rules and regulations to avoid being sanctioned for non-compliance.

*“We ensure that the producers and our suppliers are certified by NAFRS in order not to warrant any sanction from the government and for our certification not to be revoked (Purchasing, senior manager, Folafoods, indigenous).”*

*“The government is also a factor, if the company does not follow the policies, it will be sanctioned. Regulated bodies do a spot check on the company warehouse, production site, working environment etc and the company could be penalised if they fail in any area. The score given to the company based on their performance will build the company’s reputation or mere it (Senior manager, logistics & transport, Dapco, indigenous).”*

*“Need to abide by government rules and regulations of the country – for example, it is compulsory that officials of the government conduct factory inspection as well as the company (Senior manager, health & safety, CBNI3, indigenous).”*

### **5.2.2 The Role of the focal organisations**

Apart from the responsibility on the part of the focal organisations to comply with regulatory rules, they are also responsible to ensuring that their suppliers are compliant because failure to do this will have a negative impact on them (focal organisations). Therefore, they are involved in *“...conducting regular visits to suppliers' plant or factory no matter who they are...”* (Senior manager, health & safety, CBNI1, indigenous). Another manager corroborated the need to comply with regulations. As he puts it:

*“Sanction is placed on companies if they don’t produce to standard or violate any regulation stipulated”* (Manager, human resources, AUB2). For this reason, the organisations decided to *“...ensure that the producers and our suppliers are certified by NAFRS in order not to warrant any sanction from the government and for our certification not to be revoked”* (Purchasing, senior manager, Folafoods, indigenous).

They also *“...carry out an inspection of raw materials and finished-goods to ensure they (suppliers) meet the expected quality standard. Ensuring the company and its suppliers have (local and international standards certification such as) NAFRS, ISO 9001, 2008, 2001, 2004, 2005, SEDEX, and SON certification”* (Manager, purchasing, AUB3, indigenous). In fact, a manager puts it this way: *“...management ensure compliance so that there is no regulatory backlash...”* (Manager, marketing/sales, Stlenest, multinational).

Apart from ensuring health regulations are met, the organisation also carries out lab test through independent agencies to check for pest infection. The use of independent agency perhaps might be to avoid bias:

*“We ensure our raw materials meet up with health regulations as required by regulatory bodies such as NAFRS. We are careful about our supplier’s product by ensuring that they undergo lab test. For example, we check if some of the products that are farm produce are not affected by pesticides by taking samples from the silos for inspection and testing. Independent agencies issue clean report of findings on the health certificate indicating a conformity with standards”* (Senior manager, purchasing, AUB, indigenous).

### **5.2.3 Unattainable and confusing regulations?**

Although the organisations stated that government regulations drive them, the requirement is deemed to be too much and not easy to attain especially as it relates to their suppliers: *“Even when we want to source from local suppliers, government requirements for suppliers to be certified are sometimes enormous and the suppliers cannot get all the documents required for the certificate of incorporation to be issued...I believe not having feasible government policy that guides the procurement of raw materials discourages some companies from being socially responsible too”* (Manager, Purchasing, CAU1, indigenous).

The organisations are also of the view that these regulations are sometimes state-specific which makes it confusing. As an informant puts it: *“...regulations differ state by state regarding specification and this can be sometimes confusing and even some of us think it is unfair”* (Manager, purchasing, Colaco3, indigenous). A manager affirms the confusion inherent in the government regulations because *“suppliers sometimes complain that they don’t understand the government regulations”* (Human resources, manager, CAU3, indigenous). Confusion regarding the government regulations occurs in the account of another manager who claims: *“Conflicting and overlapping government regulations. The regulations given are not well spelt out and contradictory. This makes life difficult for companies ...”* (Purchasing, senior manager, AUB, indigenous).

From the quantitative and qualitative data, complying with international and local rules and regulations set out by regulatory bodies was one of the main driving factor of socially

responsible purchasing in the food and beverage industry as most of the key informants mentioned it. The governing policies on responsible purchasing given by the government to organisations are well spelt out and organisations are aware of the need to comply with these guiding rules. From the quantitative data gathered, 84.5% of the respondents agreed that compliance with government regulations is a driving factor to implementing socially responsible purchasing while 81.9% agreed that the need to comply with international standards is also a driving factor. The data is supported by the argument that regulatory authorities have been identified as drivers of sustainable sourcing practices (Delman et al. 2008, Min and Gale 2001). Organisations, therefore, cannot respond to the pressure of complying with regulations by focusing on their internal operations alone but need to govern their entire supply chain so as to guarantee responsible products and processes demanded by the stakeholders (Blome and Paulraj 2013).

It is argued that ISO 14001, which was developed in 1996 by the International Organisation for Standardisation (ISO), is one of the most widely adopted standards in CSR and is recognised as an international standard for environmental management. ISO for social responsibility standard (ISO 26000) is meant to provide guiding principles on social responsibility (Lee et al., 2009). These standards and principles guide the organisations' operations and supply chain process and they are expected to be adhered to.

The key informants mentioned that they strive to excel in compliance and therefore need to abide by rules of regulatory authorities within and outside. For example, rules from world health organisation (WHO) and international code of conduct. They mentioned that apart from them complying with regulations, they work at ensuring their suppliers comply to. They admitted that compliance is important as they do not want to be sanctioned. This is because, failure to comply will result in sanctions being placed by the government on the non-compliant organisation as some of the key informants pointed out: *“we ensure that the producers and our suppliers are certified by NAFRS in order not to warrant any sanction from the government and for our certification not to be revoked”* (Purchasing, senior manager, Folafoods, indigenous). The regulatory officials conduct compulsory factory inspection on the factories and because the organisations want to receive a clean report, they ensure they meet up with the required regulations.

Although sanctions may have their positive outcomes as was evidenced by the structured interview with the regulatory agency where 73.68% agreed that sanctions placed on defaulting organisations yield positive results, it is argued that despite lead organisations in sustainable supply chain management traditionally tending towards a strict compliance approach with a focus on negative sanctions against non-compliant suppliers, the approach has several disadvantages (Cramer et al., 2003), The first being that the suppliers may be tempted to cover up non-compliance for fear of losing business with buyers which in turn restricts transparency and prevents buyers' efforts to determine the performance of suppliers. Non-compliant suppliers especially in developing countries, risk being taken out from global value chains leading to further lowering their social and environmental standards. This observation is supported by Jorgensen and Knudsen (2006) who added that from a buyer point of view, the zero-tolerance approach can prove commercially unreasonable as it may limit the number of suppliers available in the marketplace. However, larger buying organisations are believed to be adopting a development-oriented approach in order to handle non-compliance issues through joint remediation plans rather than through negative sanctions (Jamison and Murdoch, 2004). This remediation plan might include the transfer of technology and capacity building initiatives which supports continuous improvement.

Although compliance with regulations was found to be a driving factor, ensuring strict compliance was found to be a bit difficult for the organisations and their suppliers. For example, regarding compliance with child labour laws, some of the key informants mentioned that 'it is not easy' and they 'try as much as possible to comply'. This was corroborated by the mix reactions gathered from the structured interview with the regulatory agency which shows that just 31.58% of the respondents agreed that the organisations comply with child labour laws, 26.32% disagreed while 42.11% neither agreed nor disagreed. However, when asked if the suppliers comply with set standards as 47.37% the respondents from the regulatory bodies agreed while 21.05% disagreed. 31.58% were in-between. This shows that not all the suppliers comply with set standards. It was observed that among organisations that have initiated work with social issues, the degree of deployment and integration of internal policies can be significantly different. Majority of the organisations have developed internal policies and probably put demands on suppliers but have not yet moved ahead to ensure that suppliers strictly comply with the policies (Murray, 2003). There is difficulty in monitoring the organisations to ensure that they are complying with set regulations and standards and compliance are rather complicated as regulations vary by

country, state or city (Koplin, Beske, and Seuring, 2007; Nidumolu, Prahalad, and Rangaswami, 2009). This might be attributed to the fact that each country and organisations have various acceptable standards regarding sustainability practices due to different environmental circumstances in various locations. It is also argued that it will be difficult to gain cooperation from organisations and not all suppliers will be comfortable with restrictions placed on them which will, therefore, limit supply options (Koplin, Beske, and Seuring, 2007).

### 5.3 Seen as doing the right thing

Aside from the need to comply with regulations, being perceived and seen as a socially responsible organisation is another key factor that drives the socially responsible purchasing initiative. The organisations ensure that they are doing things right by making sure their best practices are focused in the right direction and geared towards satisfaction of the ‘people’ in which there is no discrimination. It can, therefore, be argued that the organisations’ decision to be ethical is a driver. As one informant puts it:

*“Doing the right things, environmentally friendly and best practice within the industry... Being socially responsible to the society we are in. We believe the community our company is situated should benefit from us...”* (Manager, purchasing, AUB3, indigenous).

In the bid to do the right thing, the organisations believe there should be no discrimination regarding how the society is treated. An informant puts it this way: *“It is important because an organisation must be socially responsible and .... it must be seen to be non-discriminatory”* (Manager, Purchasing, CAU1, indigenous). When the organisation involves in doing things right, their confidence is *built “... because the company cannot be closed if doing things right, (but) are rather given pass mark or areas for improvement provided”* (Manager, purchasing, AUB3, indigenous).

Looking at the broad spectrum of the divide - whether the decision of the organisation to do the right thing is legal or voluntary, one might say it is more of a voluntary act than a legal requirement. To determine whether it has an ethical undertone or not, one might say it ethically focused than being unethical. Apart from doing the right thing to satisfy the society (people focused), the organisations want to be perceived as a socially responsible

organisation – as they are environmentally friendly by contributing to reducing waste (environmental focused). As one informant put it:

*“We also want to be seen as a socially responsible organisation, seen as contributing our quota to environmental management by reducing the impact of waste on the environment”* (Executive manager, purchasing, Levuni, multinational).

If the organisations don't do the right thing, this will impact negatively on the perception consumers have about them and on their profit too: “If NAFRS carry out checks and standards are not met, the consumers' confidence will be lost and money will definitely be lost because our products will not be bought...” So, *“...in order to avoid this, we follow due diligence by inspecting materials supplied by our suppliers before accepting them for production. When we order our supplies from abroad, we still follow the process of inspection. However, this is sometimes costly, considering the time value of money, cost of transportation to the port to carry out inspection and so on. If there is any dispute as per the quality, that cost us a lot as well because we have to involve the regulatory bodies and law enforcement agencies who will always want us to give them money before they do anything”* (Senior manager, purchasing, Colaco3, indigenous)

Following due process is an aspect of doing the right thing. The concept of due process came up strongly in the organisations' responsible purchasing bid. When asked about what their perception of socially responsible purchasing mean, most of their responses pointed towards following due process while carrying out purchases: *“I see it as exhibiting integrity ... in a purchasing process and also following guiding principles and due process laid down by the company...that will guide the purchasing process especially when it is beneficial to the society and consumers, the rules are expected to be followed through by both the management and employees of the company”* (Purchasing, senior manager, AUB1, indigenous).

As the key informant implies, the organisation ensure due diligence is carried out during their purchasing process in relations with their suppliers:

*“When sourcing for suppliers, our company ensure that due diligence check is made on the vendor and making sure they are not associated with something against sourcing or public policy” (supplier guiding principles<sup>8</sup>) ...” (Manager, quality control, Buricad, multinational).*

Another informant described what their organisation does: *“We carry out fair bidding process when choosing our suppliers, that is, sourcing rightly. After doing that, we ensure that they are monitored.... Our suppliers undergo SEDEX audit which is an internationally agreed audit for suppliers...”* (Senior manager, purchasing, Stlenest3, indigenous).

For the avoidance of bias, due process is carried out by the organisation by taking the appropriate and necessary steps in their bidding procedure – as one informant describes it in detail: *“During the bidding process our suppliers submit proposals and we look at the technical capability, compatibility, source of raw materials, their social responsibility, behaviour or attitude impacting on the environment... The purchasing department ... make independent findings to avoid bias”* (Manager, purchasing, CBNI2, indigenous).

When the survey respondents stated that protection of their reputation is a driving factor, it means that their organisations ensure they do the right thing in their purchasing and supply process so that their reputations will not be jeopardised. Ensuring due diligence in purchasing and supply is ensuring that the right process is followed when choosing suppliers. In any purchasing or procurement processes, it is expected that organisations adhere to due process. From the quantitative data, the majority (93.9%) agreed that the need to be seen as doing the right thing is a driving factor in the implementation of socially responsible purchasing practices.

The key informants during the interviews also admitted that they need to be seen as a responsible organisation drives them to implement socially responsible purchasing practices. They mentioned that ensuring best practices and set standards are followed to the letter within their organisation, ensuring equality amongst employees and suppliers no matter who is involved and being socially responsible to the society with all sense of integrity is essential for social sustainability.

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<sup>8</sup> Supplier guiding principles. This was explained in chapter four

However, data gathered from the regulatory bodies indicated that 42.11% of the respondents agreed that the organisations ensure equality in their work environment while 47.37% were undecided. When asked about whether the organisations ensure health and safety of their employees, the result showed that 42.11% of the regulatory agents agreed while 42.11% neither agreed nor disagreed. Again, regarding the question about the organizations' consideration of the society during their purchasing and supply process, the result showed that 42.10% of the regulatory agents agreed while 42.11% were neither agreed nor disagreed. This shows a mixed feeling and one can say that the organisations might not totally exhibit due diligence in their responsible purchasing and supply bid.

Private and public organisations are receiving increasing attention from various stakeholders for their social performance, which includes not only how they treat their workers and communities where their operations are located, but increasingly they are asked about the social profile of their suppliers and how they treat their workers and communities where they operate (Mont and Leire 2009). Due process, therefore, requires that set standards of behaviour and procedures must be followed by any organisation, this. The researcher believes is to ensure that the companies do not encroach on consumers' rights to good quality products and safe environment. The key informants view socially responsible purchasing as demonstrating transparency and integrity and following the laid down rules while engaging in their purchasing process. The managers see it as not being partial regarding choosing their suppliers or having a relationship with them. They believe both suppliers and staff members are to be treated with respect no matter their status. The stakeholders' perception of the organisations' due diligence will help in maintaining their reputation and the various elements of socially responsible purchasing can significantly improve brand image, firm reputation, and goodwill amongst key stakeholders (Maignan and Ferrell 2004).

The intention of the organisations to do the right thing is voluntary in nature and deemed to be exhibiting ethical responsibilities towards various stakeholders. The key informants noted that their organisation sometimes feels that "they will be in trouble if the regulatory bodies show up and they are not seen as partners but as obstacles, however, the notion is changing because the company cannot be closed if they are doing things right" Manager, purchasing, AUB3, indigenous). They believe a pass mark will either be given or areas of improvement provided. Ethical responsibilities mean transacting businesses in a manner expected and seen by society as being fair and reasonable even though not legally compelled (Carter and

Jennings, 2004). When things are not done rightly, it results in negative implications, a situation which the organisations try to avoid. Research carried out on public boycotts of companies' products such as Shell, Nike, and Gap on the ground of social responsibility and commitment have been witnessed. Low wages, human rights, child labour and environmental pollution were the issues raised (Lee et al., 2009).

Eltantawy, Fox, and Giunipero (2009) view socially responsible purchasing as managing the optimal flow of high quality, value-for-money materials, components or services from a suitable set of innovative suppliers in a fair, consistent, and reasonable manner that meets or exceeds societal norms, even though not legally required. When viewed through the lens of voluntary and legal responsibility, one can say following due diligence in the purchasing and supply process is more of a voluntary responsibility. This is because due diligence is going above and beyond just adhering to laws but sincerely consideration of the good of the society.

#### **5.4 Organisational behaviour**

From the quantitative result, the positive culture and behaviour of the top management and employees' commitment towards the adoption and implementation of their socially responsible purchasing practices came up as one of the main drivers. The result showed that 88.6% of the respondents agreed that the support they received from their top management facilitates the implementation of socially responsible purchasing practices. 87.2% agreed that their commitment to the successful implementation of the practices is another motivating factor while 84.6% agreed that the corporate culture of their organisations is another driving factor to socially responsible purchasing practices.

The key informants mentioned that their top management plays an important role in driving the implementation of socially responsible purchasing practices. Their responses are noted below:

*“We have corporate policies and guiding principles guiding our purchasing. It is not about one person; it is a deliberate attempt by the company's top management”* (Manager, Purchasing, CAU1, indigenous)

*“Top management support is a factor – management makes part of the business strategy to be top-down not bottom-up. This encourages everybody to support the success of the initiative” (Purchasing, senior manager, Colaco5, indigenous).*

*“Support we receive from management who are involved in making key objectives in order to increase sustainable suppliers, enquiring how raw materials such as cocoa is sourced globally and ensuring ethical and fair trade. Management ensures compliance so that there is no regulatory backlash and we are within budget (Manager, marketing/sales, Stlenest, multinational).*

More informants mentioned that:

*“Top management support - No bureaucracy in decision making, no long hierarchy of reporting and request are addressed” (Purchasing, senior manager, AUB1, indigenous).*

*“Management and executive support- money needed to implement the practice are made available and staff members are being trained in order to have an understanding of the practices” (Manager, human resources, AUB2, indigenous).*

*“Top management buy into what the members of staff want to do when they present ideas to management, make necessary arrangements. Management coordinate all activities to deliver and ensure the policies are implemented” (Staff, production, Comfoods, indigenous).*

*“We receive support from our top management who receives a go ahead from the senior directors of the parent company. Top management takes decision from the parent company. However, if there is weak top management, it will affect the implementation of our project, for example provision of health and safety measures and training” (Senior manager, health & safety, CBNI1, indigenous).*

*“The group office manages activities and gives assistance to us. Our top management supports most of the practices when initiated but they escalate things that are beyond their area of influence” (Manager, purchasing, CBNI2, indigenous).*

*“We receive support from the regional director. This is because the benefits that will accrue to the staff and customers are put into consideration. However, if the regional director does*

*not believe in the project, approval might not be given and our top management here will have to work hard to convince them”* (Senior manager, purchasing, Colaco4, indigenous).

The result also corroborates the argument that top management support is a key driver for socially responsible purchasing practice since top executives are responsible for what goes on in the organisation and therefore are likely to influence the culture of the organisation. Top management support and organisational values are seen to be the principal internal drivers of socially responsible purchasing practices (Walker et al., 2008; Carter and Jennings 2002).

From previous research, it was discovered that top management leadership, people-oriented organisational culture, employee initiatives and customer pressure will lead to an increased level of purchasing social responsibility (Carter and Jennings, 2004). Some key drivers and determinants of socially responsible purchasing identified by Carter and Jennings (2002) include management leadership, people-oriented organisational culture, customer pressures and employee initiatives. From their study, they found that people-oriented organisational culture and individual values are the most powerful determinants of socially responsible purchasing. Similarly, employee initiatives and values, organisational size, organisational culture and top management leadership, government regulations and customer pressure are presented as drivers of socially responsible purchasing (Carter and Jennings, 2004). The reason why top management is argued to be important is attributed to the issue of resources since top management ensure and deploy organisational resources to meet each departmental objectives and the organisation's strategic goals (Hoejimose and Adrien-Kirby, 2012).

Again, people-oriented organisational culture, employee initiatives, and customer pressure have been argued to lead to an increased level of socially responsible purchasing (Carter and Jennings 2004; Cambra-Fierro et al., 2008). Employees' influence on an organisation's socially responsible purchasing activities has also been identified as a significant driver (Park and Stoel, 2005; Carter and Jennings, 2002). In support, the values of employees are believed to have a significant influence on socially responsible purchasing (Salam, 2009).

## 5.5 Identifying the barriers

While there are drivers that influence organisations to adopt socially responsible purchasing practices, there are some factors that prevent the organisations from adopting the practices. In the emerging Nigerian economies, the industrial and institutional environment is faced with instability and different risks - this is shown by some of the impeding factors described by some of the respondents and key informants. This section considers what the informants claimed are barriers to the implementation of their socially responsible purchasing practices. Although the majority of the organisations are involved in socially responsible purchasing, they are beclouded with factors they impede their success. The impeding factors to socially responsible purchasing initiatives in the food and beverage sector are found to be enormous. However, the prominent factors discovered from the findings will be discussed. Most of the key informants described the major barriers as; trust issue such as lack of transparency and corruption; unexpected high cost such as cost of supplier visits, audits and/or switching, cost of logistics, employee related cost, cost of supplier development; and risk of failure regarding successfully carrying responsible initiatives which for example are, loss due to supplier negligence, inconsistent government policies due to instability.

From the quantitative result, high operating cost, suppliers' non-compliance with regulations, lack of employee skills regarding some of the responsible purchasing practices and the risk involved in their implementation emerged as the main barriers to socially responsible purchasing practices in the food and beverage organisations. Interestingly, the qualitative findings indicated that high cost and the risk of failure emerged as main barriers. However, the issue of trust also came up strongly from the qualitative data. From the quantitative and qualitative data, the main barriers that emerged are summarised in table 6.4 below and will be discussed in the subsequent sections:

**Table 5.2 Summary of factors that impede socially responsible purchasing practices**

<b>Quantitative Data</b>	<b>Qualitative Data</b>
High cost	High costs
Suppliers' non-compliance with regulations	Trust issues – Lack of transparency, corruption level
Lack of skills	Risk of failure of the business
The risk involved in successful implementation of socially responsible purchasing	

From table 5.2, there are similarities in the quantitative and qualitative findings. The similar constructs that emerged as barriers are the high operating cost and risk involved in the implementation. Other constructs that emerged strongly from the quantitative data were suppliers' non-compliance with regulations and lack of employee skills to implement the practices. Also, the issue of trust (for example, lack of transparency and corruption) regarding the organisations socially responsible purchasing bid came up from the qualitative findings. These findings resonate with some of the findings from literature, which posits that barriers to socially responsible purchasing practices comprise of the lack of financial resources, lack of skills, training and information on how to develop and implement socially responsible purchasing regarding social and ethical aspects, lack of legislation, lack of top management commitment/support for the initiation and implementation phases of socially responsible purchasing (Mont and Leire, 2008; Berns et al., 2009). This section, therefore, will evaluate the main barriers to socially responsible purchasing practices under five categories as follows: (1) High cost (2) Suppliers' non-compliance with regulations (3) Trust issues (4) Lack of skills (5) Risk involved.

### **5.5.1 High operating costs**

The concept of costs in any business is an issue that cannot be neglected. As discovered from the data, it is expensive to be socially responsible within the supply chain process. Simply put by an informant: "*Operational cost incurred is a major barrier*", especially trying to source responsibly: "...Overall, we know that buying responsibly is not cheap" (Executive manager, purchasing, Levuni, multinational) for example, buying from accredited suppliers, sourcing for eco-friendly products, buying from local suppliers who do not engage in child labour, being philanthropic etc.:

*"...Sourcing promotional materials directly from China or through a foreign intermediary may not be cheap compared to buying locally... From experience, I think being eco-friendly is more expensive for example buying cellophane is cheaper compared with other eco-friendly products"* (Manager, Purchasing, CAU1, indigenous).

Another informant confirmed the cost associated with buying from accredited suppliers: "*Our suppliers are highly regulated and therefore we have to purchase from accredited suppliers*

*or distributors even if their prices are high...*” (Senior manager, purchasing, Folafoods, indigenous).

Having to source for machines (for production) that are meant to be environmentally friendly is deemed to be costly which impedes being socially responsible – as one informant puts it: *“Cost of operation is a major barrier. For example, cost of importation of environmentally friendly machinery that will be used to produce”* (Manager, purchasing, CBNI2, indigenous). As discussed in the previous section when the regulatory agency representatives inspect the premises for compliance, the organisation ensures that they carry out due diligence with their suppliers (in order not to be sanctioned) even though it can be costly:

*“... we follow due diligence by inspecting materials supplied by our suppliers before accepting them for production. When we order our supplies from abroad, we still follow the process of inspection. However, this is sometimes costly, considering the time value of money, cost of transportation to the port to carry out inspection and so on”* (Senior manager, purchasing, Colaco3, indigenous).

Despite carrying out due diligence with the suppliers, if there is any dispute regarding the products, it costs the organisation too because of the money spent before the issue is resolved, for example having to pay the law enforcement officers for them to act. This is in relation to the discussion in section on corruption:

*“...If there is any dispute as per the quality, that cost us a lot as well because we have to involve the regulatory bodies and law enforcement agencies who will always want us to give them money before they do anything”* (Senior manager, purchasing, Colaco3, indigenous).

It is a general belief that the main goal of most manufacturing organisations is to ensure the nonstop flow of raw materials at the lowest possible cost. Costs can be deemed to mean the expenditure that organisations incur in the course of producing and transporting a product or service to market. These costs may include the cost of materials, operating cost, overhead cost, transportation cost and so on. Before setting a price for their products, the manufacturing organisations consider these costs so that their profits will not be affected. They want to be as cost-efficient as possible, have a cost advantage and as well be socially responsible. Other costs involved in the implementation of socially responsible purchasing practices are the cost of production, supplier visit, quality assurance, product specifications, product registration, training of employees for technical know-how, carrying out

philanthropic responsibilities and having to source locally. As stated by some of the key informants, the suppliers sometimes do not meet up with demands and the raw materials may not meet specific standards at times. If they buy from accredited suppliers, their prices are too expensive and this affects the cost of production which invariably will affect the price of the final product in which the consumers' (the people) spending will be affected. Some of the key informants mentioned that their organisation sometimes does not have the budget to embark on the project and therefore, the community will see them as being irresponsible. The quantitative results also confirm this as 70.1% of the respondents agreed that high operational cost involved in implementing socially responsible purchasing is a main barrier to the successful implementation. The high cost incurred during the adoption and implementation of socially responsible purchasing has been viewed as a barrier.

When the regulatory agents were asked if complying with standards increases running cost of the organisations, 78.95% agreed. This supports the earlier submission of the key informants and the responses from the survey. The findings from the research also resonate with the argument that engaging in responsible business activities are costly (Krause et al. 2009; Curkovic and Sroufe 2007; Orsato, 2006; Krause, 1999).

### **Mixed feeling**

Despite the statements by the informants that cost stands as a barrier to being socially responsible in their supply chain process, some of them have mixed feelings about the effect of cost on quality in the long run. Looking at it from another perspective, they believe operating in an unrestricted market where the price of the goods is governed by forces of demand and supply but not by government policies will allow manufacturing organisations purchase raw materials at a cheaper price whether they are of the right quality or not. As one informant put it: “...*The open market is usually cheaper which makes us have mixed feelings regarding cost and quality*” (Senior manager, purchasing, Folafoods, indigenous). Apart from the feeling regarding the relationship between cost and product quality, some of the informants described their feeling regarding cost-benefit ratio:

*“The cost incurred in trying to be responsible in terms of ... suppliers who sell expensive products and cost of having to visit them. However, when we compare the benefits of investing in these practices and the cost, the benefit outweighs the cost”* (Manager, Quality control, Mineg3, indigenous).

The mixed feeling was also described by another informant: *“There is huge cost involved in being environmentally conscious and carrying out project for community support but it pays off because since the community is our customers, our service to them promotes goodwill and invariably results in patronage and then increase in profit”* (Manager, quality control, Levuni2, multinational). If there is a balance between the foreign exchange used in purchasing imported materials and the resultant increase in cost, the cost is recovered - As one informant described it:

*“...when raw materials are imported, foreign exchanged is sourced which may be high and therefore results to increase in cost. However, when this is balanced the cost is recouped and the company remains in the market”* (Senior Manager, Purchasing, AUB, indigenous). The balance here is believed to be in terms of producing the right quality products which will result in high sales and subsequent high turnover.

There is a cost attached to product specification, however, the informants believed it pays off in the long run. As one informant puts it: *“ISO 9000 specification cost more but in the long run, it is to the benefit of the company. This is because, abiding by the rules of ensuring that our suppliers’ products are in line with the required specifications will make us produce the right product and this increases our market penetration and also increases our profit”* (Manager, purchasing, Mineg1, indigenous).

Other informants relate the cost incurred to make sure employees’ health and safety which is a legal requirement, and cost of supporting local charities (philanthropy) as being beneficial in the long term: *“Spending money on employees’ health and safety in the workplace environment. Although the practices are costly, in the long run, they pay off”* (Manager, purchasing, Colaco4, indigenous). Another informant described it this way: *“Supporting local community increases the money we spend, however, it has a positive impact on customer and community satisfaction”* (Manager, Quality control, Mineg3, indigenous).

Some of the informants believe that cost should not be a problem as it will yield some benefits in the long run. They believe the cost of investing in their suppliers and in socially responsible purchasing practices has a short-term impact on their organisation but in the long run, it is beneficial to them. This notion is supported by the argument that by working closely with minority suppliers and developing them, buying organisations can afterward improve

their overall performance (Krause, 1999). Also, it is argued that socially oriented management of suppliers can positively impact the key relationships with suppliers, thereby significantly reducing transaction cost and also create irreproducible relational resources (Davis, (2008) and Williamson, (2008). Suppliers that are sensitive to environmental and social issues in their operations can provide purchasing organisations with an increased efficiency, a reduced likelihood of supply disruption and safeguard the firm's image. This, however, is in contrast with the argument that becoming environmentally friendly will increase costs and therefore will not produce immediate financial benefits (Nidumolu, Prahalad, and Rangaswami, 2009).

### **5.5.2 Suppliers' non-compliance**

It is argued that suppliers have a large and direct impact on cost, quality, speed, and responsiveness of buying companies (Ragatz, Handfield and Scannell, 1997). Therefore, as organisations are managing their social impacts, it is important that they monitor their suppliers since the suppliers' performance have a role to play in the organisations' performance. For this reason, the compliance of suppliers with regulations (such as ensuring waste reduction, complying with child labour laws, ensuring a safe environment, the supply of standard products) should be of paramount importance to the organisations. From the quantitative results, 75.2% of the survey respondents agreed that their suppliers' inability to comply with regulations stands as a barrier to the successful implementation of socially responsible purchasing practices. Although it was not mentioned expressly in the interview data, it could be deduced from the key informants' responses that some suppliers' inability to comply with regulations was also a challenge to them. This is because of the organisations and even the regulatory bodies carry out supplier visits to ensure they comply with the code of conduct and other regulations. From the result gathered from the regulatory bodies regarding suppliers' compliance as discussed in the previous section - International and institutional compliance, it is evidenced that not all the suppliers are compliant.

Some of the organisations challenge suppliers to commit to waste reduction goals, work at reducing packaging materials, and assess the environmental responsibility of suppliers. Also, previous studies show that manufacturing and service industries ensure that suppliers comply with child labour laws, render fair compensation to workers, are operating in a safe manner, ensure safe, incoming movement of products to their facilities and as well donate to

community organisations (Cater, 2004). However, evidence from the quantitative and qualitative data show that some of the suppliers do not comply with these set rules. Therefore, organisations seek to verify supplier performance through various types of audits, including documentation and on-site inspections of supplier facilities (Felman and Smith, 2003). This might be attributed to the fact that suppliers often lack understanding of social perspective or find the codes of conduct to be a nuisance, especially since they may not be reflected in or enforced by local law. The inability of the suppliers to comply with the code of conduct is because of the conflict between what the suppliers are meant to do within the continuously decreasing margins and another reason is that suppliers have several different codes of conduct to follow which might include conflicting requirements (Welford and Frost, 2006).

It is observed that the issue facing purchasing managers is no longer about buying the right products at the right time and at the right price but the issue is managing relationships with their suppliers over a long period (Wisner, Tan, and Leong, 2014). If the relationship is not well managed, failure of the suppliers will affect the organisations negatively. Also, non-compliant suppliers especially in developing countries, risk being taken out from global value chains leading to further lowering their social and environmental standards (Cramer et al., 2003).

In order to curb or reduce the occurrence of non-compliance, some organisations have introduced strict sanctions. However, it is argued that although organisations in sustainable supply chain management traditionally tend towards a strict compliance approach with a focus on negative sanctions against non-compliant suppliers, the approach has several disadvantages. The first is that the suppliers may be drawn to cover up non-compliance for fear of losing business with buyers which in turn restricts transparency and prevents buyers' efforts to determine the performance of suppliers. However, the onus lies on the buying organisation to work on averting the risks since it is essential for them to be responsible in their purchases as posited, ethical risks create a need for purchasing managers to create new processes for supervising suppliers' operations (Bjorklund, 2010).

According to Berky and Hensel (2011), as the regulatory bodies who promulgate regulations at the local, state, federal and international levels increases, it will result in the regulations being in conflict with one another. The multinationals tend to experience conflict between the

federal and internal regulatory bodies especially regarding advertisement and channel intermediaries. However, there is need to advocate dialogue with suppliers and working toward partnership as important in developing positive social responsibility in the supply chain (De Vlieger 2006; and van Tulder, van Wijk, and Kolk, 2009).

## **5.6 Trust issues in the institutional environment**

From the informants' responses, it is interesting to know that lack of transparency in relation to being socially responsible is a two-way concept. The government seems not to trust the organisations while the organisations are in doubt when it comes to how transparent the government is. As one informant puts it: “...*The government always think the company wants to deceive the customers...*” (Manager, purchasing, CBNI2, indigenous). This issue is reflected by another informant who said: “... *some companies pay extra to get their certificates and our company's management will not want to do that*” (Manager, purchasing, Colaco3, indigenous).

### **5.6.1 Lack of transparency**

During the interviews, the issue of lack of transparency came up strongly. On, one side of the divide regarding government-organisation trust issues, the informants believe the government officials are not open enough to the reports they file when a visit is carried out at the organisation. This might be attributed to the officials being partial as discussed in the previous section about the officials covering up for some companies – as an informant puts it: “...*we are concerned about the lack of transparency amongst the government regulatory officers in being sincere with the report they give regarding their visits to the company*” (Manager, purchasing, Mineg1, indigenous).

In fact, previous experience with the officials regarding lack of transparency came up: “*Previous incidences of lack of transparency...on the part of monitoring agencies*” (Senior manager, health & safety, CBNI3, indigenous). Another account given by an informant shows that the issue of lack of transparency is considered a barrier to their socially responsible initiatives. The unpalatable economic situation was mentioned as the possible reason – as one informant puts it:

*“Some government officials are not transparent and some even request for money in order for them to give a 100% clean bill... He continues: “this is happening as a result of the current economic situation in the country”* (Senior manager, purchasing, Stlenest 3, multinational).

Also, there is a two-way divide regarding trust between the organisations and their suppliers. The suppliers would want to be awarded the contract even when they don't have the required standard. However, some of the organisations are transparent in their sourcing process:

*“We exhibit integrity and transparency in our purchasing process and also follow guiding principles and due process laid down by the company.” The company's management decides on rules that will guide the company's purchasing processes and tailor it towards being beneficial to consumers and the society at large. This improves our level of reputation”* (Purchasing, senior manager, AUB1, indigenous).

Despite this, some employees are deemed not to be transparent in their dealings with some suppliers because *“sometimes, some staff members are involved in the shady business of receiving money from suppliers even when they don't supply the right quality”* (Staff, purchasing, Milsab, indigenous).

Another informant mentioned that: *“... we are concerned about the lack of transparency amongst the government regulatory officers in being sincere with the report they give regarding their visits to companies”* (Manager, purchasing, Mineg1, indigenous).

The issue of lack of transparency as a barrier in the institutional environment resonates with previous authors (Amaeshi et al, 2016; Amaeshi and Amao, 2009). They posit that there is an institutional void within the corporate governance of organisations in the Nigerian context.

### **5.6.2 Corruption in the supply chain environment**

The key informants unanimously believe they are operating in a corrupt society especially when it comes to being socially responsible in their purchasing process – this fact may buttress their responses to the issue of bribery and corruption.

Like the issue of transparency discussed in the previous section, the Nigerian social and institutional environment is beguiled with corruption. The government officials who are

expected to carry out inspection, spot checks and audit to reveal whether the organisations are indeed socially responsible regarding their sourcing process (for example use of underage workers), do the contrary after receiving bribes especially when the organisation in question is not exhibiting responsible purchasing practices:

*“Another barrier is the level of corruption regarding bribe being given to government officials who visit companies...”* (Manager, quality control, Levuni2, multinational). Apart from organisations giving the officials bribe for them not to be audited or checked for their social responsibility, the officials request for it. As one informant puts it: *“Some government officials... even request for money ... This is quite discouraging”* (Senior manager, purchasing, Stlenest3, multinational).

Covering up for unethical practices is a subject for concern. However, this seems to be a usual occurrence in the majority of the Nigerian business environment: *“Some government officials are known to cover up for companies as long as they are given bribe...”* (Staff, purchasing, Milsab, indigenous). The issue then is not whether the organisation is socially responsible in its operations but how much they can offer since they know they can ‘pay their way through’ and avoid being penalised. They know the officials will favour them if they play their cards right and less likely to be caught being irresponsible. As discussed in the previous section, there is no fairness exhibited by some of the officials representing the government regulatory agencies. An account of one informant describes this:

*“Level of corruption on the part of government officials. They favour one company to another not based on performance but on the bribe received. This is disturbing to us”* (Manager, human resources, CAU3, indigenous).

This act of covering up can be deemed to be unethical and the consideration of the people and the environment is not considered as a priority. Another informant corroborated the unethical act of the government officials: *“Some officials may want to cover up for the company since they have received kickback”* (Manager, purchasing, AUB3, indigenous). As discussed in the previous section, lack of transparency, some of the employees are involved in corrupt practices too as they receive a bribe from suppliers despite not having standard products. As one informant puts it:

*“The risk involved ... For example, fear of suppliers supplying substandard products because they want to cut corners of not following due process or if they bribe the person in charge of supplies”* (Senior manager, purchasing, Colaco4, indigenous).

Detailed responses of the key informants are noted below:

*“Level of corruption on the part of company staff and the government- ability to push things is very difficult. (Manager, human resources, AUB2, indigenous).*

*“Strict policy of giving government officials or paying agency fees.....Top management can sometimes be supportive and sometimes not. Sometimes when board members go the ministries or parastatal, the government officials will not state the exact issues because of the respect they have for them....Some companies pay extra to get their certificates and our company’s management will not want to do that. (Manager, purchasing, Colaco3, indigenous)*

*“Some government officials are known to cover up for companies as long as they are given bribe...sometimes, some staff members are involved in shady businesses of receiving money from suppliers even when they don’t supply the right quality” (Staff, purchasing, Milsab, indigenous).*

The above informants’ response is corroborated by Adegbite, et al. (2012), who posit that apart from the enormous irregularities within the political elections in Nigeria, the post-independent political structure and culture replicates the country’s legendary corruption. During the military rule, corruption thrived and became the Nigerian ‘way of life’.

Since Nigeria lacked the institutional capacity to address corruption, the acrimony has become endemic. Political corruption has been unintentionally encouraged as there are limited pieces of evidence of successful prosecution of corrupt political office holders (Adegbite, et al., 2012). Trust issues in the purchasing and supply chain process include the problem of ethics and transparency on the part of employees, suppliers and the government, and the issue of corruption in the bid to avoid being caught performing irresponsible practices. As discussed in the previous section on suppliers’ non-compliance, when suppliers do not abide by set standards, they tend to cover up. Even consumers have trust issues with some organisations regarding the standard of raw materials purchased and the finished products. According to research, the trust consumers have in organisations have reduced compared to what it used to be. Also, almost 50% of them have changed companies or switched brands in the past year, the reason being to save money or because they believe the new food will be safer. (Sperry, 2014).

When asked about the barriers to the successful implementation of their socially responsible purchasing, the key informants pointed out that the issue of lack of transparency and corruption was a major concern. The informants noted that sometimes, the purchasing manager may be involved in some shady business with suppliers such as requesting that the supplier inflate prices of materials to be ordered and thereafter receive his/her own cut. However, it is the responsibility of the organisation to curb the unethical attitude. As evident in the existing literature, buying firms around the world are increasingly held responsible for the unethical behaviour of their suppliers (Locke and Romis, 2007; Amaeshi, Osuji and Nnodim, 2008).

The organisations also noted that there are some organisations who offer bribes to regulatory officials in order not to be audited or checked for social responsibility practices. It is a general belief that corruption is a threat to economic growth. Tackling corruption is some issue organisations need to pay attention to. Based on the option of 'other' in the questionnaire, the respondents noted fraudulent activities as a barrier to the successful implement of their socially responsible purchasing practices. Although a small percentage noted this, it is obvious that the issue of corruption was a challenge. This supports the argument that ethical issues in buyer-supplier relationships consist of two unique dimensions. The first dimension, is termed as "deceitful practices," and includes activities such as using vague contract terms to gain the advantage of suppliers; the second dimension, which is "subtle practices," includes activities that are difficult to grasp such as showing favouritism when selecting suppliers (Carter 2000a).

Based on the key informants' submission, it is believed that some government officials who are supposed to ensure compliance with regulations are the culprit. They visit the suppliers' warehouses and sometimes do not give a true picture of what they discovered because of the kickback. On their visits to the manufacturers' factories and business offices, they tend to give a favourable report about the organisations that give them bribe even when they do not deserve a clean bill not minding the negative impact on the society. This discourages other organisations and they seem to feel there is no need to implement or continue with responsible purchasing practices.

Some of the organisations still encourage child labour in their supply chain. The scenario seems to be a situation where citizens are engulfed in poverty and unethical officials can be

bought over. The public or private sector corruption is not only about money missing, but it's also about people's lives and this calls for concern. However, some of the manufacturing organisations who have a clean bill report take it upon themselves to purchase from responsible suppliers. Many organisations have adopted international standards and/or their own codes of conducts for suppliers and the reasons for these are to build trust and credibility, meet legal compliance requirements, gain certification, improve management systems through the use of standards and gain stakeholder confidence

Even though corruption is a world-wide phenomenon, it seems to be more rooted in developing economies. According to the corruption perceptions index where a country or territory's score shows the perceived level of public sector corruption on a scale of 0 (highly corrupt) to 100 (very clean), the 2015 report showed that Nigeria scored 27 which is actually low signifying that corruption is high. Nigeria was also ranked 136 out of 167 countries worldwide. Unlike the Britain who in 2010 launched the UK Bribery Act, Nigeria is yet to figure out how to outlaw bribery and corruption happening in private businesses or government parastatals. Buying organisations are expected to ensure that bribery is not encouraged and the culture of ethics need to be firmly inculcated in the staff and suppliers. Corruption as a barrier to the adoption and implementation of socially responsible purchasing in the Nigeria food and beverage industry is a major concern. The issue of corruption in social sustainability is not prominent in the literature, therefore it stands to be part of the contribution to knowledge.

### **5.7 Lack of skills**

Lack of skills on the part of employees means not having the necessary technical know-how regarding the implementation of some of the socially responsible purchasing practices. For example, ensuring health and safety in the working environment requires that they have the skills necessary to handle some machinery and any hazardous substance during production. If this is lacking, it will affect production and if any accident occurs, the reputation of the organisation might be affected. From the quantitative result, over half of the respondents (66.4%) indicated and agreed that lack of skills and/information is one of the barriers to the successful implementation of socially responsible purchasing. Although not very prominent from the interview data, some of the key informants mentioned the difficulty in adapting to

change as a result of lack of skills and education as a barrier. When asked if employees' lack of education/skills contribute to non-compliance with standards, the result indicated that 63.16% agreed. This shows that skills acquisition is essential in carrying out socially responsible purchasing practices. This is consistent with previous authors' views that barriers compose of lack of skills, training and information on how to develop and implement socially responsible purchasing regarding social and ethical aspects (Mont and Leire, 2008; Berns et al., 2009). Skilled knowledge to prepare tender documents which include elaborate information about product characteristics is also needed. The organisations cannot afford to get it wrong. Purchasing or procurement officers lacking appropriate skills, expertise and knowledge needed to integrate social clauses into purchasing may constitute a barrier to socially responsible purchasing (Vassallo et al., 2008). The management of peoples' skills is essential in social sustainability, if this is lacking, it will have a negative implication on the successful implementation of socially responsible purchasing practice. Social sustainability is concerned with the management of social resources, including people's skills and abilities, institutions, relationships and social values (Sarkis et al., 2010).

The ability to adapt to change is essential for employees of any organisation and when the employees are proving difficult to adapt to change, it becomes impossible for the organisation to implement their practices and achieve success. For instance, some of the managers mentioned that their organisation is faced with the challenge of trying to drive the culture of the organisation through the employees and to make them understand and flow with any change. According to Van Weele (2010) the "people" aspect of the sustainable supply chain triple bottom line of people, planet and profit include all activities that are focused on providing good labour conditions to employees and a labour climate in which individual employees are able to develop their skills and competencies.

As evidenced by the responses, the employees not wanting to adapt to change is attributed to their low level of education and their nonchalant attitude towards innovation. However, it is the responsibility of the management to train their employees and also communicate why there is a need for change or any form of modification regarding their socially responsible purchasing practices. Most organisations do not train their employees but rather want them to learn on the job. This can be attributed to the cost that will be incurred as discussed - high operating cost. The fact that significant changes in the focal organisation might be needed, additional cost for education, training and collecting information about stakeholder

expectations and lack of educational material for personnel training due to the specificity of each sector and company can hinder the adoption of socially responsible purchasing practices (Mont and Leire, 2008).

### **5.8 Risk in an unstable environment**

The organisations' fear of being faced with failure after initiating the responsible purchasing practices is another key factor that discourages the successful implementation. They assumed they will not succeed or become profitable if they source from high-price suppliers<sup>9</sup> because they need to comply with regulations:

*“Risk of failure if implemented for example, we assume that the company will not make margin because of the regulation of buying from some specified suppliers as their prices may be higher than other suppliers”* (Senior manager, health & safety, CBNI3, indigenous).

Another informant described the challenge of buying from high-priced suppliers: *“The risk of buying from environmentally friendly suppliers who sell at high cost, this will affect our production cost and our pricing. If prices of our products are too high, customers will not buy”* (Manager, quality control, Levuni2, multinational). It is also believed to affect the profit of the organisation which will invariably affect the responsibility of the organisation to their employees in terms of profit sharing and to provide other basic workplace support.

In the bid to integrate social issues into their supply chain processes, the organisations are faced with uncertainties regarding the successful implementation of socially responsible purchasing practices. These uncertainties represent the risks of loss due to supplier negligence, for example, *“fear of suppliers supplying substandard products because they want to cut corners of not following due process or if they bribe the person in charge of supplies, fear of failure of starting, driving the practices through successfully, and lack of continuity (sustainability)”* (Senior manager, purchasing, Colaco4, indigenous). These might be because of the inconsistent government policies, unstable foreign exchange, issues of competition.

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<sup>9</sup> These high-price suppliers are the regulated suppliers who have registered with relevant authorities and have acquired a certificate of corporation, approval to supply and met other necessary requirements. It is believed that this might be the reason why the price of their products is high since they incorporated all the cost incurred.

Based on the key informants' responses, the risks involved could be internal or external. The internal risks could be within their control while the external is not. For example, the issue of staff turnover after they have spent a lot of money to train them on implementing the practices, some of them are afraid of failure if the practices are implemented. Also, they are concerned about their suppliers' ethical behaviour, the political situation in the country and possibility that there might be a change in government regulations.

There is the possibility that businesses might end up with a loss due to some unforeseen circumstances for example, political instability. Business risk is influenced by various factors such as competition, the volume of sales and government regulations. Some of the key informants noted that when their suppliers supply any product that is below standards or do not meet up with the quantity expected, it affects their production and invariably, their sales volume. With the supply chain environment that is laid with corruption, it becomes hard for them to implement or be successful in some of their practices.

### **5.8.1 Risk of loss**

The risk inherent in the unstable Nigerian economy leads to the possibility of not breaking even in business if they source from the high-price suppliers or if they reduce their price in order to stay ahead of their competition in terms of pricing – as one informant puts it:

*“Risk of having to lower price in order to stay in the market even when we are compelled to buy from specific suppliers who might sell raw materials to us at a high price”* (Manager, Health & safety, Stlenest2, multinational).

Because of the Nigerian economic instability and unforeseen changes in the foreign exchange market and devaluation of money, some of the organisations feel if they take the risk of sourcing from international suppliers because of lack of adequate quantities locally, they might end up making a loss. One informant said:

*“The risk involved for example, economic challenge of not making enough profit if we venture into the practice (responsible purchasing) because of (unexpected) change in forex if we have to source internationally...”* (Manager, purchasing, Mineg1, indigenous) and another challenge is the *“...risk of the devaluation of currency ...”* (Senior manager, purchasing, Stlenest 3, indigenous).

Loss may occur if company's activities or operations are disrupted. One informant mentioned that:

*"The risk involved for example, communities around the company may have a feeling of partiality if a particular project is done in one community and the other not completed in the other. This may lead to them disrupting the company's activities"* (Manager, Quality control, Mineg3, indigenous).

Again, competitors might carry out some manipulations product line, reduce the price and then experience increase in sales. Because the organisation wants to be socially responsible, they do not allow any manipulation of their products, however, their sales will be affected if the price of their product is high. This will affect their profit in the long run and have a negative effect on their business growth and their ability to continue with their socially responsible purchasing practices. Ethical risks create a need for purchasing managers to create new processes for supervising suppliers' operations and that purchasing managers do not know how to embrace the new trend towards social responsibility (Bjorklund, 2010). To avert or reduce this risk, Salam argued that purchasing managers must coordinate with and manage suppliers to ensure that their organisation purchases socially responsible inputs, has a diverse supply base, and that suppliers are managing their own organisation and second-tier suppliers in a socially responsible manner (Salam, 2009).

### **5.8.2 Political risk**

When answering the question about what barriers the organisation is facing, some of the informants mentioned political risk: *"The risk involved for example, the political risk of change in government, resulting in a change of government policies and regulations"* (Staff, production & packaging, Mineg4, indigenous). Some of the informants just mentioned it but did not elaborate on it. Perhaps the reason is that they want to avoid talking about the government. For example, the informant just mentioned: *"Currency devaluation and political risk"* (Manager, marketing/sales, Stlenest, multinational).

Another informant said: *"political risk and risk of devaluation Currency... Fear of the risk involved for example, our competitors who do not practices the responsible purchasing nor abide the regulations and where able to scale through will have cheaper products in the*

*market while our price maybe a bit higher because we have to build the cost we incurred into our production. (Senior manager, purchasing, Stlenest 3, indigenous).*

Despite the risks, it is believed that effective purchasing can assist an organisation to reduce costs, maintain quality and manage the levels of risk to its supply chain (Business Case Studies 2014).

## **5.9 Summary**

The factors that drive the organisations in carrying out the socially responsible purchasing initiatives can be deemed to be both having legal requirements that need to be met and having an ethical undertone. The need to comply with international and local regulations is one of the main drivers while the desire to do the right by following the due process so that they can be perceived as a responsible organisation is another key driver. However, most of the organisations complain about the confusing state of the regulations.

To successfully implement socially responsible practices is deemed to be a huge task especially when the organisations are faced with impeding factors. Trust issues such as lack of transparency and corrupt practices are one of the main barriers. These are unethical practices that discourage organisations that genuinely want to be socially responsible.

Most of the informants described high cost as a major barrier and that it is costly to be socially and environmentally responsible. These costs include but not limited to cost incurred in their operations, for example, training of employees, cost incurred in supplier visits, the cost of foreign exchange involved when sourcing internationally when the raw materials are not available locally, money they need to pay to law enforcement agents if there is any dispute with their suppliers. However, some of them indicated that there are benefits derived from the money spent in the long run.

The informants also mentioned the fear of failure to successfully implement the socially responsible practices. Sourcing from the high-priced environmentally friendly certified suppliers whose products might be too expensive and which will have an impact on their production was also mentioned. The risk of having staff who are involved in shady business

with suppliers who supply substandard products as mentioned in the previous section, *lack of transparency* is another bottle neck to the organisation. This finding is similar to previous authors (Adegbite, Amaeshi, and Amao, (2012); Amaeshi, Adegbite, and Rajwani, 2016; Amaeshi, Osuji, and Nnodim, 2008) posited that lack of transparency and corruption is inherent in weak institutional context. This also builds on the institutional theory by providing deeper aspects of social structure and the factors that guide the social behaviour of organisations. Operating in an unstable economy in which the foreign exchange rate cannot be predicted and having to source internationally in this unstable economy was another risk that the organisations were faced with.

The next chapter will discuss the reasons behind the organisations' resolute to remain socially responsible despite these impediments. The need to be people focused on ensuring customer and societal satisfaction and building and/or protection of their reputation and image were found to be most paramount.

## Chapter Six

### CSR in the supply chain industry: Success implications

#### 6.1 Introduction

It is critical that supply chain management has a robust set of metrics or key performance indicators (KPIs) that drive the right behaviour (Klock, Lei and Handley, 2016). Organisations are expected to have key performance indicators that are essential to monitor their supply chain processes such as plan, source, produce and deliver. One of the objectives of this research is to ascertain the main supply chain performance determinants in the studied organisations. For organisations to remain sustainable, it is important that they take a holistic view (economic, environmental and societal) of their supply chain performance to see whether they are meeting up with their goals. A supply chain's performance should be measured not just by profits, but also by its impact on environmental and social systems by having an effective supplier performance management system, good customer satisfaction and engaging with the society (Pagell and Wu, 2009).

This section discusses the performance determinants that emerged from the quantitative and qualitative data. From the quantitative data, productivity, quality, time (speed of delivery), cost reduction, creation and maintenance of strong brand, environmental safety, and risk management were found to be the main measures of the organisations' performance. From the qualitative data, people oriented supply chain (comprising customer/community satisfaction, environmental safety, quality product, right product quantity, timeliness of delivery), and protection of reputation and brand emerged as the main performance determinants. These performance determinants are categorised into four main parts as follows: (1) People oriented supply chain (2) Protection of reputation and brand (3) Cost reduction (4) Risk management. These will be discussed in detail in the subsequent sections. Table 6.1 summarises the main performance measures from the quantitative and qualitative data:

**Table 6.1 Summary of the main supply chain performance determinants**

<b>Quantitative Data</b>	<b>Qualitative Data</b>
Productivity	People-oriented supply chain
Quality	Protection of reputation/brand image
Speed of delivery	
Customer satisfaction	
Cost reduction	
Maintenance of strong brand	
Environmental safety	
Risk management	
Community support	

## **6.2 The social-based performance determinants**

Involving social responsibilities in the supply chains despite the impeding factors can be attributed to the organisations' resoluteness to improve their performance. The resoluteness of the organisations is as a result of a bid to be people-oriented which is achieved through being socially responsible within their organisation and along their supply chains. The organisations work towards being ethically responsible, being an organisation that embraces diversity, exhibiting equality in the work place, complying with regulations and carrying out philanthropic initiatives. All these are to ensure employee, customer and societal satisfaction and to build and/or protect their reputation and brand image/awareness. This will ultimately make them remain sustainable in an unstable environment.

### **6.2.1 People oriented supply chain**

The concept of socially responsible purchasing revolves around people and the intentions of the organisations are to satisfy these people (employees, customers, suppliers, the community and the entire society). As one informant puts it:

*"Satisfaction of our customers - we see our customers as king and products must get to them when needed and in good quality"* (Purchasing, senior manager, AUB, indigenous). Satisfying customers was also related to profit making: *"Customer satisfaction is a key performance indicator ... without customer satisfaction, we cannot make a profit"* (Human resources, manager, CAU3, indigenous). Another informant describes it like this: *"When our*

*purchasing and production process does not affect the environment and the people negatively, we gain credibility and customer satisfaction” (Manager, purchasing, Colaco4, indigenous).*

As part of the organisations’ focus is to satisfy their customers, they ensure, perhaps through proper supplier monitoring, that the pricing and product quality are in favour of the consumers:

*“We ensure that that our suppliers have a good image and have a competitive business regarding price, quality and ensuring that our purchases are cost effective but not to the detriment of our customers” (Senior manager, Purchasing, Folafoods, indigenous).*

The informant continues to describe the need to satisfy customers with the right product quality: *“...We want to ensure that they (customers and the community) get the right product at the right quality and on time as well...” (Senior manager, Purchasing, Folafoods, indigenous).*

Another informant mentioned that in the bid to satisfy their customers, the organisation increased its budget so that they can carry out philanthropic activities<sup>10</sup>: *“There is an increase in quota/budget which is used to decide on CSR implementation. Because there is an increasing demand by the community where our organisation is located, we decided to make funds available to cater for that” (Executive manager, purchasing, CAU2, indigenous).*

As one informant put it, customers place a high level of reliability on the organisation because of the previous satisfaction experienced by the customers and the community, this, perhaps might be because of the various philanthropic initiatives they carry out in the community. Not only that, it also results in creating for them a strong brand as will be discussed in the next section: *“High level of reliability resulting from customer and community satisfaction and creating a strong brand image for us” (Manager, human resources, AUB2, indigenous).*

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<sup>10</sup> Although CSR was used in the quotation, based on previous responses, it is deemed to be more of philanthropic activities - as it is generally mistaken for CSR.

Despite the institutional and industrial environment being laden with various barriers to the successful implementation of socially responsible purchasing, the organisations are still faced with the responsibility towards the 'people' (employees, suppliers, consumers, community). The key informants believe that the need to satisfy the demands of their customers is essential in the bid to inculcate social responsibility in their purchasing process. Consumers care about purchasing from socially responsible brands now more than ever and how organisations treat their employees and the environment are becoming of great concern for consumers and the community (GMG, 2016). The concern can be evidenced by Merrick's study which shows that Gap released a report in 2004 admitting that up to 3000 of its factories were functioning below the expected perfect working conditions. It shows that almost 90 percent of gap's contract manufacturers failed the evaluation of their working conditions (Merrick (2004) cited by Boyd et al., 2004). The report also shows that 50 percent of the factories in sub-Saharan Africa run machines without proper safety devices and between 10 to 25 percent of its factories in Taiwan, Saipan and China subject their employees to psychological coercion (Boyd et al. 2004). The sourcing function in the upstream supply chain is becoming more important today because there is high demand for a supply chain to be more customer-oriented and, as a result, the supply chain needs to be adaptable to market demand. A supply chain consists of all stages involved which directly or indirectly fulfil a customer request. Its being is to satisfy customer needs and in the process, to generate profits for itself (Marwah, Thakar and Gupta, 2014).

Although from the quantitative data, 87.9% of the total respondents agree that their organisations are involved in philanthropic activities as discussed in the previous section, they organisations do not see community support as a main supply chain performance determinant as just 63.7% of the respondents agreed to the statement when asked. Also, there were mixed feelings from the responses given by the informants from the regulatory bodies when asked if the organisations consider the society in their purchasing and supply chain process as 42.11% agreed, 42.11% also were undecided while 15.79% disagreed. This then shows that although the organisations are keen on satisfying the people, supporting them or making donations to the community is not a major concern.

Safety of the environment, for example, waste and pollution reduction which can also be people oriented has the purpose of keeping the environment safe and avoids the people from being endangered, is of importance to most of the organisations as 73.2% of the respondents

agreed that environmental safety is one of their main performance determinants. This is evidenced by the interview data. Some of the key informants interviewed were aware of their organisations' practices of managing the environment. The impact of the operation of manufacturing organisations on the environment is increasing. The environment is polluted as a result of air pollution from the waste created during production. In order to combat this menace, most manufacturing organisations are now introducing various means of saving the environment.

There is increasing awareness amongst organisations in Nigeria on the need to protect the environment from pollution. In recent times, the Nigerian government has intensified its effort to reduce air pollution especially the ones created by factories and from vehicles and trucks. The Road Safety Commission is working hard to ensure the environment is not polluted with car exhausts. van Weele, posited that there is an acceleration in the move by organisations, governments, non-profits and other businesses in integrating social and environmental objectives into the purchasing process as a means to reduce their environmental footprint, leverage social benefits and foster a sustainable economy (van Weele, 2010). In the empirical research on how organisations view and handle environmental issues, the result showed that organisations that respond to eco-oriented issues perform better in business (Stone and Wakefield, 2001). However, Prahalad, and Rangaswami posit that the more they become environmentally friendly, the more their competitive strength reduces (2009).

Organisations ensure that the right quality and quantity of products is manufactured especially when the products are in the category of edibles. Pressure from customers or consumers is a relevant antecedent to a sustainable business. The need to consider the consumers or community is understandable as Nigeria is the most populous African country and there is a large market for edible products. Some of the key informants mentioned that they have supplier guiding principles which they make mandatory for suppliers in order to meet up with the demands of their customers. However, when asked about whether the quality of raw materials meets acceptable standards, 57.89% of the informants from the regulatory body agreed while almost a quarter (21.05%) disagreed. Suppliers delivering the products (especially edible products) on time is also important as the freshness of the products needs to be maintained throughout the supply chain. Most of the food manufacturing organisations are faced with the challenge of getting their perishable products to the

market as fast as possible and ensuring that they do not default in the area of quality and freshness.

Depending on the type of edible product, the fact that they need to be fresh by the time it reaches the final consumers is of paramount importance to the organisations. Purchasing forms an essential link between organisations and gives the trigger for moving materials through supply chains. Purchasing is faced with the challenge of the late arrival of materials, wrong quantities and poor quality, wrong materials delivered at the wrong time and at a high price. Proper monitoring of suppliers is an essential element in ensuring that freshness is maintained and as mentioned by the informant:

*“depending on the product”, it is important to “consider how fresh (our) consumables are from the time the raw materials are purchased to when they are converted to finished goods to when they get to the consumers”* (Staff, production, Comfoods, indigenous).

Freshness in the manufacturing supply chain as a supply chain performance measure was not mentioned in previous research and thus, this can be an area to explore. From the key informants' responses, it follows that the organisations ensure that their perishable products are kept within a regulated temperature control and they are transported without any hitch and distributed as at when it is due. This is however a great challenge due to the problem of electricity in Nigeria.

### **6.3 Protection of reputation and brand**

Viewing it from the lens of the socially responsible initiatives, the philanthropic and environmentally focused activities being carried out by the organisations is a means to endear customers to them, gain employees' commitment, consumers' confidence and patronage. This ultimately builds and protects their reputation and brand image as well as increase brand awareness: *“...Being socially responsible to the society we are in increase our brand knowledge”* (Manager, purchasing, AUB3, indigenous).

As one informant puts it, the perception of employees and consumers have about their organisation will either build or mar their reputation: *“We want to protect our reputation and brand. We want our company to be seen as a great place to work... We consider what our*

*employees say about us as well and therefore want to protect our name”* (Manager, quality control, Buricad, multinational). Another informant described it thus: *“The protection of the company's image is important and it also contributes to improving the perception of the society towards the company which is important in business”* (Manager, Purchasing, CAU1, indigenous). This could be because: *“...The score given to the company based on their performance will build the company's reputation or mar it”* (Manager, logistics & transport, Dapco, indigenous). Perhaps it is also because, *“...customer satisfaction results in strong brand image...”* (Human resources, manager, CAU3, indigenous).

As mentioned earlier, the consumers' perception about an organisation, especially as it relates with product quality, is important since this will have an impact on the organisation's brand – as one informant puts it:

*“The perception of customers is considered as it will have an impact on the company's brand image”* (Manager, Purchasing, CAU1, indigenous). Apart from the consumer perception, the trust consumers have for the organisation based on their socially responsible practice, increases the organisation's brand awareness – as on informant puts it:

*“We believe in socially responsible behaviour and therefore... our trusted customers help in advertising our products indirectly because when they are satisfied, they inform their friends or colleagues”* (Manager, marketing/sales, Stlenest, multinational).

One might say that compliance with regulations has a role to play in protecting the organisations' reputation. The reason is that, in the bid to be socially responsible and to improve their reputation, the organisations ensure they do not engage child labour in their production:

*“In our production process, we ensure that child labour is avoided and this also improves our reputation and invariably our brand image”* (Executive manager, purchasing, Levuni, multinational). This action is also corroborated by another informant:

*“As we abide by child labour laws and ensure our suppliers abide too, our reputation is secured as customers and the community see us as being responsible”* (Staff, purchasing, Milsab, indigenous). In order not to endanger their reputation, some of the organisations also ensure that they follow the due process: *“We ensure that our members of staff follow due process making sure our company's reputation is not jeopardised”* (Manager, quality control, Buricad, multinational).

Within Nigeria's unstable industrial and institutional environment, organisations are faced with different challenges from corruption to suppliers' non-compliance with regulations to supply of substandard products, the list goes on. However, amidst all these, the work at protecting their reputation and brand image. Suppliers that are sensitive to environmental and social issues in their operations can provide purchasing organisations with an increased efficiency, a reduced likelihood of supply disruption and safeguard the firm's image (Krause et al. 2009). In Nigeria, sourcing adequately from the right suppliers is a big challenge. Sometimes, the well-known suppliers could fall into the category of non-compliant suppliers because they sometimes buy their raw materials from farmers who make use of child labour and this affects the reputation of the organisations.

From the quantitative data, 83.9% of the respondents agreed that creation and maintenance of strong brand is one of their main supply chain performance determinant. This means that majority of the organisations are keen on maintaining and protecting their image. Some of the key informants believe their organisation place a high priority on their reputation and will try everything to ensure it is not jeopardised. For example, they ensure policies and principles are followed no matter the status of the people concerned and train employees regarding ethical purchasing and best practices.

Some organisations that do not have ethical or responsible practices such as complying with environmental regulations and the treatment of their employees might experience reputational damage. If a company does not have a good reputation (which is costly and time consuming to stabilise), it will have an adverse effect on its relationship with its stakeholders. Supply chain managers address issues related to consumer confidence and trust that the goods and services have been provided without compromising ethical or environmental standards (New, 2003).

Exhibiting social responsibility throughout the supply chain despite the impeding factors can be attributed to the organisations' resoluteness to build their reputation. The organisations also embrace diversity, equality in the work place, complying with regulations and carrying out philanthropic initiatives; all these are to ensure societal satisfaction and to build and/or protect their reputation and brand image/awareness because the public's perception of the organisation will make or mar their reputation. This will ultimately make them remain sustainable in an unstable environment.

#### **6.4 The cost reduction measure**

Within the uncertain industrial environment, organisations are faced with a high operating cost along with their supply chain process, as posited by Vassalo et al.: purchased products and services account for more than 60% of the company's costs (Vassalo et al., 2008). However, effective purchasing can enable an organisation to reduce costs, maintain quality and manage the levels of risk to its supply chain (Business Case Studies, 2014). It was discussed in the previous section that the huge cost incurred during the adoption and implementation of socially responsible purchasing has been viewed as a barrier. From the quantitative data, 87.9% of the respondents agreed that cost reduction was one of the main performance determinants in their organisation.

The various cost incurred by organisations resonate with the extant literature which shows that engaging in responsible business activities are costly (Krause et al. 2009; Curkovic and Sroufe 2007). Constangioara therefore posits that the main managerial focus in the supply chain is to attain efficiency through lowering costs while maintaining an expected level of customers' satisfaction (2013). Also, the primary goals of responsible purchasing are to ensure a continuous flow of raw materials at the lowest cost, to improve quality of the finished goods produced, and to optimize customer satisfaction in order to thrive in the unstable business environment.

As indicated by the questionnaire respondents and key informants, carrying out supplier visit, supplier audit etc. is costly. The inability of suppliers to supply the particular raw materials needed to meet customers' need is an issue that is still currently dealt with in the Nigerian food and beverage industries. The organisations then are left with no choice than to purchase at a high price from other suppliers, import the raw materials or even buy lesser quality materials which they deemed as non-cost effective. However, Carter argued that the learning between buyers and suppliers, regarding environmental and social activities such as working with suppliers to commit to waste reduction goals and developing capable minority business enterprise suppliers can have a strong positive influence on supplier performance and reduce operating costs in supply chain relationships Carter (2005). Most organisations have developed plans on how to reduce the high cost of operation especially in relation to social responsibility. In order to partially solve the problem of high costs for supplier audits, focal organisations are to look for opportunities to reduce the number of their suppliers and then

establish long-term relations with the remaining, who share customer values, have adequate training and are working on improving conditions for workers and on other social issues, thereby reducing the need for audits and inspections (Mont and Leire, 2009). It is believed that organisations have realised how important their suppliers are, not only in achieving cost reduction and competitive advantage, but also in achieving corporate social responsibility (Blome and Paulraj 2013).

Managers are sometimes reluctant in investing in socially or environmentally responsible supply chain processes due to the cost involved and how the benefits that can be gained are uncertain (Hoejimore and Adrien-Kirby, 2012). Some of the key informants believe that being socially responsible is costly, just as Maignan, Hillebrand and McAlister posited that most organisations believe social consideration in purchasing can reduce the ability to realise cost savings (2002). However, some of the organisations do not see it from that perspective. Some of the key informants believe that cost should not be a problem as it will yield some benefits in the long run. They believe the cost of investing in their suppliers for example, providing fertilizers for the local farmers, and providing financial services for their suppliers, and other socially responsible purchasing practices have a short-term impact on their organisation but in the long run, it is beneficial to them. This notion is supported by Krause whose study shows that by working closely with minority suppliers and developing them, buying organisations can afterwards improve their overall performance. Suppliers that are sensitive to environmental and social issues in their operations can provide purchasing organisations with an increased efficiency, a reduced likelihood of supply disruption and safeguard the firm's image and invariably increase profit (Krause, 1999).

Although it is important that organisations should not cut cost at the expense of quality and customer satisfaction, they need to work on managing their costs therefore making a profit in order to remain sustainable in business. To echo Carter's comment (2005), a good relationship between suppliers and buying organisations can have a strong positive influence on supplier performance and reduce operating costs in supply chains.

## 6.5 Risk management in an uncertain environment

Most businesses anticipate having high profits. However, the unstable industrial environment reduces the possibility therefore leading to a loss. Business risk is influenced by various factors such as competition, the volume of sales, inconsistent government regulations, unstable foreign exchange. Some of the organisations are of the opinion that, when their suppliers supply any product that is below standards or do not meet up with the required quantity, it will affect their production and invariably, their sales volume. With the supply chain environment that is laid with corruption, it becomes hard for them to successfully implement some of the socially responsible purchasing practices. Therefore, managing the risk becomes essential.

The quantitative data showed that 65% of the respondents indicated that management of risk is essential as part of supply chain performance determinants. Based on the key informants' responses, the concept of economic risks came up:

*“buying from environmentally friendly suppliers who sell at high cost (which) will affect production cost and pricing. If prices of products are too high, customers will not buy”* (Manager, quality control, Levuni2, multinational).

And if customers refuse to buy their product, their profit and reputation will be at stake, the organisation therefore put in place *“legal department who conduct a risk assessment on suppliers and structured corporate government”* (Executive manager, purchasing, CAU2, indigenous). Lee et al. argue that the main purpose of adopting socially responsible standards is to identify risks and difficulties in the supply chain and to avoid or minimise the consequences for the final manufacturer (2009). By including environmental, social and governance considerations into business plans, firms reduce the risk of financial fallout that may accompany lapses (Buisse and Verbeke (2003).

Again, the concept of ethical risk came up from the key informants' responses – as they are concerned about their suppliers' ethical behaviour. Ethical risk can be referred to as unanticipated negative consequences because of unethical actions. The political situation in the country and possibility that there might be a change in government regulations posed another risk that needs to be mitigated. However, the onus lies on the buying organisations to work at averting the risks since it is essential for them to be responsible in their purchases as

posited by Bjorklund that ethical risks create a need for purchasing managers to create new processes for supervising suppliers' operations (2010). It is essential that the organisations understand their industrial and institutional environment and the risks inherent. The organisations then review each of the key risks ensuring that relevant and adequate measures are taken to address them.

## **6.6 People-oriented purchasing vs Supply chains success determinants**

For a supply chain to perform as expected, the supply chain activities should meet the end-consumers' or societal requirements. These requirements include human rights and equality at the work place, health and safety, quality product, availability of the product, delivery of the product as at when it is due while avoiding environmental pollution, benefits from the organisations and all other necessary activities in the supply chain capable to respond in a manner that will deliver the expected performance. This performance should be measured not just by profits, but also by its impact on environmental and social systems According to (Pagell and Wu, 2009). There has been a discussion of the role of purchasing social responsibility in addressing social issues. Blome and Paulraj, however assert that apart from addressing the social needs of the supply chain, socially-oriented responsibility can also offer significant performance benefits.

As the concept of socially oriented purchasing revolves around the people, the findings discussed in this section revolve around the people factor. The concept of people-oriented purchasing is then seen to be an important factor for increased improvement in the supply chains. The people-focused responsible practices are grouped into six categories; socio-environmental purchasing (which comprises ensuring suppliers commit to waste reduction; frequent supplier visits; working in safe environment/health and safety and ensuring safe product transportation and storage); equality, child labour compliance; philanthropic responsibility; diversity; and due process. These categories are then discussed in line with the main supply chain performance determinants that emerged from both the quantitative and qualitative data. These are grouped into three categories, namely; people-oriented supply chain; reputation/brand image; cost; and risk management. The influence of the practices on the success of the supply chains is viewed from the perspective of low (L), moderate (M) or high (H) positive levels. A table with the summary is presented in table 6.5 below:

**Table 6.2 Summary of the influence of socially oriented purchasing on the success of supply chains**

	People-oriented supply chain											
<b>Socially oriented purchasing</b>	Customer/ community satisfaction	Impact percentage (%)	environmental safety	Impact percentage	Quality	Impact percentage	Productivity output	Impact percentage	Speed of delivery	Impact percentage	Community support	Impact percentage
Environmental friendliness of product/packaging	M	70.5	M	71.1	H	80.53	H	56.4	L-	47.7	M	43
Environmental purchasing (waste reduction)	L	57	M	58.4	L	49.7	L	53.7	L	51	H	42.3
Supplier monitoring	L	47.7	L	39.6	L	48.3	M	45	M	41.6	M	45
Safe transportation of products	M	55	M	59.1	M	60.4	M	57.7	M	53.7	L	78.5
Safe working environment	M	64.4	M	76.5	H	70.5	H	66.4	H	65.1	H	67.1
<b>Equality</b>												
Gender, age, religion, pay, colour	M	47	L	62.4	L	50.3	M	45	M	43.6	H	45
<b>Child labour compliance</b>												
Compliance with laws	H	68.5	H	61.7	H	71.1	H	58.4	H	51	H	69.8
<b>Philanthropic responsibility</b>												
Supporting local charities	H	59.1	M	51	M	48.3	M	49.7	M	48.3	M	48.3
Donating to communities	M-	50.3	M	49.7	M	55	M	51.7	M	49	H	51.7
<b>Diversity</b>												
Minority-owned suppliers (76 (N/A)-51.0)	L	37.6	L	27.5	L	33.6	L	36.9	L	30.2	M	50.3
Supplier development	M	25.5	L	32.2	L	30.2	M	28.2	M	25.5	M	35.6

**Table 6.2 contd.: Summary of the influence of socially oriented purchasing on supply chains success**

	Reputation/brand image		Cost	
Socially oriented purchasing	Protection of reputation/brand image	Impact percentage	Cost reduction/profit maximisation	Impact percentage
Environmental friendliness of product/packaging	M	73.8	H	60.4
Environmental purchasing (waste reduction)	L	53	M	49.7
Supplier monitoring	L	51.7	M	43.6
Safe transportation of products	M	63.8	M	76.5
Safe working environment	M	63.8	M	65.1
Equality Gender, age, religion, pay, colour	L	59.7	L	49.7
Child labour compliance Compliance with laws	H	64.4	L	55.7
Philanthropic responsibility Supporting local charities	M	65.1	M	50.3
Donating to communities	M	53.7	L	47.7
Diversity Minority-owned suppliers(76-51.0)	L	30.2	H	30.2
Supplier development	L	32.9	L	21.5

### 6.6.1 People-oriented supply chain and the performance determinants

Table 6.2 indicates that the organisations believe that evaluating the environmental friendliness of products and their packaging have a moderate positive influence on customer satisfaction, environmental safety, community support, and protection of reputation/brand. However, it is believed to have a high positive influence on productivity, quality of product

and cost reduction. The questionnaire respondents feel it does not have a significant influence on the speed of delivery. This is corroborated by some of the key informants' responses. This means that ensuring that the products are environmentally friendly will result in the avoidance of waste which will increase productivity. Sourcing from the right supplier locally has been shown to reduce inventory challenges and thereby improving the level production output. When the raw materials are available as at when it is due, there is an increase in the organisations' output per day which invariably result in high sales and profit maximisation. In Hult et al.'s (2000) terms, organisational buyer-supplier relationships lead to significant lower purchasing cycle time performance, improved supplier quality and productivity.

From the data, environmental purchasing, that is, encouraging recycling and ensuring waste reduction has a high positive influence on community support. This might be attributed to the organisations' ability to reduce environmental pollution at their plant, and that of their suppliers, thereby having to spend less on dealing with waste and cleaning the environment. Organisations challenge suppliers to commit to waste reduction goals, work at reducing packaging materials, and assess the environmental responsibility of suppliers (Cater, 2004). This will allow more funds to be expended on supporting the community and the community will be protected as well. Environmental consideration was also found to have a moderate positive influence on environmental safety and cost reduction while it has a low positive influence on quality, productivity, speed in delivering the products see for example, Zhu et al., (2007) who posit that implementing green management policies put a burden on the organisation as it increases operating costs and decreases speed in productivity improvement.

Supplier monitoring is found to have a moderate positive influence on productivity, the speed of delivery, supporting communities, and reduction in cost. However, the organisations believe, it has a rather low positive influence on customer satisfaction, environmental safety, quality and protection of reputation/brand image. This might be because monitoring suppliers to ensure they meet up with the standard is not an easy task (Koplin, Beske, and Seuring, 2007; Ford et al. 2003). This might be attributed to the trust issues and the level of corruption in the institutional environment as some of the regulatory bodies do not provide the correct report. Monitoring by the government is a legal requirement which is laden with corruption, however, monitoring by buyer organisations are voluntary and ethical in nature. However, the points made by the key informants about choosing their suppliers all geared towards having

quality finished products which they achieved as a result of proper monitoring of their suppliers. Some of their responses are consistent with the findings from Bjorklund, (2010); Salam (2009); Ragatz, Handfield and Scannell (1997). These studies reveal that suppliers have a high and direct impact on quality, speed and responsiveness of buying companies and that socially responsible consideration and proper management of suppliers leads to procuring responsible inputs. However, the quantitative result that indicated supplier monitoring as having a low positive influence on quality does not support these authors' view point.

Working in a safe environment, another key element of social sustainability, was found to have a high positive influence on quality, productivity, the speed of delivery and community support while it has a moderate positive influence on customer/community satisfaction, environmental safety, protection of brand image, and cost reduction. This suggests that the issue of health and safety in the workplace is very important to the success of socially-focused supply chain. This is supported by the key informants' responses. This in line with Mont and Leire's assertion that organisations and suppliers should comply with the health and safety rules and workplace practices in their factories to remain successful.

Drawing from the works of other academics (e.g. Roberts, 2003; Philips and Calwell, 2005; Carter, Kale and Grimm, 2000; Rao and Holt, 2005; Carter, 2005), social responsibility in the supply chain is believed to be an important issue for practitioners since it has the potential of harming an organisation's reputation and improving its competitive performance. From table 6.6, the positive influence of socio-environmental purchasing comprising environmental friendliness of products, safe transportation of products, and employees working in a safe environment on the protection of reputation/brand was found to be at the moderate level. Carter posits that socially responsible purchasing activities can not only have a positive influence on the supply chain partners, but can also have a significant impact on an organisation's reputation (2000). Supporting this notion, (Carter 2000) and Maignan and Ferrell (2004) stated that the various elements of purchasing social responsibility can significantly improve brand image, firm reputation and goodwill amongst key stakeholders. This is also corroborated by the view of Roberts and Amaeshi, that socially responsible purchasing practice have been seen to be of importance regarding the creation of a strong brand and in reducing the risk of negative media attention (Roberts, 2003; Amaeshi, 2008).

In addition to other variables that comprise socio-environmental purchasing (such as environmental purchasing and supplier monitoring), they are found to have a low positive influence on the protection of reputation. However, this result is in contrast with the view point that the various elements of socially responsible purchasing can significantly improve brand image, firm reputation and goodwill amongst key stakeholders (Carter 2000) and Maignan and Ferrell (2004). In this case, environmental purchasing and supplier monitoring are found to have an insignificant positive influence on the organisations' reputation.

Carter's work shows that there is no direct relationship found between purchasing social responsibility and costs (Carter, 2004). The elements of socially oriented purchasing, e.g. environmental friendliness of product/packaging were found to have a high positive influence on cost reduction. Other elements (such as environmental purchasing, supplier monitoring, safe transportation of products, and safe working environment have a moderate positive influence on cost reduction. This suggests that ensuring that products are environmentally friendly will result in cost reduction. This however is in contrast with Nidumolu, Prahalad, and Rangaswami, who posit that becoming environmentally friendly will increase costs and therefore will not produce immediate financial benefits (Nidumolu, Prahalad, and Rangaswami, 2009). Data gathered from the qualitative research supports the authors' position that being socially responsible is costly.

At the organisation level, the corporate social responsibility is perceived to be by the questionnaire respondents' and the key informants costly and the organisations that choose to behave ethically will spend more which may result in reduced profit. Therefore, this result is also in contrast with Zhu et al., who posit that implementing green management policies increases operating costs and decreases speed in productivity improvement since firms are required to invest in additional facilities and processes. This results in a burden on the firm (2007). Van Weele posits that the "people" aspect of the sustainable supply chain triple bottom line of people, planet and profit includes all activities that are focused on providing good labour conditions to employees and a labour climate in which individual employees are able to develop their skills and competencies (2010). In their study on the impact of corporate social responsibility on employee performance and cost, in public firms, Sun and Yu's (2015) findings reveal that socially responsible organisations incur higher labour cost.

Despite the above, some of the responses from the key informants suggest the possible high and moderate positive influence of the socially oriented purchasing elements on cost reduction. The key informants believe that the high cost involved in being socially and environmentally conscious pays off because since the practices are geared towards satisfying the people, it will promote goodwill and invariably result in increased patronage and then increase in profit.

From the data, there are social issues in purchasing and the higher need for risk management. Interestingly, both the quantitative and qualitative data indicated that risk involved in the successful implementation of socially responsible purchasing and supply chain is one of the main barriers faced by the organisations. The quantitative findings then show that risk management is one of the main supply chain performance determinants of most of the organisations. The key informants' responses indicate the various risks faced by their organisation for example, the risk of failure or loss if they include social responsibility in their supply chain, purchasing from high-price responsible suppliers, the risk of unstable foreign exchange/currency devaluation, and political risk. With this realisation, drawing from Lee et al.'s point of view, the main purpose of adopting socially responsible initiatives and standards is to identify risks and difficulties in the supply chain and to avoid or minimise the consequences for the organisations (Lee et al., 2009)

It is a known fact that risk arises from different forms of uncertainty in an environment or economy. As the Nigerian industrial and institutional environment and the economy in general are laden with different types of risks, to remain sustainable, the organisations' aim is to put in place measures to mitigate or reduce their occurrence. Therefore, assessing the risk inherent in the elements of the socially responsible supply chain such as socially oriented purchasing, issues of equality and child labour compliance, philanthropic responsibilities, supplier diversity and due process in purchasing is of paramount importance for organisations to remain sustainable in an unstable institutional and industrial environment. Socially responsible purchasing practices have been seen to be of importance regarding the creation of a strong brand and in reducing the risk of negative media attention (Roberts, 2003; Amaeshi, 2008). The activities of the suppliers therefore should be kept under scrutiny, because failure at any point of the supply chain may result in the brand of a company being damaged. Kong, in a heart-breaking case states that "the melamine contamination case was the major highlight of corporate irresponsibility". He asserts that reports revealed that management of dairy

companies involved knew that their products contained melamine long before the melamine crisis, but they were afraid that product recalls would heavily hurt their reputations and market shares (2012). To avert these risk, external evaluation and rating indexes are sometimes needed for improving organisational performance on social issues in purchasing and supply chains (Mont and Leire, 2009). This external evaluation is carried out by the government (legal requirement) which the organisations are meant to comply with. By including environmental, social and governance considerations into business plans, firms reduce the risk of financial fallout that may accompany lapses (Buysse and Verbeke (2003).

Worthington (2009) on how socially responsible purchasing can pay from the view of a business case for supplier diversity, he noted that supplier diversity programmes have the potential to improve organisational performance by reducing cost, increasing revenue and enhancing corporate reputation. It is believed that the perception of social responsibility has an effect on the organisation's brand, the tendency of consumers to purchase specific brands and the financial performance of the organisations (Ganesan et al., 2009; Luo and Bhattacharya, 2006). According to Makni et al., (2009), serving the implicit claims of stakeholders enhances a company's reputation in a way that has a positive impact on its financial performance.

### **6.7 Equality issues and the supply chains**

The issue of equality for example, gender, age, pay, religion and colour in the institutional environment came up from the quantitative and qualitative data. The result from table 6.6 indicates that equality issues have a high positive influence on community support, while there is a moderate positive influence on customer/community satisfaction, productivity, and speed of delivery. This can be attributed to the organisations' concept of equality that rules must be "followed to the letter" and everyone treated the same "no matter who they are". This resonates with the result of empirical research which states that promoting employee welfare and compensation have a positive influence on workers' productivity and company performance (Frey and Stutzer, 2003). However, the result shows that issue of equality has a low positive influence on environmental safety, quality, protection of reputation, and cost reduction. This might be as a result of the issues of lack of transparency and corruption in the institutional environment.

The organisations put in place human resource (HR) policies which are responsible for checking on the treatment of both staff and suppliers. However, the low positive influence of the practice of equality among stakeholders on reputation and cost does support Makni et al.'s assertion that serving the implicit claims of stakeholders enhances a company's reputation in a way that has a positive impact on its financial performance Makni et al., (2009).

The result can also be attributed to some organisations showing favouritism rather than equality when choosing their suppliers. This is rather seen as being unethical and relates to the empirical research by Carter that ethical issues in buyer-supplier relationships consist of two unique dimensions (Carter 2000a).

### **6.8 Diversity and the resultant effect on performance**

Apart from carrying out equality in the work place, some of the organisations believe that equality should also be expressed in terms of engaging various levels of suppliers in their supply chain. However, the quantitative data shows that out of the 149 respondents, 76 (51%) did not indicate that their organisations engage in supplier diversity. Therefore, the result presented in table 6.5 is calculated based on the remaining 73 respondents. The table shows that buying from minority-owned suppliers have a high positive influence on cost reduction and a moderate positive influence on community support. This might be attributed to the availability of raw materials due to having different suppliers and an opportunity to purchase from those who are not high priced.

It is important that organisations should not cut cost at the expense of their quality and customer satisfaction. They need to work on managing their costs to achieve profit maximisation and remain sustainable in business. Therefore, getting the right suppliers who will be able to provide the best deal is essential. For organisations to increase their profitability, one of the ways is to purchase more effectively by reviewing their suppliers regularly and having a bargain with them in order to find out if they can purchase the same raw materials for a cheaper price without compromising quality. This notion is seen to support Krause (1999) who stated that by working closely with suppliers and developing them, buying organisations can afterwards improve their overall performance.

Table 6.5. shows that buying from minority owned suppliers has a low positive effect on customer satisfactions, environmental safety, productivity, the speed of delivery and protection of reputation. This can be attributed to the fact that customers are not concerned about the suppliers of raw materials but concerned about the quality of the finished product. So, the organisations engaging minority-owned suppliers do not have a significant influence on the satisfactions of their customers. Same goes for productivity, the speed of delivery and protection of reputation because it does not make any difference. This is in contrast with Mont and Leire's point of view that private and public organisations are receiving more and more attention from numerous stakeholders for their social performance, which includes not only how they treat their workers and communities where their operations are located, but increasingly they are asked about the social profile of their suppliers and how they treat their workers and communities where they operate (Mont and Leire, 2009). Regarding the environment, whether they get their supplies from minority suppliers or not does not have a significant influence on ensuring the safety of the environment because the issue of the environment in a supply chain is general.

Ensuring the development of suppliers through various initiatives was mentioned by some of the key informants, however, the survey data shows that not all the organisations are involved in this initiative. Thus, the quantitative result in table 6.5 is based on 73 respondents that indicated that their organisations are involved in supplier development. Ford et al. in agreement with Wisner, Tan, and Leong, observe that the issue facing managers is no longer about buying the right products at the right time at the right price but of managing and developing relationships with key suppliers over a long period (Ford et al. (2003), in agreement with Wisner, Tan, and Leong (2014).

The table shows that development of suppliers has a moderate positive influence on customer/community satisfaction, productivity, the speed of delivery, and community support. This can be attributed to some of the key informants' responses that they "engage in 5 by 20 initiative" which is a commitment to the development of female suppliers which makes them compete fairly. When the suppliers are adequately empowered, there will be the availability of raw materials and they will have the resources to transport the materials on time – as part of the development initiative is providing financial assistance through vendor finance scheme. Helping them financially can then be attributed to a lot of spending on developing the suppliers which affect their profit maximisation.

## 6.9 Relationship between compliance and performance

Abiding by standard rules and regulations is one of the practices carried out in the organisation. Table 6.5 shows that compliance with child labour laws has a high positive influence on customer/community satisfaction, environmental safety, quality, productivity, the speed of delivery, community support and protection of reputation and brand image. However, it has a low positive influence on the organisations' reduction in cost. This result resonates with the qualitative data, for example, child labour laws have been found to have an influence on quality, the societal satisfaction which results in improved reputation and brand image.

The influence of suppliers complying with child labour laws on will impact positively on their reputation and invariably on the buying organisations' reputation. This agrees with the assertion that in the globalised world, it's becoming increasingly obvious that besides managing organisation's own social and environmental impacts, aspects and impacts of the entire supply chain need to be managed, since suppliers' performance affects the buying organisation's performance and reputation (Bacallan 2000). Responsible purchasing activities therefore become important for developing and setting social and environmental criteria for its suppliers and for improving overall supply chain performance. (Mont and Leire, 2009).

Despite the unstable institutional environment and the developing nature of Nigerian economy, organisations believe there is great awareness in the country that under-aged children are expected to be in school and should not be used as "slaves". Although these children are paid low wages which is enough to support their families, this reason is not enough to subject them to hard labour. Some of the key informants reported the negative influence of engaging under-aged children in any part of their supply chain process. They said it reduces cost but it results in labour union lock when they find out which cost them a lot.

One informant said:

*"We ensure that child labour is prohibited at our supplier plant and even in our own factory. We have enough hands from unskilled, casual and skilled staff that are capable. These people are matured enough and they are trained to work especially in the production unit. They understand the importance of producing products that meet up with required standards and*

*also the consequence of producing substandard products. This results in us producing quality products” (Senior manager, Purchasing, AUB, indigenous).*

Any organisation that does not follow due process or abide by the laws is faced with various boycotts and unrest. This is why most of the organisations strive to ensure they comply with regulations whether at the local, state, federal or international level. Research shows that public boycotts of companies’ products such as Shell, Nike and Gap on the ground of social responsibility and commitment have been witnessed. Low wages, human rights and child labour were some of the issues raised (Lee et al., 2009).

Good quality product is one of the five rights of procurement as mentioned by one of the key informants. According to the informants, the written specification of raw materials or products to be delivered is not a guarantee of good quality. Because organisations want to ensure good quality, they try their best to comply with regulations and conform with the set standards especially regarding the use of child-labour in their supply chain process. One informant mentioned that:

*“Complying with the child labour laws have a positive impact on our product quality. This is because, when we engage matured employees in our production site, they are more efficient and understand the implication of producing unstandardized products (Manager, Quality control, Mineg3, indigenous).*

Another informant said:

*We do not go against or out of specified rules and regulations of regulatory bodies regarding specifications on quality products. We know if we fail to do that, the quality of our output will be affected and it does not do us any good” (Manager, human resources, AUB2, indigenous).*

The high positive influence of this compliance can be likened to be the resulting effect on quality.

## **6.10 The role of philanthropic responsibility**

Table 6.5 shows that organisations engaging in philanthropic activities such as providing support to local charities have a high positive influence on customer/community satisfaction while it has a moderate positive influence on ensuring environmental safety, quality,

productivity, the speed of delivery, community support, protection of reputation, and cost reduction. One can say that development of suppliers is one of the philanthropic initiatives as it is a voluntary act by the organisations. Supporting local charities can involve assisting them in activities such as job training, educational support, economic development, employee volunteering, literacy, arts and culture, childcare, health care and housing (Center for Corporate Citizenship, 2004). Community support can also come in the form of providing education for the community, planting trees in the community - which is a form of environmental initiative, and providing infrastructural development in the community – such as road maintenance/repair. This then can be attributed to the result in table 6.2 in that they engage the local community as workers or volunteers when providing infrastructures which will endear the community to them and if the raw materials are supplied directly from the farm, it will be easier and faster for the products to be transported to the factory where freshness is still maintained (quality product).

Supporting local charities have been found to boost sales which invariably results in profit maximisation. Some of the key informants' responses are noted below:

*“Supporting local charities, our company received the best award for CSR. Patronising host communities – supply materials are purchased from them, the company adopted schools in the community and support them”* (Purchasing, senior manager, Colaco5, indigenous).

*We believe in socially responsible behaviour and therefore engage in donating to the communities around us. Who in turn become our trusted customers. They help in advertising our products indirectly because when they are satisfied, they inform their friends or colleagues”* (Manager, marketing/sales, Stlenest, multinational).

This resonates with Varadarajan and Menon's view point that organisations use cause-related marketing (for example, donating a percentage of sales or profits to charitable causes) to boost sales (Varadarajan and Menon, 1988). Having the right quality of the product will reduce waste which will result in cost reduction. This means that the suppliers' contribution to the finished products is as a result of the buying organisations' philanthropic activities. This resonates with Hietbrink, Berens and van Rekom's view point that it seems likely that the contribution of the supplier to the end product is related to the degree to which stakeholders (in this case, customers and the community) perceive the purchasing

organisation as committed to corporate social responsibility activities (Hietbrink, Berens and van Rekom, 2010).

Table 6.2 shows that donating to communities have a moderate positive influence on customer/community satisfaction, environmental safety, quality, productivity, the speed of delivery, community support, and protection of reputation/brand image. However, the result shows that donating to communities have a low positive influence on cost reduction. The moderate positive influence can be attributed to the voluntary nature of philanthropic activities. Philanthropic responsibilities are voluntary and guided by organisations' discretion rather than legal or more explicit requirements (Carroll, 1999).

The low positive influence on cost reduction can be attributed to the financial responsibility of meeting the needs of the community and the society in general. Philanthropic activities include donating funds for goods or services and the bulk of these activities revolves primarily around financial donations which increases cost. Cone et al., posit that organisations devoted more than \$9 billion to social causes in 2001 (Cone et al., 2003), The demand by communities that they want to benefit from the organisations has resulted in high cost because the organisations want to be seen as socially responsible, this supports Porter and Kramer's revelation that philanthropy is declining primarily due to pressure to meet stakeholder expectations (Porter and Kramer, 2002). This can be related to the risk of failure (as it is costly to be socially responsible) being a barrier to the successful implementation of involving social responsibility in purchasing and supply chain especially in an uncertain institutional environment.

### **6.11 Due process in the supply chains**

Due process requires that set standards of behaviour, integrity and procedures must be followed to the letter by any organisation whether buyer or supplier, and tailor it towards being beneficial to consumers and the society at large. This, the researcher believes is to ensure that the companies do not encroach on consumers' rights to good quality products and safe environment. It is likely that organisation that follows due diligence will have a boost in its reputation both locally and internationally. In order not to endanger their reputation, some of the organisations also ensure that they follow the due process: – as one key informant puts

it: *“We ensure that our members of staff follow due process making sure our company’s reputation is not jeopardised”* (Manager, quality control, Buricad, multinational). As long as organisations put human rights abuses, conflict in sourcing decisions and non-transparency to check and comply with local and international laws, there will be no adverse impact on their reputation. In recent times, organisations that are active in emerging markets have been asked to commence careful due diligence in their supply chain processes. If the organisations do not take any action towards this, it could result in their reputation being negatively affected.

Also, the findings were consistent with those of Maignan and Ferrell and Carter which revealed that socially responsible purchasing activities (in this case, due process purchasing) have a significant influence on organisations’ reputation, significantly improve brand image, and goodwill amongst key stakeholders (Maignan and Ferrell, 2004) and Carter, 2000).

Although there are trust issues in the Nigerian economic and institutional environment, the government still place some level of trust on buying organisations (those who maintain their integrity and co ply with regulations). This, as one informant mentioned is:

*“because we have been in business for some years now and our products’ always remain fresh by the time they get to the retailers, there is an element of trust from government officials. We ensure that we maintain our integrity by complying with the government regulations on the freshness of our products. The government officials sometimes do not have to do a second test on our products and so this helps improve the life cycle of the products”* (Manager, purchasing, Mineg1, indigenous)

Despite the unstable Nigerian econmy and the corrupt institutional environment, following due process in supply chains is found to be beneficial in terms of cost reduction – as one key informant puts it: *“Getting the right suppliers through due process, help us not going beyond our budget and we are able to serve our customers well”* (Manager, quality control, Buricad, multinational). Nudurupati et al., agree that purchasing processes and supplies are meant to be flexible, well-coordinated through the supply chain while reducing costs (Nudurupati et al., 2011).

As stated earlier in this chapter, the key informants’ perspective of the meaning of socially responsible purchasing provided new insights into the area such as meaning ‘following guiding principles, standards and due process in the purchasing and supply process’. These

are not common issues in previous studies. For example, Paulikas & Brazdauskaite (2010), Lobel (2006) and Carter and Jennings (2004), amongst others, refer it as relating to sourcing from minority-owned suppliers, environmental purchasing, health and safety, equality, human rights and philanthropy issues.

## **6.12 Summary of the findings and chapter seven**

To keep up with meeting their performance objectives, the organisations consider their social-based performance determinants. The focus of the organisations in carrying out socially responsible purchasing practices is to satisfy the people, that is, employees, customers, suppliers and society by ensuring that their employees are treated humanely, providing employment opportunities for the local community and ensuring that the society as a whole is not affected negatively in the supply chain process.

The organisations involving these people and environmental focused activities and ensuring their performance is at its best is because of the need to build and/or protect their reputation and brand. They also intend to increase their brand awareness. With the uncertain environment, most of the organisations are focused on risk management to remain sustainable.

This chapter presents a summary of the substantive research data and findings on the supply chain success determinants. The data was gathered through in-depth, semi-structured interviews with employees of selected Nigerian food and beverage organisations and distributed questionnaires regarding the performance determinants of the organisations. The chapter presents the organisations' resoluteness in remaining successful despite the challenges. This resulted in high customer satisfaction, the building and/or protection of their reputation and brand image which invariably results in their being sustainable in an unstable business environment.

The findings revealed five moderating factors that are responsible for impeding the successful implementation of socially responsible purchasing practices in the food and beverage organisations. These include: high cost, suppliers' non-compliance with regulations, lack of skills, trust issues, and risk involved in the implementation. These constructs were grouped into five main categories including: (1) High cost (2) Suppliers' non-compliance with regulations (3) Trust issues (4) Lack of skills (5) Risk involved in successfully implementing the practices. These barriers are as a result of the uncertain Nigerian institutional environment and economic instability. The findings conform with some of the findings from literature, which posit that barriers to socially responsible purchasing comprise the lack of financial resources, lack of skills, training and information on how to develop and implement socially responsible purchasing regarding social and ethical aspects, lack of legislation, lack of top management commitment/support for the initiation and implementation phases of socially responsible purchasing (Mont and Leire, 2008; Berns et al., 2009; Krause et al. 2009; Curkovic and Sroufe 2007).

The findings reveal the main supply chain performance determinants in the industrial environment. There are various measures such as: productivity, quality, the speed of delivery, customer satisfaction, cost reduction, protection/maintenance of reputation/brand image, environmental safety, risk management, community support, and people-oriented supply chain. These findings are consistent with the research carried out by some previous scholars which posit that a supply chain consists of a customer's request and directly or indirectly fulfilling the request thereby generating profits for itself and sometimes costly (Vassalo et al., 2008; Krause et al. 2009; Curkovic and Sroufe 2007; Marwah, Thakar and Gupta, 2014; Merrick, 2004).

Finally, the finding revealed the role the socially responsible practices play in the success of the organisational supply chains. While some of the findings support previous research, some are in contrasts with them. For example, the findings reveal that socio-environmental purchasing result in high cost, this is supported by Zhu et al., who posit that implementing green management policies put a burden on the organisation as it increases operating costs and decreases speed in productivity improvement (2007). However, it is in contrasts with the argument that socially oriented management of suppliers can positively influence the relationships with suppliers, thereby significantly reducing transaction cost and also create irreproducible relational resources Davis (2008) and Williamson (2008).

Chapter seven will conclude this thesis by bringing together the main components that have been presented from the literature and data. The thesis' main findings and contribution to knowledge will be highlighted and suggestions for future research will be presented. Below is a model of socially responsible purchasing in the Nigerian food and beverage sector, the driving and impeding factors to the success of the supply chains, and the determinants of the supply chain success. Below is a model of the socially responsible purchasing practices, the driving and impeding factors, and their relationship with the success determinants.

**Figure 1: A model of socially responsible purchasing in the Nigerian food and beverage sector, the driving and impeding factors to the success of the supply chains**

*Socially responsible purchasing*

**Characterised by:**

- *Due process purchasing:* set standards of behaviour, integrity and procedure that must be followed in the supply chain/purchasing process no matter who is involved. Ensuring that the process does not impact negatively on the stakeholders. This is a voluntary and an ethical responsibility.
- *Socio-environmental oriented purchasing:* being friendly to the society in that the people are not exposed to any harm whatsoever. It also entails ensuring reduction or elimination of waste, the safety of the environment and lack of pollution. responsible to comply with. The health and safety of the employees are of paramount importance for the organisations. These practices are legal requirements that the organisations are
- *Equality:* Fairness and equality in the purchasing process especially when bidding for suppliers. Ensuring equal opportunities amongst employees. Social equity. This is a legal responsibility.
- *Child labour compliance:* The challenge in Nigeria regarding child labour is the lack of enforcement of legal instruments on offenders. Majority of the organisations however comply with the child labour laws. Compliance with child labour laws can be deemed to be more of a legal compliance than a strong ethical commitment.
- *Philanthropy:* it is evidenced by the organisation donating infrastructures to the community in order to improve the society and the community. This is voluntary and a philanthropic responsibility.
- *Diversity:* Not all the organisations source from minority and small-scale suppliers. However, organisations that practice this work at developing these suppliers by carrying developmental initiatives. This is deemed to be a voluntary act and ethical in nature.

Practices are driven by:

- *International and governmental regulations:* The governing policies on responsible purchasing giving by the government to organisations are well spelt out and organisations are aware of the need to comply with these guiding rules. This is purely a legal requirement.
- *Motivation to do things right:* Ensuring due diligence in purchasing and supply is ensuring that the right process is followed when choosing suppliers. The organisations want to be seen as an organisation that allows equality at all levels. Although, part of the motive for this is to protect their reputation, this intention is voluntary and can be deemed to have an ethical underpinning.
- *Organisational characteristics:* the positive culture and behaviour of the top management and employees' commitment towards the adoption and implementation of their socially responsible practices. This is deemed to be voluntary, and also having a moral undertone.

Practices impeded by the following due to unstable institutional and industrial environment:

- *High costs:* The costs incurred are the expenditures that organisations incur in the course of producing and transporting their product to market. These costs include operating costs, overhead costs, transportation costs, cost of supplier visits and so on.
- *Suppliers' non-compliance with regulations:* Some of the organisations' suppliers are drawn to cover up non-compliance for fear of losing business with buyers which in turn restricts transparency and prevents buyers' efforts to determine the performance of suppliers.
- *Trust issues:* Trust issues in the purchasing and supply chain process include the problem of ethics and transparency on the part of employees, suppliers and the government, and the issue of corruption in the bid to avoid being caught performing irresponsible practices. Consumers have trust issues with some organisations regarding the standard of raw materials purchased and the finished products.
- *Lack of skills:* Lack of skills on the part of employees means not having the necessary technical know-how regarding the implementation of some of the socially responsible purchasing practices. This is due to lack of training.
- *Risks:* The organisations are faced with uncertainties regarding the successful implementation of socially responsible purchasing practices. These uncertainties represent the risks of loss due to supplier negligence, political instability, and unstable economy.

Determinants of supply chains success:

- *People-oriented supply chain:* need to satisfy the demands of their customers. Assurance that the safety of the environment and the people are ensured, for example, waste and pollution reduction can also be people oriented has the purpose of keeping the environment safe is to avoid the people from being endangered. Organisations ensure that the right quality and quantity of products.
- *Reduction in cost:* Although the organisations try not to cut cost at the expense of quality and customer satisfaction, they work on managing their costs.
- *Protection of reputation:* Some of the key informants believe their organisation place a high priority on their reputation and will try everything to ensure it is not jeopardised. If the organisations do not have a good reputation (which is costly and time consuming to stabilise), it will have an adverse effect on its relationship with its stakeholders.
- *Risk management:* Business risk is influenced by various factors such as competition, the volume of sales, inconsistent government regulations, unstable foreign exchange. The organisations work at mitigating ethical risk as they are concerned about some of their suppliers' ethical behaviour.

## Chapter Seven

### Reflections and Conclusions

#### 7.1 Introduction

Supply chains within the food industry have been subjected to various pressures in light of globalisation, food recalls, technological innovations, and decreasing consumer trust (Buysse, K. and Verbeke, A. 2003). This research started out as an investigation into the influence socially responsible purchasing have on the success of the supply chains in the emerging Nigerian food and beverage manufacturing business environment.

The researcher reviewed the existing literature on socially responsible purchasing and supply chain performance. Based on the literature review, it was found that little practical research into the incorporation of social responsibility into purchasing and supply chain process has been carried out, leading to a paucity of raw data and practical model. This research aimed to fill the shortage in empirical data and the practice gap through the identification of the main socially responsible purchasing practices and their influence on the success of the supply chains in the context of Nigerian industrial environment through in-depth interviews and survey research. The researcher identified the main practices, factors that drive or impedes the successful implementation of including social responsibility practices in the purchasing and supply chain process. All these constructs were compared with existing findings on socially responsible purchasing and supply chain performance.

This chapter presents a summary of the substantive research data and findings. Four key issues have been addressed, which are: (1) What were the practitioners' perception of socially responsible purchasing practices? (2) What were the main drivers of and barriers to the successful implementation of the practices? (3) What were the major supply chain performance determinants in the organisations? (4) How do the practices influence the success of the organisations' supply chains? The summary demonstrates how the thesis'

research questions have been addressed through the research quantitative and qualitative empirical evidence gathered and analysed for this research.

First, the findings provided new insight into the meaning of socially responsible purchasing which, from the key informants' responses mean 'following guiding principles, standards and due process in the purchasing and supply process without compromising.

Second, the findings revealed that the Nigeria food and beverage manufacturing organisations engage various socially responsible purchasing practices in their supply chain process, these include: ensuring suppliers commit to waste reduction, frequent supplier visits, employees working in safe environment, ensuring safe product transportation and storage, equality, compliance with child labours laws, socially oriented purchasing, diversity, philanthropy, and due process purchasing. However, these practices were categorised into six distinct constructs which are: (1) Socially oriented purchasing (2) Equality (3) Child labour compliance (4) Philanthropy (5) Diversity (6) Due process purchasing.

Third, the findings indicate the existence of five distinct moderating factors that drive the adoption and implementation of the socially responsible purchasing initiatives which are: need to protect reputation, top management support, employee commitment, organisational culture, government regulations, complying with international standards, institutional compliance with regulations, and doing things right. However, these practices were grouped into three main categories namely: (1) International and institutional compliance (2) Doing things right (3) Organisational behavioural pattern. These constructs conform with the views of previous researchers who posit that monitoring for compliance with set regulations and standards is rather complicated as regulations vary by country, state or city and not all suppliers will be comfortable with restrictions placed on them (Koplin, Beske, and Seuring, 2007; Nidumolu, Prahalad, and Rangaswami, 2009; Koplin, Beske, and Seuring, 2007). Some authors also posit that ethical responsibilities mean transacting businesses in a manner expected and seen by society as being fair, ethical and reasonable even though not legally compelled with top management and organisational values playing an important role (Walker et al., 2008; Carter and Jennings 2002; Carter and Jennings, 2004).

Fourth, the findings revealed five moderating factors that are responsible for impeding the successful implementation of socially responsible purchasing practices in the food and

beverage organisations. These include: high cost, suppliers' non-compliance with regulations, lack of skills, trust issues, and risk involved in the implementation. These constructs were grouped into five main categories including: (1) High cost (2) Suppliers' non-compliance with regulations (3) Trust issues (4) Lack of skills (5) Risk involved in successfully implementing the practices. These barriers are as a result of the uncertain Nigerian institutional environment and economic instability. The findings conform with some of the findings from literature, which posit that barriers to socially responsible purchasing comprise the lack of financial resources, lack of skills, training and information on how to develop and implement socially responsible purchasing regarding social and ethical aspects, lack of legislation, lack of top management commitment/support for the initiation and implementation phases of socially responsible purchasing (Mont and Leire, 2008; Berns et al., 2009; Krause et al. 2009; Curkovic and Sroufe 2007). The works of (Adegbite, Amaeshi, and Amao, (2012); Amaeshi, Adegbite, and Rajwani, 2016; Amaeshi, Osuji, and Nnodim, 2008) which contributed to the theorising of CSR in weak institutional context, mentioned the lack of trust and corruption as a n impeding factors to the successful implementation of CSR practices.

Fifth, the findings reveal the main supply chain performance determinants in the industrial environment. There are various measures such as: productivity, quality, the speed of delivery, customer satisfaction, cost reduction, protection/maintenance of reputation/brand image, environmental safety, risk management, community support, and people-oriented supply chain. These findings are consistent with the research carried out by some previous scholars which posit that a supply chain consists of a customer's request and directly or indirectly fulfilling the request thereby generating profits for itself and sometimes costly (Vassalo et al., 2008; Krause et al. 2009; Curkovic and Sroufe 2007; Marwah, Thakar and Gupta, 2014; Merrick, 2004).

Finally, the finding revealed the role the socially responsible practices play in the success of the organisational supply chains. While some of the findings support previous research, some are in contrasts with them. For example, the findings reveal that socio-environmental purchasing result in high cost, this is supported by Zhu et al., who posit that implementing green management policies put a burden on the organisation as it increases operating costs and decreases speed in productivity improvement (2007). However, it is in contrasts with the

argument that socially oriented management of suppliers can positively influence the relationships with suppliers, thereby significantly reducing transaction cost and also create irreproducible relational resources Davis (2008) and Williamson (2008).

To summarise, this thesis has contributed:

1. Empirical data and new insight into the concept of socially responsible purchasing and expansion of the stakeholder and institutional theories.
2. Methodologically with the combination of the quantitative and qualitative data source for analysis. This is an improvement to single method research.
3. Practical suggestions for management practice and policies.

This chapter has presented the findings of data gathered through in-depth, semi-structured interviews with employees of selected Nigerian food and beverage organisations. The data have been arranged according to the socially responsible purchasing concept (sub-divided into diversity, socially oriented purchasing, equality, issues of child labour, and philanthropy) while discussing the organisations’ business as usual, as well as their economic, legal, ethical and philanthropic responsibilities. The chapter also presented the driving factors (which are compliance with regulations and the need to be seen as being a socially responsible organisation); impeding factors (which include trust issues, high cost, risk); and the social-based performance determinants. Table 7.1 provides the summary of the main categories and emergent themes.

**Table 7.1 A summary of the themes in relation to the conceptual framework**

<b>Main Practices</b>	<b>Main drivers</b>	<b>Main Barriers</b>	<b>Performance based</b>
Diversity Socially-oriented purchasing Equality Child labour compliant Philanthropy Due process purchasing	Institutional compliance Doing the right thing	Trust issue High cost Risk	People-oriented Protection of reputation and brand

The table indicates that the food and beverage organisations are involved in five key socially responsible practices which include diversity, socially responsible purchasing, equality, child labour laws compliant, philanthropy and due process. The reasons for engaging in these practices were motivated by the need to comply with institutional regulations and because they want to be seen as being a socially responsible organisation. However, in the bid to be socially responsible, the organisations are faced with challenges which impede their ability to successfully implement the practices. These impeding factors are lack of trust within and outside the institutional environment, the high cost incurred in trying to be socially responsible and the high risk involved in the socio-economic environment. The organisations' resoluteness and their bid to remain socially responsible despite the results of the opposition in high customer satisfaction and the building and/or protection of their reputation and brand image which invariably results in their being sustainable in an unstable business environment.

This concluding chapter presents a summary of the research, highlights the contributions to knowledge, and in addition, provides the limitations of the research and finally, suggestions for further research.

## **7.2 Reminder of the research aim and objectives**

This research's broad aim was to identify the influence of socially responsible purchasing practices on the success of organisational supply chains in the Nigerian food and beverage industry. To achieve this main research aim, four more specific objectives were considered.

These were:

1. To explore the perception of practitioners on socially responsible purchasing.
2. To identify the main socially responsible purchasing practices carried out in the food and beverage industry.
3. To reveal the major motivating and impeding factors to the successful implementation of socially responsible purchasing practices?
4. To establish the main supply chain performance determinants in the supply chain process?
5. To evaluate the influence of socially responsible purchasing on the success of organisational supply chains.

Seuring argued that social pillar was essentially not addressed in the classic sustainable supply chain management concept (Seuring, 2012). The importance of social sustainability in the business communities is slowly growing, although some scholars still try to avoid the use of social indicators as they are subjectively presumed and hard to evaluate (Azapagic and Perdan, 2000; Ruiz-Mercado et al., 2012). To evaluate social sustainability in supply chains, it should go through the creation of key performance indicators and metrics (Hassini et al., 2012) and much is yet to be done regarding the identification and incorporation of social issues and the assessment of the social performance in supply chains (Carvalho and Barbosa-Póvoa, 2011).

### **7.3 Theoretical contributions**

This research allowed contribution to existing knowledge of corporate social responsibility and supply chain literature by articulating a descriptive account of socially responsible purchasing practices and the moderating factors that need to be considered in the adoption and successful implementation to improve the success of the supply chains. The general acceptance of social sustainable actions through purchasing practices such as those addressed in this research relates to the universal adoption of stakeholder and institutional theoretical views. Stakeholder theory views the firm as an entity that is tasked with noneconomic responsibilities (Fontrodona and Sison, 2006). The institutional theory, examines the effect of internal and external pressures on an organisation for example, the drivers of and barriers to the successful implementation of socially responsible purchasing practices within the weak institutional environment. This research has a major aim of exploring the inconclusiveness of various findings regarding the nature of the influence of socially responsible purchasing on the success of organisational supply chains. The stakeholder and institutional theories were utilised to achieve this.

Previous studies have identified direct or indirect positive impact. This current research's outcome shows a moderate positive influence of socially responsible purchasing practices on the success of the organisations' supply chains, arising from in-depth interviews and rigorous analysis of the quantitative data through descriptive statistical tools. This research provided new insight into the concept of socially responsible purchasing (see for example, chapter

four). Also, this research breaks new grounds in the area of socially responsible purchasing - supply chains link by indicating that the relationship is moderated by institutional factors not established in previous studies (see for example, chapter six). By analysing the quantitative and qualitative datasets of the influence of the different dimensions of socially responsible purchasing on the success of organisational supply chains, the results show a moderately positive influence. However, further enquiries show the influence of factors within the institutional and industrial environment (unstable environment). This outcome suggests that there may not be a specific direction of influence between socially responsible purchasing and the supply chains, but the link between them will depend on the moderating factors discovered in this research.

Secondly, this study has given the concept of socially responsible purchasing a deeper understanding. Drawing on the data gathered, practitioners' perspective of the meaning of socially responsible purchasing provided new insights into the area such as meaning 'following guiding principles, standards and due process in the purchasing and supply process'. These provide a contribution to the extant literature on the meaning of socially responsible purchasing. For example, Paulikas & Brazdauskaite (2010), Lobel (2006) and Carter and Jennings (2004), amongst others, refer it as relating to sourcing from minority-owned suppliers, environmental purchasing, health and safety, equality, human rights and philanthropy issues. Again, by exploring the themes relating to the measures of supply chain performance, this research has led to more understanding of supply chain performance determinants in developing countries and weak institutional context, in this case Nigeria.

Third, considering Carroll's' CSR pyramid, the research was able to identify and distinguish the various socially responsible purchasing practices for each of the corporate responsibilities. In particular, the concept of due process that came up from the data, was identified as an ethical responsibility of the organisations.

Finally, from the data gathered, the issue of social justice came up which is a good avenue for further research in relation to social sustainability. The dimensions of socially responsible purchasing such as the environment, ethical issues, diversity, human rights, safety, philanthropy and CSR in general discussed earlier suggest the concept of social justice. Social justice is a value-based attitude that people hold about the unequal life opportunities of social groups compared with others in a given society, and how these opportunities are

negatively affected by the existing social conditions (Rasinki, 1987). As posited by Fua (2007), social justice is typically related to the belief that society should be based on giving individuals the fair treatment and a fair share of the benefits of the society without the unfairness of class, gender, ethnicity and culture. The environmental issue is related to social justice, for example, polluting the air or dumping waste indiscriminately is unfair to the society because of the negative impact on health. The stakeholder theory brings out the issue of social justice and provides a better understanding of the phenomenon.

#### **7.4 Methodological contribution**

This research has contributed in terms of its research method. While many research on socially responsible purchasing and supply chain performance employed single method research (Leire and Mont, 2009, 2010; Tiwari, Turner and Younis, 2014; Chan and Qi, 2003; Gunasekaran *et al.*, 2004; 2007; Hwang *et al.*, 2008; Robb *et al.*, 2008; Zhu *et al.*, 2008; Chia *et al.*, 2009; Flynn *et al.*, 2010), this research employed a mixed method research approach. This was because the current research was concerned with the views of food and beverage manufacturing industry about socially responsible purchasing and the influence on the success of organisational supply chains. There was a need to understand some in-depth personal views about complex these issues, thus, the approach complements and enhances the robustness of the research findings. Therefore, a mixed methods approach, including interviews, survey approach, and secondary data analysis, was used to collect the data for this research. The research also used both quantitative and qualitative data analysis. Data collected from the chosen organisations were both quantitative and qualitative. The quantitative data were analysed through descriptive statistics while the qualitative data were analysed by the thematic analytical approach. The findings were robust and provided new and better insight into the CSR – supply chain phenomenon. This approach is novel and has not been explored in previous empirical research.

#### **7.5 Practical contributions**

This research provided a framework of supply chain social responsibility in the food and drink sector which will support expert implementation across all levels of the food and beverage supply chains. This research is significantly relevant to private and public sectors,

and sustainability researchers, policy makers and practitioners as it provides a deeper understanding of the factors that drive or impede the successful adoption and implementation of socially responsible purchasing. The data gathered can be used to support management in their decision making regarding the adoption and implementation of socially responsible purchasing and the barriers to look out for in order to improve their performance within the supply chains. The research also provides the food and beverage industry with valuable suggestions for the effective and successful implementation of socially responsible purchasing in their purchasing and supply function. Also, in practice, the research provides support for operations managers by identifying the practices that improve the success of their sustainable supply chains. Due to recent awareness for socially responsible purchasing in Nigeria, this research hopes to provide a basic clue for organisations that social responsibility in the purchasing and supply chain process is not only obligatory, but also essential for sustainable growth. Again, the findings of this research will interest managers who contemplate engaging in socially responsible activities, financial analysts who assess organisations' performance and policy/decision makers who design and implement guidelines on social sustainability programmes. This research is also beneficial to the Nigerian food and beverage sector as it identifies the specific socially responsible purchasing practices that will impact positively on the success of their business. This contribution could serve as an eye opener for good corporate decision making on specific barriers to responsible purchasing to look out for. These will also be insightful for other industrial sectors as well as developing economies in Africa.

## **7.6 Research limitations**

This research process was an interaction between the conceptual and empirical world where deduction and induction were occurring at the same time. However, some inevitable actors still affected the research. First, the interview and survey procedure had the limitation of an unequal number of responses from each of the organisations (which are only from the food and beverage industry) which may impose some biases. Although there is no universally accepted response rate and some studies indicate response rate may be related to participants' level of interest in the topic (Fowler, 2009), the study may not be free from generalisation problems. Again, the research context was restricted to private organisations in Nigeria. Whether these conclusions hold in public organisations remains unknown. However,

although the research took place in Lagos, the commercial hub of Nigeria, it can be generalised to other states of the country, this is because, Lagos is the commercial city and majority of the manufacturing organisations are located there. The above issues can be investigated in future studies. The relatively closeness of the findings of the research to the constructs in the literature suggests that in practice, the differences in industries may be less serious in terms of identifying key themes/constructs to be considered when implementing socially responsible purchasing practices.

Second, chapter five focused on the qualitative data collected via the qualitative method. This is because the qualitative method enables generalisation of rich contextual data that is associated with organisational issues. However, despite the advantages of the qualitative method, it has its disadvantages as well - time consuming. The researcher spent a lot of time in the data collection and analysis process. Due to the contextual nature of the data collected from the chosen organisations, the interpretation was a challenge, however, the findings were compared to the conceptual model of the research. Despite these limitations, this research delivers significant empirical evidence on the influence of socially responsible purchasing on the organisations' supply chains in the food and beverage manufacturing industry context. Again, the lack of prior experience in qualitative research was a challenge to overcome. A lot of work was devoted to developing the methods and analysis of data to compensate previous deficient knowledge. However, the challenge prompted extra effort which resulted in a positive experience. In addition, the pilot interviews assisted in the development of the skills and the researcher's capability as a good listener and ability to enquire helped in achieving the task.

Third, there were difficulties in trying to harness responses from the key informants about the effectiveness of their organisations' socially responsible purchasing practices and the issues surrounding their supply chain performance especially as the barriers to the successful implementation related to the government. In Nigeria, people are conscious of what is said due to fear of being laid off and therefore try to avoid conflict or controversy. Some of the key informants were therefore quite reluctant about providing critiques in relation to the issues of their performance especially in relation to the barriers to the successful implementation - as one informant said: "I don't want you to record, this is CAU o..., I know what I am saying, you can ask..." (*Manager, Human Resource, CAU, indigenous*). Despite this, the researcher tried to build a good rapport with the informants which seemed to

encourage openness and increased level of trust. The researcher gave the informants assurance that all information gathered would be confidential and used only for the intended research.

Fourth, is the time constraint - the researcher lived in the UK at the time the empirical data was gathered overseas which meant that a short period could be devoted to the fieldwork. Despite that, effort was put into the interview and relevant areas were covered through the best use of time. The time for the visit and interview at each key informant's organisation was an average of two hours and a quarter which was carefully scheduled to a timeframe. Again, the return time for the questionnaires was at a slow pace. The researcher kept making calls or even visiting the organisations to remind their representatives about collecting the completed questionnaires. The reason was credited to the fact that the questionnaire was lengthy with several items for each construct of interest.

Finally, there was a limitation of insufficient funds. Apart from the fact that it was expensive to travel to Nigeria to carry out the research, it was also impossible travel to other parts of the country due to the financial constraints. The researcher would have loved to interview key informants from other states in the country, but the thesis methodological approach made it economically impossible.

## **7.7 Recommendations for further research**

Having explored the socially responsible purchasing practices and the level of influence on the success of organisational supply chains, although this empirical research answered the research questions, the research can be further developed. In the light of the limitations, the recommendations below are made on potential areas for further research:

This research centred on the food and beverage organisations' understanding of the socially responsible purchasing activities, their decisions to include them in their purchasing and supply policies, and the look for barriers that may impede the successful implement of the practices. The implications are that this research delivers a replicable base for future research into the placement of social responsibility in purchasing and supply process in other industries, sectors, and business model types in underdeveloped countries. The differences

that may exist between sectors to sector and country to country could then be identified. In addition to increased diversity in the population of study, the sample size should be increased and therefore the use of structural equation modelling can be employed to provide a deeper understanding of the research. Also, further research could include more key informants such as the suppliers, regulatory bodies, and customers of the organisations in order to collect more confirmatory information on the organisations' claim on their socially responsible purchasing practices. There have been cases where organisations were required to show proof of their social responsibility (Akenroye, 2013).

Another recommendation is that as the framework provides a holistic view of socially responsible purchasing practices, the moderating factors (the drivers and barriers) and the impact of the practices on the success of the supply chains, it might be possible to investigate the direct effect of the moderating factors on the organisations' supply chain performance.

Again, as this research was of an exploratory nature, hypotheses were not tested, it is therefore recommended that hypothesis should be developed and tested in future research. This will also create an avenue for more rigorous statistical analysis.

## **7.8 Closing remarks**

This exploratory research focused on the influence of socially responsible purchasing on the success of organisational supply chains in the Nigerian food and beverage sector and has provided empirical data in that regard. Data gathering was by means of a survey with the use of questionnaires plus semi-structured face-to-face interviews in order to triangulate data sources. The key finding that socially responsible purchasing has a moderate positive influence on organisational supply chain performance within an unstable economic environment. Some of the practices are assumed to be voluntary while others are assumed to have ethical or legal responsibilities. The findings suggest that the moderate influence is as a result of some factors within and outside the institutional environment and the weak institutional context. Whilst there are policies in place which represents a step in the right direction, this research argues that, to deal with the impeding factors, strategic decisions should be made and the policies developed should be followed to the letter as this managerial decision-making, will guide the industry and supply chain sustainable progress and improvement.

This research contributes to social responsibility and sustainability decision making in the food and beverage organisations theoretically and practically. It has also provided new perspectives and insight into the study of socially responsible purchasing and supply chain success. However, in the future, when performing empirical research in the area of socially responsible purchasing and supply chain success, the involvement of other sectors may help attain deeper and better results.

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## Appendices

### Appendix 1: Research Ethics Approval

**From:** Natasha Slutskaya <[Natasha.Slutskaya@brunel.ac.uk](mailto:Natasha.Slutskaya@brunel.ac.uk)>  
**Date:** 10 December 2014 12:02:22 GMT  
**To:** Titilayo Ogunyemi <[Titilayo.Ogunyemi@brunel.ac.uk](mailto:Titilayo.Ogunyemi@brunel.ac.uk)>  
**Subject:** ethics approval

Dear Titilayo

The school's research ethics committee has considered the forms recently submitted by you. Acting under delegated authority, the committee is satisfied that there is no objection on ethical grounds to the proposed study. Approval is given on the understanding that you will adhere to the terms agreed with participants and to inform the committee of any change of plans in relations to the information provided in the application form.

Best regards

Dr Natasha Slutskaya

## Appendix 2: Survey Questionnaire



Dear Participant,

Thank you for agreeing to participate in completing this questionnaire. The research is aimed at investigating the influence of socially responsible purchasing on the success of organisational supply chains in partial fulfilment of a doctoral degree. Socially responsible purchasing is believed to include activities such as sourcing from minority-owned suppliers, environmental purchasing, safety, human rights and philanthropy issues at supplier plants. The approximate time to complete this survey is between 10 to 15 minutes. Neither your name nor that of your company will be associated with any of your responses as they will remain anonymous and confidential. **The information gathered will be strictly anonymous in line with the University's confidentiality policy.** Please feel free to withdraw from completing the survey at any time you wish to do so.

Many thanks for your cooperation and participation. For further enquiries about the study, please contact the researcher.

Titilayo Ogunyemi

Brunel University London

United Kingdom

Phone No.: +44 07453266859

Email: titilayo.ogunyemi@brunel.ac.uk

### Demographic Information of Respondents

1. **Age:** <17[ ] 18-27[ ] 28-37[ ] 38-47[ ] 48-57[ ] 58>[ ]

2. **Gender:** Male[ ] Female[ ]

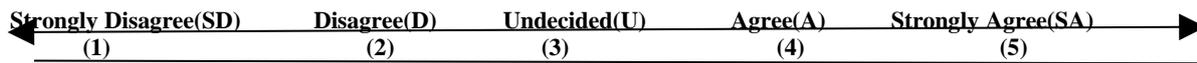
3. **Department:** Purchasing[ ] Quality Control[ ] Accounting[ ] Human resources[ ]  
Marketing/sales [ ] Health/safety[ ] Others.....

4. **Position:** Managing Director[ ] Manager[ ] Permanent staff[ ] Casual staff[ ]  
Others.....

5. **Duration of work on the job (Years):** <1[ ] 1-3[ ] 4-6[ ] 7-9[ ] 10>[ ]

6. **Duration of work in the organisation (Years):** <1[ ] 1-3[ ] 4-6[ ] 7-9[ ] 10>[ ]

5-point scales to each question. Please put a cross (X) on the appropriate box.



<b>Q1. Socially responsible purchasing practices</b>	(SD)	(D)	(U)	(A)	(SA)
My company practices evaluating environmental friendliness of products and packaging					
My company practices purchase from diversity-owned suppliers (minority, women owned enterprises)					
My company practices ensuring suppliers commit to waste reduction/elimination					
My company practices supplier visits					
My company practices developing diversity-owned suppliers(minority/women-owned)					
My company practices ensuring safe incoming movement of products					
My company practices compliance with child labour laws					
My company practices equality - Fair pay, gender					
My company practices employees working in safe environments					
My company practices supporting local charities					
My company practices donating to community organisations					
My company practices ensuring safe supplier location					
<b>Q6. Supply chain performance measurements</b>	(SD)	(D)	(U)	(A)	(SA)
Cost reduction is main supply chain performance measurements used in my company					
Productivity is main supply chain performance measurements used in my company					
Profit is main supply chain performance measurements used in my company					
The speed of delivery is main supply chain performance measurements used in my company					
Flexibility is main supply chain performance measurements used in my company					
Quality is main supply chain performance measurements used in my company					
Reliability is main supply chain performance measurements used in my company					
Customer satisfaction is main supply chain performance measurements used in my company					
Strong brand image is main supply chain performance measurements used in my company					
is main supply chain performance measurements used in my company					

environmental safety					
is main supply chain performance measurements used in my company					
community support					

<b>Q8. Main drivers for the adoption of socially responsible purchasing practices</b>	(SD) (D) (U) (A) (SA)				
Employee commitment is the main driver for the adoption of socially responsible purchasing practices in my company					
Top management support is the main driver for the adoption of socially responsible purchasing practices in my company					
Government regulation is the main driver for the adoption of socially responsible purchasing practices in my company					
Customer/community pressure is the main driver for the adoption of socially responsible purchasing practices in my company					
Non-governmental organisations (NGOs) is the main driver for the adoption of socially responsible purchasing practices in my company					
People oriented organisational culture is the main driver for the adoption of socially responsible purchasing practices in my company					
Organisational Size/value/culture is the main driver for the adoption of socially responsible purchasing practices in my company					
Media is the main driver for the adoption of socially responsible purchasing practices in my company					
Credible Supplier is the main driver for the adoption of socially responsible purchasing practices in my company					
Economic opportunity is the main driver for the adoption of socially responsible purchasing practices in my company					
International standards/code of conduct is the main driver for the adoption of socially responsible purchasing practices in my company					
Ethical Influences - By the society is the main driver for the adoption of socially responsible purchasing practices in my company					
Reputation is the main driver for the adoption of socially responsible purchasing practices in my company					
Competitive Market is the main driver for the adoption of socially responsible purchasing practices in my company					
Evaluation of other companies' performance is the main driver for the adoption of socially responsible purchasing practices in my company					
<b>Q9. Main barriers affecting the adoption of socially responsible purchasing practices</b>	SD) (D) (U) (A) (SA)				
Additional cost (of supplier audit/switching) is a main barrier affecting the adoption of socially responsible purchasing practices in my company					

Lack of skills/training/information is the main barrier affecting the adoption of socially responsible purchasing practices in my company					
Governmental culture/Tariff is the main barrier affecting the adoption of socially responsible purchasing practices in my company					
Lack of legislation is the main barrier affecting the adoption of socially responsible purchasing practices in my company					
Suppliers' non-compliance with standard codes of conduct					
Culture and management style is the main barrier affecting the adoption of socially responsible purchasing practices in my company					
Lack of employee commitment is the main barrier affecting the adoption of socially responsible purchasing practices in my company					
Organisational Size/value/culture is the main barrier affecting the adoption of socially responsible purchasing practices in my company					
Lack of customer/community pressure is the main barrier affecting the adoption of socially responsible purchasing practices in my company					
Risk is the main barrier affecting the adoption of socially responsible purchasing practices in my company					
Fraudulent Activity is the main barrier affecting the adoption of socially responsible purchasing practices in my company					

**Q7. Please assign a numerical positive value of 1 = LOW, 2 = MODERATE AND 3 = HIGH on the practical influence of these socially responsible practices on your company's supply chains**

<b>Practices</b>	Evaluating environmental friendliness of products and packaging	Purchase from minority, women owned enterprises (Diversity-owned enterprise)	Ensuring Suppliers commit to waste reduction	Supplier visits	Developing diversity-owned supplier	Safe incoming movement of products	Compliance with child labour laws	Equality - Fair pay, gender	Employees working in a safe environment	Supporting local charities	Donating to community organisations	Ensuring Safe supplier location
<b>Performance</b>												
Cost												
Productivity												
Speed												
Flexibility												
Supplier quality												
Product quality												
Reliability												
Customer satisfaction												
Community satisfaction												
Excellence												
Creation of strong brand												
Environmental safety												
Community Support												

## Appendix 3: Interview Protocol



Dear Informant,

Thank you for agreeing to take part in this interview. The research is aimed at investigating the influence of socially responsible purchasing on the success of organisational supply chains in partial fulfilment of a doctoral degree. Socially responsible purchasing is believed to include activities such as sourcing from minority-owned suppliers, environmental purchasing, safety, human rights and philanthropy issues at supplier plants. The approximate time to for this interview is between forty-five minutes to one hour. Neither your name nor that of your company will be associated with any of your responses as they will remain anonymous and confidential. **The information gathered will be strictly anonymous in line with the University's confidentiality policy.** Please feel free to withdraw from answering the questions at any time you wish to do so.

Many thanks for your cooperation and participation. For further enquiries about the study, please contact the researcher.

Titilayo Ogunyemi

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### Section One: Demographic Information of Respondents

1. **Age:** <17[ ] 18-27[ ] 28-37[ ] 38-47[ ] 48-57[ ] 58>[ ]
2. **Gender:** Male[ ] Female[ ]
3. **Department:** Purchasing[ ] Quality Control[ ] Accounting[ ] Human resources[ ]  
Marketing/sales[ ] Health/safety[ ] Others.....
4. **Position:** Managing Director[ ] Manager[ ] Permanent staff[ ] Casual staff[ ]
5. **Duration of work on the job (Years):** <1[ ] 1-3[ ] 4-6[ ] 7-9[ ] 10>[ ]
6. **Duration of work in the organisation (Years):** <1[ ] 1-3[ ] 4-6[ ] 7-9[ ] 10>[ ]

### **A. General Perception of Socially Responsible Purchasing**

1. Can you please explain what socially responsible purchasing mean to you?
2. What are your views on socially responsible purchasing practices in your organisation?

### **B. Usage of socially responsible purchasing**

1. Does your company practice socially responsible purchasing?
2. What are the socially responsible purchasing practices carried out in your organisation? Please mention the five major practices. Akenroye (2013); Cramer (2008); Montabon et al. (2007)
3. In your own opinion, do you think socially responsible purchasing is important to you, other stakeholders and business generally?

### **C. Influence of the Practices on supply chains success**

1. What is the practical impact of these barriers on your supply chain processes or activities?
2. What are the consequences of adopting these practices? Prompt: Impact, factors, benefits
3. What are the main supply chain performance determinants in your company? Prompt: Cost, quality, speed, flexibility. Zailani et al., (2012); (Ganesan et al., 2009); Makni et al., (2009)
4. Do you think socially responsible purchasing practices have any significant influence on these performance determinants?
5. Do you think the adoption of socially responsible purchasing practices can improve the success of your company's supply chains? Blome and Paulraj (2013)
6. If yes, what are the practical influence of these practices on the success of your supply chains?

### **D. i) Drivers of the adoption of socially responsible purchasing**

1. When your company decides to adopt socially responsible purchasing practices, what are the main driving factors that facilitate the adoption? i.e. internal and external stakeholders Prompt: Employees, top management support, government, customer pressure, NGOs. Blome and Paulraj (2013); (Shneider and Wallenburg, 2012); Salam (2009);
2. What role do they play?

### **ii) Barriers to the adoption of socially responsible purchasing**

1. Please explain the difficulties you face in adopting socially responsible purchasing practices as it relates to your supply chain activities.
2. What are the barriers affecting the adoption of socially responsible purchasing practices in your company? Prompt: top management, cost of supplier audit, lack of training, governmental pressure, culture. Akenroye T.O. (2013); Mont and Leire (2008)

### **E. Modification and Sustenance of socially responsible purchasing**

1. Have you made any modifications to your existing practices recently? If yes how and why.
2. Are there any practices you stopped adopting and why?
3. What structures or measures did your company put in place to harness successful adoption of socially responsible purchasing practices?
4. How have you improved these practices over the years?
5. Do you think there is need to adopt more practices? if yes what will these be and why?

What changes would you wish to see put in place regarding your organisation's socially responsible purchasing practices?

What managerial or policy recommendations would you offer or suggest for addressing the issues of the barriers?

Are there any other issues that you think are relevant in the context of this interview?

## Appendix 4: Questionnaire for regulatory bodies



### QUESTIONNAIRE

Thank you for agreeing to participate in completing this questionnaire. The research is aimed at investigating the influence of socially responsible purchasing on the success of organisational supply chains in partial fulfilment of a doctoral degree. Socially responsible purchasing is believed to include activities such as sourcing from minority-owned suppliers, environmental purchasing, safety, human rights and philanthropy issues at supplier plants. The approximate time to complete this survey is less than 10 minutes. Neither your name nor that of your company will be associated with any of your responses as they will remain anonymous and confidential. **The information gathered will be strictly anonymous in line with the University's confidentiality policy.** Please feel free to withdraw from completing the survey at any time you wish to do so.

Many thanks for your cooperation and participation. For further enquiries about the study, please contact the researcher.

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### Demographic Information of Respondents

1. **Age:** <17[ ] 18-27[ ] 28-37[ ] 38-47[ ] 48-57[ ] 58>[ ]
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3. **Department:** Purchasing[ ] Quality Control[ ] Accounting[ ] Human resources[ ]  
Marketing/sales[ ] Health/safety[ ] Others.....
4. **Position:** Managing Director[ ] Manager[ ] Permanent staff[ ] Casual staff[ ]  
Others.....
5. **Duration of work on the job (Years):** <1[ ] 1-3[ ] 4-6[ ] 7-9[ ] 10>[ ]
6. **Duration of work in the organisation (Years):** <1[ ] 1-3[ ] 4-6[ ] 7-9[ ] 10>[ ]

Strongly Disagree ← → Agree

**Food & beverage companies practice the following:**

Evaluating environmental friendliness of products and packaging	1	2	3	4	5
Purchase from minority, women owned enterprises suppliers	1	2	3	4	5
Ensuring suppliers commit to waste reduction/elimination	1	2	3	4	5
Frequent supplier visits	1	2	3	4	5
Developing minority/women-owned suppliers	1	2	3	4	5
Ensuring safe incoming movement of products	1	2	3	4	5
Compliance with child labour laws	1	2	3	4	5
Equality - Fair pay, gender	1	2	3	4	5
Employees working in safe environments	1	2	3	4	5
Supporting local charities	1	2	3	4	5
Donating to community organisations	1	2	3	4	5
Ensuring safe supplier location	1	2	3	4	5

Food & beverage companies' suppliers comply with set standards	1	2	3	4	5
Food and beverage companies' production premises are in good conditions	1	2	3	4	5
Quality of local/imported raw materials meet acceptable standards	1	2	3	4	5
The companies undertake registration of products before distribution	1	2	3	4	5
The companies consider the society during their supply chain process	1	2	3	4	5
The agency's laboratories for product evaluation function effectively	1	2	3	4	5

Enforcement of set standards are poorly monitored	1	2	3	4	5
Standards are not strict or are impractical to enforce	1	2	3	4	5
Tariffs on imported/exported food products are fair to companies	1	2	3	4	5
Complying with standards increases running cost of the companies	1	2	3	4	5
Companies are sometimes deceptive when providing information	1	2	3	4	5
Sanctions placed on defaulting organisations yields positive results	1	2	3	4	5
From experience, consumers are satisfied with the end products	1	2	3	4	5
Staff's lack of education/skills contribute to non-compliance with standards	1	2	3	4	5

## Appendix 5: Demographic profile of each key informant

Participants (pseudonyms)	Age range in years	Department	Duration of work in the organisation (years)	Experience on the job (years)	Gender	Position	Sub-sector	Company type
Milsab	28-37	Purchasing	4-6	1-3	Male	Staff	Alcoholic beverage	Indigenous
Milsab2	38-47	Purchasing	1-3	1-3	Male	Staff	Alcoholic beverage	Indigenous
AUB	38-47	Human resources	4-6	1-3	Male	Manager	Confectionery	Indigenous
CAU	38-47	Human resources	4-6	1-3	Male	Manager	Confectionery	Indigenous
Comfoods	38-47	Logistics	4-6	4-6	Male	Manager	Confectionery	Indigenous
CAU	38-47	Purchasing	4-6	1-3	Male	Manager	Confectionery	Indigenous
AUB	28-37	Finance	1-3	1-3	Male	Staff	Confectionery	Indigenous
AUB	28-37	Marketing/sales	1-3	1-3	Male	staff	Confectionery	Indigenous
Mineg	28-37	Purchasing	4-6	4-6	Male	Manager	Dairy products	Indigenous
Mineg	38-47	Quality control	4-6	1-3	Male	Manager	Dairy products	Indigenous
Mineg	28-37	Production and packaging	1-3	1-3	Male	Staff	Dairy products	Indigenous
CBNI	38-47	Purchasing	1-3	1-3	Male	Manager	Non-alcoholic drinks	Indigenous
CBNI	38-47	Health and safety	4-6	4-6	Female	Senior manager	Non-alcoholic drinks	Indigenous
Colaco	38-47	Purchasing	4-6	1-3	Female	Senior manager	Non-alcoholic drinks	Indigenous
Stlenest	38-47	Marketing/sales	4-6	1-3	Male	Manager	Non-alcoholic drinks	Multinational
Buricad	38-47	Quality	1-3	1-3	Male	Manager	Non-alcoholic	Multinational

		control					drinks	
CAU	48-57	Purchasing	4-6	4-6	Male	Executive manager	Confectionery	Indigenous
AUB	48-57	Purchasing	4-6	4-6	Male	Senior manager	Confectionery	Indigenous
Folafoods	38-47	Purchasing	7-9	4-6	Female	Senior manager	Confectionery	Indigenous
Mineg	38-47	Production and packaging	4-6	4-6	Male	Senior manager	Dairy products	Indigenous
Dapco	28-37	Logistics	4-6	4-6	Male	Manager	Non-alcoholic drinks	Indigenous
Colaco	38-47	Purchasing	4-6	4-6	Female	Manager	Non-alcoholic drinks	Indigenous
CBNI	38-47	Health and safety	4-6	4-6	Female	Senior manager	Non-alcoholic drinks	Indigenous
Colaco	38-47	Purchasing	4-6	4-6	Female	Senior manager	Non-alcoholic drinks	Indigenous
AUB	48-57	Purchasing	4-6	4-6	Male	Senior manager	Confectionery	Indigenous
Stlenest	38-47	Health and safety	4-6	4-6	Female	Manager	Non-alcoholic drinks	Multinational
Stlenest	38-47	Purchasing	4-6	4-6	Male	Senior manager	Non-alcoholic drinks	Multinational
Levuni	48-57	Purchasing	4-6	4-6	Male	Executive manager	Processed foods/grain and oil seed milling	Multinational
Levuni	38-47	Quality control	4-6	4-6	Male	Manager	Processed foods/grain and oil seed milling	Multinational
Folafoods	38-47	Finance	4-6	4-6	Female	Manager	Confectionery	Indigenous
Comfoods	28-37	Production & packaging	1-3	1-3	Female	Staff	Processed foods/grain and oil seed milling	Indigenous

## Appendix 6: Summary of the influence of socially oriented purchasing on the success of supply chains

	People-oriented supply chain											
<b>Socially oriented purchasing</b>	<b>Customer/ community satisfaction</b>	Impact percentage (%)	<b>environmental safety</b>	Impact percentage	<b>Quality</b>	Impact percentage	<b>Productivity output</b>	Impact percentage	<b>Speed of delivery</b>	Impact percentage	<b>Community support</b>	Impact percentage
Environmental friendliness of product/packaging	M	70.5	M	71.1	H	80.53	H	56.4	L-	47.7	M	43
Environmental purchasing (waste reduction)	L	57	M	58.4	L	49.7	L	53.7	L	51	H	42.3
Supplier monitoring	L	47.7	L	39.6	L	48.3	M	45	M	41.6	M	45
Safe transportation of products	M	55	M	59.1	M	60.4	M	57.7	M	53.7	L	78.5
Safe working environment	M	64.4	M	76.5	H	70.5	H	66.4	H	65.1	H	67.1
<b>Equality</b>												
Gender, age, religion, pay, colour	M	47	L	62.4	L	50.3	M	45	M	43.6	H	45
<b>Child labour compliance</b>												
Compliance with laws	H	68.5	H	61.7	H	71.1	H	58.4	H	51	H	69.8
<b>Philanthropic responsibility</b>												
Supporting local charities	H	59.1	M	51	M	48.3	M	49.7	M	48.3	M	48.3
Donating to communities	M-	50.3	M	49.7	M	55	M	51.7	M	49	H	51.7
<b>Diversity</b>												
Minority-owned suppliers (76 (N/A)-51.0)	L	37.6	L	27.5	L	33.6	L	36.9	L	30.2	M	50.3
Supplier development	M	25.5	L	32.2	L	30.2	M	28.2	M	25.5	M	35.6

**Table 6.6 contd.: Summary of the influence of socially oriented purchasing on supply chains success**

	<b>Reputation/brand image</b>		<b>Cost</b>	
<b>Socially oriented purchasing</b>	<b>Protection of reputation/brand image</b>	Impact percentage	<b>Cost reduction/profit maximisation</b>	Impact percentage
Environmental friendliness of product/packaging	M	73.8	H	60.4
Environmental purchasing (waste reduction)	L	53	M	49.7
Supplier monitoring	L	51.7	M	43.6
Safe transportation of products	M	63.8	M	76.5
Safe working environment	M	63.8	M	65.1
<b>Equality</b> Gender, age, religion, pay, colour	L	59.7	L	49.7
<b>Child labour compliance</b> Compliance with laws	H	64.4	L	55.7
<b>Philanthropic responsibility</b> Supporting local charities	M	65.1	M	50.3
Donating to communities	M	53.7	L	47.7
<b>Diversity</b> Minority-owned suppliers(76-51.0)	L	30.2	H	30.2
Supplier development	L	32.9	L	21.5

## Appendix 7: Survey Results

**Table 7.1: Summary of demographic information of the respondents**

<b>Characteristics</b>	<b>Sample percentage</b>
<b>Sex</b>	
Male	56.4
Female	43.6
<b>Age</b>	
18-27	8.7
28-37	69.1
38-47	17.4
48-57	4.7
<b>Position</b>	
Senior manager	12.1
Manager	32.2
Permanent staff	48.3
Casual staff	7.4
<b>Department</b>	
Purchasing	31.5
Quality control	8.7
Accounting	4.7
Human resources	18.8
Marketing/sales	27.5
Health/safety	8.7
<b>Sub-sector</b>	
Alcoholic beverage	10.7
Confectionery	25.5
Dairy product	9.4
Non-alcoholic beverage	30.2
Processed foods	24.2
<b>Duration of work on the job (years)</b>	
Less than 1	8.7
1-3	34.9
4-6	34.2
7-9	11.4
above 10	10.7
<b>Duration of work in the organisation (years)</b>	
Less than 1	5.4
1-3	31.5
4-6	30.2
7-9	16.8
above 10	16.1

From the data gathered, the dichotomous scale (male and female) shows that 56.4 per cent were male and 43.6 per cent were female and the majority of them were from the 28-47 age bracket (86.5%). This resonates with statistics which shows that the working age group of Nigerian worker is between 15 to 59 (the Federal Republic of Nigeria, 2013). The respondents came from various organisational levels, however, most of them are within the permanent staff and manager level (80.5%) while the others are senior managers (12.1%) and casual staff (7.4%). This shows that majority of the employees are in a position to provide adequate information regarding the questions asked in the questionnaires.

The respondents' department cuts across all organisational departments; however, the majority were from the purchasing department (31.5%). The Marketing/sales and the human resources departments have relatively high respondent percentage with 27.5% and 18.8% respectively. The other departments - quality control, accounts/finance and health and safety comprise 22.1% of the respondents. The fact that the respondents come from a wide range of departments will allow for better representation of the organisations' practices.

For employees to be able to give adequate information about their organisations' activities, they need to have spent some considerable number of years on the job and/or in the organisation. From the data, the majority of the respondents have spent up to six years on the job (69.1%) and/in the organisation (61.7%). A considerable number of the employees have spent up to 7 years and above on the job (22.1%) and in the organisation (32.9%). A very small percentage of the respondents have spent less than a year on the job and/or in the organisation (8.75 and 5.4% respectively).

The results of the survey are outlined below. The socially responsible purchasing practices in operation, the driving and impeding factors to the adoption and implementation of the practices, the main supply chain performance determinants and how much the practices influence the success of the organisational supply chains.

## **7.2 Reliability test of the questionnaire items**

A reliability test is used to test for internal validity of the measurement (Wells and Wollack, 2003). Testing the reliability of responses is critical as errors may occur completing the questionnaires. In order to test to determine the reliability of all the questions asked,

Cronbach’s Alpha test was carried out. Cronbach’s Alpha-Examines the extent to which a set of scale level variables are consistently scored. Responses should have a score of 0.7 and above for them to be accepted (Nunnaly, 1978). Table 4.2 below shows the score 0.962, it can therefore be concluded that the responses are reliable for the data to be acceptable.

**Table 7.2: Reliability Statistics**

	N	%
Valid	147	98.7
Cases Excluded <sup>a</sup>	2	1.3
Total	149	100.0

Cronbach's Alpha	N of Items
.962	277

a. Listwise deletion based on all variables in the procedure.

Table 4.2 shows a Cronbach Alpha value of 0.962 which signifies a strong reliability for the variables and the responses. Therefore, the data is reliable for acceptance. The data are therefore analysed in the following sections.

### 7.3 Socially responsible purchasing practices

This section identifies the main socially responsible purchasing practices that the organisations are engaged in. When asked whether they agree that their organisations are involved in the socially responsible purchasing practices, the respondents’ views are identified in tables below. The statistical tables for the calculation of mode and standard deviation for socially responsible purchasing practices are added to the appendix section.

**Table 7.3: Purchasing from diversity-owned suppliers**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	11	7.4	7.4	7.4
disagree	76	51.0	51.0	58.4
Valid undecided	26	17.4	17.4	75.8
agree	36	24.2	24.2	100.0
Total	149	100.0	100.0	

Diversity-owned suppliers here represent minority suppliers - women-owned suppliers, and

small and medium scale enterprise). From the table, over half of the respondents (51%) disagreed that their organisations are involved in purchasing from diversely-owned suppliers. The percentage of those that strongly disagreed was 7.4%, 24.2% agreed while 17.4% were undecided. This shows that some of the organisations do not purchase from the women-owned enterprise.

**Table 7.4: Ensuring suppliers commit to waste reduction/elimination**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	3	2.0	2.0	2.0
undecided	25	16.8	16.8	18.8
agree	54	36.2	36.2	55.0
strongly agree	67	45.0	45.0	100.0
Total	149	100.0	100.0	

From the table, the majority of the respondents (81.2%), support the statement that their organisations carry out the practice of ensuring their suppliers commit to waste reduction or elimination with 45% who strongly agreed and 36.2% that agreed. Very few disagreed (2.0%) while 16.8% where not sure whether their organisation involves in such practice.

**Table 7.5: Regular visits to suppliers**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	1	.7	.7	.7
disagree	4	2.7	2.7	3.4
undecided	10	6.7	6.7	10.1
agree	74	49.7	49.7	59.7
strongly agree	60	40.3	40.3	100.0
Total	149	100.0	100.0	

The table strongly shows that 90% of the respondents support the stamen that their organisation conducts regular supplier visit comprising – 49.7% who agreed and 40.3% who strongly agreed. There was an exception of one respondent who strongly disagreed (7%) and just 2.7% who stated that their organisations do not visit their suppliers.

**Table 7.6: Developing diversely-owned suppliers**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	5	3.4	3.4	3.4
disagree	86	57.7	57.7	61.1
Valid undecided	33	22.1	22.1	83.2
agree	25	16.8	16.8	100.0
Total	149	100.0	100.0	

From the table, most of the respondents (61.1% comprising 57.75 disagreed and 3.4% strongly disagreed) believe their organisations do not develop small and medium scale enterprise or minority-owned suppliers (16.8%), disagreed with the statement while 22.1 percent were undecided. This shows that most of the organisation do not engage in supplier diversity initiatives.

**Table 7.7: Ensuring safe transportation of products**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	3	2.0	2.0	2.0
undecided	3	2.0	2.0	4.0
Valid agree	57	38.3	38.3	42.3
strongly agree	86	57.7	57.7	100.0
Total	149	100.0	100.0	

The table shows that over half of the respondents (57.7%) strongly agreed that their organisation ensures raw materials or products are safely transported to the warehouse. It shows that 38.3% agreed which sums up to an overall percentage of 96% of those that support the statement. A very small proportion (2%) disagreed while 2% were also undecided. This shows that majority of the organisations ensure that their products are properly handled during transportation to the warehouse.

**Table 7.8: Complying with child labour laws**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	5	3.4	3.4	3.4
undecided	5	3.4	3.4	6.7
Valid agree	47	31.5	31.5	38.3
strongly agree	92	61.7	61.7	100.0
Total	149	100.0	100.0	

The table shows the majority of the respondents (93.2%) agree that their organisations comply with child labour laws with 61.7% strongly agreed and 31.5% agreed. Only 3.4% were undecided while 3.4% disagreed. This shows that most of the organisations comply with child labour laws.

**Table 7.9: Equality practices**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	6	4.0	4.0	4.0
disagree	6	4.0	4.0	8.1
Valid undecided	11	7.4	7.4	15.4
agree	56	37.6	37.6	53.0
strongly agree	70	47.0	47.0	100.0
Total	149	100.0	100.0	

A total of 84.6% of the respondents believe that their organisations allow equality in their organisations where almost half of the respondents (47%) strongly agreed and 37.6% agreed. 11% were undecided while those that strongly disagreed and disagreed had the same percentage, 6%. The unit of analysis here is equality in terms of fair pay, racial, age, and gender. A minute proportion disagreed. The data shows that most of the organisations allow equality in their workplace.

**Table 7.10: A safe working environment for employees**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	2	1.3	1.3	1.3
Valid undecided	7	4.7	4.7	6.0
Valid agree	47	31.5	31.5	37.6
Valid strongly agree	93	62.4	62.4	100.0
Total	149	100.0	100.0	

From the table, (62.4%) of respondents strongly agreed that their organisations ensure they work in a safe environment. 31.5% agreed, making an aggregate percentage of 93.9%. 4.7% were undecided while 1.3% disagreed. This data shows that the majority of the organisations provide a safe working environment for them.

**Table 7.11: Support to local charities by the organisations**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	4	2.7	2.7	2.7
Valid undecided	14	9.4	9.4	12.1
Valid agree	56	37.6	37.6	49.7
Valid strongly agree	75	50.3	50.3	100.0
Total	149	100.0	100.0	

From the table, a little above half of the proportion of respondents (50.3%) strongly agreed that their organisations support local charities. It shows that 37.6% agreed, 9.4% were undecided while only 2.7% disagreed. This shows that a sizeable number (87.9%) of the respondents' organisations support local charities.

**Table 7.12: Community donations**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	7	4.7	4.7	4.7
Valid undecided	13	8.7	8.7	13.4
Valid agree	70	47.0	47.0	60.4
Valid strongly agree	59	39.6	39.6	100.0
Total	149	100.0	100.0	

Respondents were asked if their organisations donate to their community, most of the organisations (86.6% - 47% agreed and 39.6% strongly agreed) are involved in donating to their immediate community. A small minority (8.7%) were undecided while a very small percentage (4.7%) disagreed. This shows that most of the organisations are involved in donating to their community. Tables showing a summary of the practices (based on the aggregate percentage of respondents that agreed and strongly agreed), and the mode are shown below.

**Table 7.13: Summary of socially responsible purchasing practices**

<b>Practices</b>	<b>Percentage (%)</b>
Ensuring safe transportation of products	96
A safe working environment for employees	93.9
Compliance with child labour laws	93.2
Frequent supplier visits	90
Supporting local charities	87.9
Community donations	86.6
Equality	84.6
Ensuring suppliers commit to waste reduction	81.2
Purchasing from diversely-owned suppliers	24.2
Developing diversely-owned suppliers	16.8

The table shows that very high percentage of the respondents (96%) agree that their organisations ensure that their products are safely transported while 93.9%, a high percentage, believed that their organisations provide a safe working environment for the employees. The respondents view about their organisations complying with child labour laws shows that majority (93.2%) agreed. A large majority (87.9%), also stated that their organisations support local charities and also donate to their local community (86.6%). The data also suggest that majority of the organisations (84.6%) ensure that equality, with regards to gender, age, race and pay is part of their responsible organisational practices. A high percentage of the organisations (81.2%) are also involved in ensuring that their suppliers commit to waste reduction or elimination. However, the data suggest that a small minority (24.2%) agreed that their organisations purchase from diversely-owned suppliers and a very small percentage (16.8%) are in support of the view that their organisations develop the diversely-owned suppliers. This suggests that majority of the organisations do not involve diversely-owned suppliers in their supply chains.

**Table 7.14: Statistical table: Mode values for socially responsible purchasing**

		My company develop diversity-owned suppliers	My company Purchase from diversity-owned suppliers(minority/women)	My company ensure suppliers commit to waste reduction/elimination	My company practice supplier visits	My company ensure safe incoming movement of products
N	Valid	149	149	149	149	149
	Missing	0	0	0	0	0
Mode		2.00	2.00	5.00	4.00	5.00

My company practice equality (fair pay, gender)	My company ensures employees work in safe environments	My company support local charities	My company donate to community organisations	My company comply with child labour laws
149	149	149	149	149
0	0	0	0	0
5.00	5.00	5.00	4.00	5.00

The statistical table showing the central tendency of the respondents, the mode - a data point that is most frequently repeated in the dataset suggest that most of the highest modal values were 4.0 and 5.0 which represents agree and strongly agree respectively. Majority of the respondents indicated that their organisations ensure suppliers commit to waste reduction and/or elimination with a modal value of 5.0. Most of the respondents also indicated that their organisation safe transportation and storage of products with a modal value of 5.0. Similarly, the majority of the respondents reveal that their organisation practice equality (fair pay, age, race, gender); ensures employees work in safe environments; support local charities; and comply with child labour laws with a modal value of 5.0. Again, the majority of the respondents identified My company practice supplier visits, and My company donates to community organisations as one of their organisations’ main socially responsible purchasing practices with a modal value of 4.0.

The data indicate that majority of the respondents were positive about their organisations’ above mentioned socially responsible purchasing practices. However, the modal value of 2.0 suggests that majority of the respondents do not agree that their organisations purchase from diversely-owned suppliers nor do they carry out supplier development initiatives. The next section discusses the factors that facilitate the aforementioned socially responsible purchasing practices.

#### **7.4 Driving factors that facilitate the adoption and implementation of socially responsible purchasing practices**

The following section discusses what the respondents perceive to be the main driving factors of their organisation’s socially responsible purchasing practices.

**Table 7.15: Employee commitment**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	3	2.0	2.0	2.0
undecided	16	10.7	10.7	12.8
Valid agree	62	41.6	41.6	54.4
strongly agree	68	45.6	45.6	100.0
Total	149	100.0	100.0	

Majority of the respondents (87.2%) view employee commitment as an important driving factor of their organisations' socially responsible purchasing practices with 45.6% strongly agreed and 41.6% agreed. A small minority (10.7%) were however undecided while a very small percentage (2.0%) disagreed.

**Table 7.16: Top management support**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	4	2.7	2.7	2.7
undecided	13	8.7	8.7	11.4
Valid agree	60	40.3	40.3	51.7
strongly agree	72	48.3	48.3	100.0
Total	149	100.0	100.0	

From the result in the table, the majority of the respondents (88.6%) indicated that support from the top management in their organisations is one of the major factors that drive the implementation of socially responsible purchasing practices. It shows that 48.3% strongly agreed while 40.3% agreed. However, a small percentage (8.7%) were undecided while a small minority (2.7%) disagreed.

**Table 7.17: Government regulation**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	3	2.0	2.0	2.0
undecided	20	13.4	13.4	15.4
Valid agree	72	48.3	48.3	63.8
strongly agree	54	36.2	36.2	100.0
Total	149	100.0	100.0	

Majority of the respondents (84.5%) indicated that government regulations are one of the main drivers of socially responsible purchasing practices in their organisations as 36.2% strongly agreed and 48.3% agreed. A small minority were not sure (13.4%) while a very small percentage (2%) disagreed.

**Table 7.18: Customer/community pressure**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	6	4.0	4.0	4.0
disagree	8	5.4	5.4	9.4
undecided	24	16.1	16.1	25.5
agree	72	48.3	48.3	73.8
strongly agree	39	26.2	26.2	100.0
Total	149	100.0	100.0	

Majority of the respondents (74.5%) support the view that pressure from the customers and/or community is one of the main drivers of their socially responsible purchasing practise. Almost half (48.3%) agreed while 26.2% strongly agreed, making up the total of 74.5%. However, 16.1% were undecided while a small minority (5.4%) disagreed. A very small percentage (4.0%) strongly disagreed.

**Table 7.19: Non-governmental organisations (NGOs)**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	12	8.1	8.1	8.1
disagree	68	45.6	45.6	53.7
undecided	42	28.2	28.2	81.9
agree	27	18.1	18.1	100.0
Total	149	100.0	100.0	

A little over half of the respondents (53.7%) disagreed that non-governmental organisation (NGOs) is one of the main drivers of their socially responsible purchasing initiatives with 45.6% disagreed and 8.1% strongly disagreed. Just over a quarter (28.2%) were undecided while a minority (8.1%) agreed.

**Table 7.20: Organisational value/culture**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	10	6.7	6.7	6.7
undecided	16	10.7	10.7	17.4
Valid agree	66	44.3	44.3	61.7
strongly agree	57	38.3	38.3	100.0
Total	149	100.0	100.0	

Majority of the respondents (82.6%) believe that their organisations' culture and values are one of the major drivers of their socially responsible purchasing practices as almost half (44.3%) agreed and 38.3% strongly agreed. The proportion of those who disagreed (6.7%) and those that were undecided (10.7%) was smaller.

**Table 7.21: Role of the media**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	4	2.7	2.7	2.7
disagree	64	43.0	43.0	45.6
Valid undecided	12	8.1	8.1	53.7
agree	63	42.3	42.3	96.0
strongly agree	6	4.0	4.0	100.0
Total	149	100.0	100.0	

The data shows that 46.3% of the respondents agreed that the media is one of the main driving factors of their organisations' socially responsible purchasing with 42.3% agreed and 4.0% strongly agreed. However, 45.7% of the respondents disagreed having 43.0% disagreed and 2.7% strongly disagreed. This suggests that the views are fairly evenly split.

**Table 7.22: Suppliers' attitude and influence**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	7	4.7	4.7	4.7
disagree	92	61.7	61.7	66.4
Valid undecided	23	15.4	15.4	81.9
agree	27	18.1	18.1	100.0
Total	149	100.0	100.0	

Majority of the respondents (66.4%) do not agree that suppliers' attitude and influence is considered as the main driving factor regarding their socially responsible purchasing practices. However, a sizeable minority (18.1%) agreed while 15.4% were undecided. The responses suggest a minimal influence by suppliers on socially responsible purchasing.

**Table 7.23: Economic opportunities**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	10	6.7	6.7	6.7
disagree	84	56.4	56.4	63.1
Valid undecided	10	6.7	6.7	69.8
agree	44	29.5	29.5	99.3
strongly agree	1	.7	.7	100.0
Total	149	100.0	100.0	

The result indicates that majority of the respondents (63.1%) do not view economic opportunities as the main driver of socially responsible purchasing in their organisations. However, over a quarter of the respondents (30.2%) agreed while a small minority were undecided. This suggests that the organisations do not engage in socially responsible purchasing because of the economic benefits that will be derived from them.

**Table 7.24: International standards/codes of conduct**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	3	2.0	2.0	2.0
undecided	24	16.1	16.1	18.1
Valid agree	56	37.6	37.6	55.7
strongly agree	66	44.3	44.3	100.0
Total	149	100.0	100.0	

When asked if international standards or codes of conduct was the main driver of socially responsible purchasing, the majority of the respondents' response (81.9%) agreed that this is the case. A small minority (2%) believe this is not the main driver, however, (16.1%) were undecided. This suggests that the need to meet with international standards drives the socially responsible purchasing practices in most of the organisations.

**Table 7.24: Reputation**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	4	2.7	2.7	2.7
undecided	5	3.4	3.4	6.0
Valid agree	110	73.8	73.8	79.9
strongly agree	30	20.1	20.1	100.0
Total	149	100.0	100.0	

According to the result, it is not surprising to see that the vast majority of the respondents (93.9%) believe that protection of their organisations' reputation is a major driving factor of socially responsible purchasing practices. A small minority (2.7%) still believe reputation is not a driver while only 3.4% were undecided. This suggests that maintenance and protection of the organisation's reputation is one of the key element to the implementation of the socially responsible purchasing practice.

**Table 7.25: Evaluation of other companies' performance**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	13	8.7	8.7	8.7
undecided	37	24.8	24.8	33.6
Valid agree	96	64.4	64.4	98.0
strongly agree	3	2.0	2.0	100.0
Total	149	100.0	100.0	

From the result, the majority of the respondents (66.4%) are of the opinion that evaluating other organisation's performance with respect to their social responsibility is a driving factor for them. Nearly one quarter (24.8%) were undecided while (8.7%) disagreed. This suggests that other organisation's performance does not have a strong influence on the decision to implementation socially responsible purchasing. Table 4.26 below summarises the drivers in the descending order of percentage score.

**Table 7.26: Summary of the main drivers of socially responsible purchasing practices**

Practices	Percentage (%)
Protection of reputation	93.9
Top management support	88.6
Commitment from employees	87.2
Organisational culture	84.6
Government regulations	84.5
International standards/codes of conduct	81.9
Customer and/or community pressure	74.5
Evaluation of other organisations' performance	66.4
Media	46.3
Economic opportunities	30.2
Non-governmental organisations (NGOs)	18.1
Suppliers' attitude and influence	18.1

The table shows that the highest percentage of the respondents (93.9%) agree that protection of their reputation is one of the main drivers of their socially responsible purchasing practices.

Top management support, commitment from employees, organisational culture, international standards/codes of conduct, and government regulations were in the category of over eighty percent having 88.6%, 87.2%, 84.6%, 84.5 and 81.9% respectively. This suggests that all these drivers play an important role in driving the adoption and implementation of the socially responsible purchasing practices in the organisations. These and the need to protect reputation are therefore identified as being the main drivers.

Other drivers with a lesser percentage - customer and/or community pressure; evaluation of other organisations' performance, the role of the media; economic opportunities; non-governmental organisations (NGOs); and suppliers' attitude and influence with 74.5%, 66.4%, 46.35, 30.2%. 18.1%, and 18.1% respectively are noted as drivers, however, for this research, they are not considered as the major drivers. Table 4.27 below summarises the mode values of the constructs.

**Table 7.27: Statistical table: mode values for the drivers**

		Employee commitment is the main driver	Top management support is the main driver	Government regulation is the main driver	Customer/community pressure is the main driver	Non-governmental organisations (NGOs) is the main driver	People oriented organisational culture is a main
N	Valid	149	149	149	149	149	149
	Missing	0	0	0	0	0	0
Mode		5.00	5.00	4.00	4.00	3.00	4.00

Media is a main driver	Suppliers is a main driver	Economic opportunities is a main driver	International standards/code of conduct is a main	Reputation is a main driver	Evaluation of other companies' performance is a main driver
149	149	149	149	149	149
0	0	0	0	0	0
4.00	4.00	4.00	5.00	4.00	3.00

The table suggests that the constructs with the highest modal value of 5.0 show that majority of the respondents strongly agreed to them and are considered to be the main drivers of socially responsible purchasing. Therefore, one can deduce that employee commitment, top management support, and international standards/code of conduct are strongly believed to play a major role in driving the adoption and implementation of socially responsible purchasing in the organisations. However, for this research, based on the fact that protection of reputation, people-oriented organisational culture, and government regulations have their percentages above 80, they are categorised under the main drivers. The other drivers with modal values of 4.0 are noted but are not considered as the main drivers of socially responsible purchasing since their percentages are below 80%. The next section analyses the respondents' responses regarding the main barriers to the successful implementation of socially responsible purchasing practices in their organisations.

### **7.5 Barriers affecting the adoption and implementation of socially responsible purchasing practices.**

The following section discusses what the respondents perceive to be the main impeding factors to the adoption and implementation of their organisation's socially responsible purchasing practices.

**Table 7.28: High cost**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	5	3.4	3.4	3.4
disagree	23	15.4	15.4	18.8
undecided	16	10.7	10.7	29.5
agree	86	57.7	57.7	87.2
strongly agree	19	12.8	12.8	100.0
Total	149	100.0	100.0	

The table shows that in the aggregate, 70.5% of the respondents agreed that high costs associated with the socially responsible purchasing practices are one of the major barriers to the successful implementation. The result shows that 57.7% agreed while 12.8% strongly agreed. However, 15.4% disagreed, 3.4% strongly disagreed, while a small minority (10.7%) were undecided. This indicates that it is costly to be socially responsible.

**Table 7.29: Lack of training/information**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	18	12.1	12.1	12.1
disagree	19	12.8	12.8	24.8
undecided	13	8.7	8.7	33.6
agree	65	43.6	43.6	77.2
strongly agree	34	22.8	22.8	100.0
Total	149	100.0	100.0	

From the table, the result shows that majority of the respondents (66.4%) believe that the absence of adequate training and information is one of the main barriers to the successful implementation of socially responsible purchasing. A quarter (24.9%) disagreed though while 8.7% were unsure.

**Table 7.30: Suppliers' non-compliance with standards/codes of conduct**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	14	9.4	9.4	9.4
disagree	14	9.4	9.4	18.8
undecided	9	6.0	6.0	24.8
agree	74	49.7	49.7	74.5
strongly agree	38	25.5	25.5	100.0
Total	149	100.0	100.0	

Majority of the respondents (75.2%) indicated that the issue of suppliers not complying with standards is one of the main barriers of successful implementation of socially responsible purchasing in their organisation with 49.7% agreed and 25.5% strongly agreed. 9.4% disagreed and another 9.4% strongly disagreed while a very small percentage (6%) were undecided.

**Table 7.31: Difficulty of complying with multiple codes of conduct**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	26	17.4	17.4	17.4
disagree	17	11.4	11.4	28.9
undecided	24	16.1	16.1	45.0
agree	58	38.9	38.9	83.9
strongly agree	24	16.1	16.1	100.0
Total	149	100.0	100.0	

On the aggregate, more than half of the respondents (55%) indicated that the inability of organisations to cope with too many codes of conduct regarding socially responsible purchasing was the main barrier to the successful implementation of the responsible practices. The result shows that 38.9% agreed while 16.1% strongly agreed. The result also shows that 17.4% strongly disagreed, 11.4% disagreed while 16.1% were undecided.

**Table 7.32: Management style**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	35	23.5	23.5	23.5
disagree	53	35.6	35.6	59.1
undecided	21	14.1	14.1	73.2
agree	23	15.4	15.4	88.6
strongly agree	17	11.4	11.4	100.0
Total	149	100.0	100.0	

From the table, 35.6% of the respondents disagreed that the style of their management was one of the main barriers to the successful implementation of socially responsible purchasing. The result shows that 23.5% strongly disagreed while 14.1% were undecided. However, a small minority (15.4% agreed and 11.4% strongly agreed) believed that management style in their organisation stands as a major barrier.

**Table 7.33: Lack of top management support**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	29	19.5	19.5	19.5
disagree	60	40.3	40.3	59.8
undecided	13	8.7	8.7	68.5
agree	27	18.1	18.1	86.6
strongly agree	20	13.4	13.4	100.0
Total	149	100.0	100.0	

Majority of the respondents (59.8% with 40.3% disagreed and 19.5% strongly disagreed) believe that lack of top management support is not the main barrier to the successful implementation of socially responsible purchasing initiatives. The result indicates that, on aggregate, 31.5% agreed that it is the main barrier with 18.1% agreed and 13.4% disagreed. A small minority (8.7%) were undecided.

Based on the option of 'other' in the questionnaire, two prominent variables (barriers) that came up were fraudulent activities (not a high proportion, however, the fact that it was pointed out by the respondents shows that it is an important element to note) and risk involved. The respondents gave them different names; however, the researcher chooses fraudulent activities and the risk involved which represents all the other names. Out of the 149 respondents, 67 (44.96%) pointed out risk as the main barrier to the successful implementation of socially responsible purchasing initiatives in their organisations. Table 4.34 below summarises the barriers in the descending order of percentage score.

**Table 7.34: Summary of the main barriers to socially responsible purchasing practices**

<b>Practices</b>	<b>Percentage (%)</b>
Suppliers' non-compliance with regulations	75.2
High cost	70.1
Lack of training/skills	66.4
The difficulty of complying with multiple codes of conduct	55.0
The risk involved in the implementation of the practices	45.0
Lack of top management support	31.5
Management style	26.8

The table shows that suppliers' non-compliance with regulations is a major barrier to successful adoption and implementation of socially responsible purchasing practices. This is evidenced by the highest percentage of (75.2%). The high cost was also indicated as the main barrier with a high percentage of 70.1%. Lack of training/skills is also deemed to be one of the main barriers since the percentage of the respondents is above 60%. For this research difficulty of complying with multiple codes of conduct can be argued to have similar characteristics with suppliers' non-compliance with regulations. Also, the percentage score is less than 60%, therefore, it will not be considered as a standalone construct. Although the risk involved in the adoption and successful implementation of the responsible practices was not included as an option in the questionnaire, the fact that almost half of the respondents pointed it out in their response resulted in choosing it as one of the main barriers.

Other barriers with a lesser percentage - lack of top management support; and management style with 31.5%, 26.8% respectively are noted as barriers, however, for this research, they are not considered as the major barriers since they are below 60% threshold. Table 4.35 below summarises the mode values of the constructs.

**Table 7.35: Statistics – mode values for barriers**

	Lack of top management support is the main barrier	Additional cost (of supplier audit/switching) is the main barrier	Lack of skills/training is the main barrier	Suppliers' non-compliance with standard codes of conduct is the main barrier	Difficulty in complying with multiple codes of conduct is the main barrier	Culture and management style is the main barrier
Valid	149	149	149	149	149	149
Missing	0	0	0	0	0	0
Mode	4.00	4.00	4.00	4.00	4.00	4.00

The statistical table for the mode values for the barriers indicates that all the constructs have a value of 4.0 which suggest that majority of the respondents agree that the constructs can be considered as the main barriers impeding the successful adoption and implementation of the socially responsible purchasing practices of the organisations. However, based on the low percentage score of lack of top management support with a percentage score of 31.5%, and management style with 26.8%, they cannot be established as main barriers. The next section analyses the main supply chain performance measures in the organisations.

## 7.6 The supply chain performance determinants

This section analyses respondents' perceptions about what their organisations' main supply chain performance indicators are. The analysis is shown in the tables below:

**Table 7.35: Cost reduction**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	11	7.4	7.4	7.4
undecided	7	4.7	4.7	12.1
Valid agree	117	78.5	78.5	90.6
strongly agree	14	9.4	9.4	100.0
Total	149	100.0	100.0	

In table 4.35, the respondents' choices show that the proportion of those that agreed (78.5%) was far more than those that disagreed (7.4%). The result indicates that 9.4% strongly agreed while a very small percentage (9.4%) were undecided. This suggests that majority of the organisation's identify reducing their operational cost as a main supply chain performance indicator.

**Table 7.36: Productivity**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	2	1.3	1.3	1.3
undecided	3	2.0	2.0	3.4
Valid agree	101	67.8	67.8	71.1
strongly agree	43	28.9	28.9	100.0
Total	149	100.0	100.0	

A sizeable majority (67.8%) of the respondents indicated that productivity is one of the main performance measurements in their organisation. An additional 28.9% strongly agreed with the statement while a very small minority (1.3%) disagreed and only 2% were unsure.

**Table 7.37: Time**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	2	1.3	1.3	1.3
undecided	3	2.0	2.0	3.4
Valid agree	52	34.9	34.9	38.3
strongly agree	92	61.7	61.7	100.0
Total	149	100.0	100.0	

The result shows that majority (96.6%) of the respondents, perceived time as an important supply chain performance indicator in their organisations with 61.7% agree and 34.9% strongly agree. A very small percentage 1.2% disagreed while only 2% were undecided.

**Table 7.38: Flexibility**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	1	.7	.7	.7
disagree	64	43.0	43.0	43.6
undecided	12	8.1	8.1	51.7
agree	66	44.3	44.3	96.0
strongly agree	6	4.0	4.0	100.0
Total	149	100.0	100.0	

From table 4.38, the respondents are seen to be divided on whether flexibility is the main supply chain performance measurement in their organisations. This is because the total percentage of those that agreed and strongly agreed (48.3%), and that of those that disagreed and strongly disagreed (43.7%) are almost at par. A very small percentage were however not sure. This result suggests that flexibility cannot be identified as a main supply chain performance indicator.

**Table 7.39: Quality**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	2	1.3	1.3	1.3
undecided	2	1.3	1.3	2.7
agree	46	30.9	30.9	33.6
strongly agree	99	66.4	66.4	100.0
Total	149	100.0	100.0	

It can be deduced from table 4.39 that majority (97.3%) of the respondents indicated that quality is an important supply chain performance indicator for their organisations with 66.4% strongly agreeing and 30.9% agreeing with the statement. Aa very small percentage (1.3%) disagreed and were undecided respectively.

**Table 7.40: Creation and maintenance of strong brand image**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	15	10.1	10.1	10.1
undecided	9	6.0	6.0	16.1
agree	72	48.3	48.3	64.4
strongly agree	53	35.6	35.6	100.0
Total	149	100.0	100.0	

Maintenance of brand image was one of the main supply chain performance determinant for these organisations as the majority of the respondents (83.9%) were in support. A small minority (10.1%) disagreed while a very small percentage (6%) were undecided. This suggests that most of the organisations consider the protection of their reputation as very important to the sustainability of their organisation.

**Table 7.41: Environmental safety**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	6	4.0	4.0	4.0
disagree	28	18.8	18.8	22.8
undecided	6	4.0	4.0	26.8
agree	90	60.4	60.4	87.2
strongly agree	19	12.8	12.8	100.0
Total	149	100.0	100.0	

Different respondents had various views regarding environmental safety as being one of the main supply chain performance measurement. However, those that agreed (60.4%) are well over half of the respondents. Those that strongly agreed (12.8%) were more than those that strongly disagreed (4.0%). A very small percentage were undecided while 18.8% disagreed.

**Table 7.42: Reliability**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid disagree	62	41.6	41.6	41.6
undecided	22	14.8	14.8	56.4
agree	65	43.6	43.6	100.0
Total	149	100.0	100.0	

The respondents' choices in relation to reliability as the main supply chain performance measure in their organisations had almost the same proportion of percentage (43.6) that agreed to it. Those that disagreed were 41.65 of the respondents. A small minority (14.8%) were however uncertain

**Table 7.43: Customer satisfaction**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	2	1.3	1.3	1.3
undecided	5	3.4	3.4	4.7
Valid agree	43	28.9	28.9	33.6
strongly agree	99	66.4	66.4	100.0
Total	149	100.0	100.0	

It can be deduced from table 4.43 that customer satisfaction is one of the main supply chain performance measurement for these organisations. Majority of the respondents (95.3%) with 66.4% strongly agreed and 28.9% agreed were in support. A very small percentage (1.3%) disagreed while (3.4%) were undecided.

**Table 7.44: Community support**

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	38	25.5	25.5	25.5
undecided	16	10.7	10.7	36.2
Valid agree	92	61.7	61.7	98.0
strongly agree	3	2.0	2.0	100.0
Total	149	100.0	100.0	

Data from table 4.44 shows that 63.7% of respondents on aggregate agreed that community support is a main supply chain performance determinant for their organisation. This however cannot be accepted as a high percentage has almost a quarter (25.5%) of the respondents indicated that they disagreed with the statement while 10.7% were undecided.

Another attribute (amongst others) that was prominent in the ‘other’ section regarding the main supply chain performance measurement was the management of risk. The majority of the respondents (65%) believe it is an important issue that needs to be addressed in relation to performance. The table below summarises the supply chain performance indicators in the order of percentage score.

**Table 7.45: Summary of the main supply chain performance indicators**

Practices	Percentage (%)
Productivity	96.7
Quality	97.3
Time (Speed of delivery)	96.6
Customer satisfaction	95.3
Cost reduction	87.9
Maintenance of strong brand	83.9
Environmental safety	73.2
Risk management	65
Community support	63.7
Flexibility	48.3
Reliability	43.6

The table indicates that productivity; quality; time (speed of delivery); and customer satisfaction are the main supply chain performance indicators for the organisations. However, it can be argued that reduction of cost, and maintenance of strong brand and reputation can be deemed as major performance indicators as they have percentages that are over 80%. Environmental safety. Management of risks and the extent of community support can arguably be considered as some of the main supply chain performance indicators for the organisations as they are above the 60% general threshold pass mark. The other performance indicators with lesser percentage such as flexibility and reliability are noted as some of the performance indicators. However, for the purpose of this research, they are not considered as main supply chain measures since they are below 60% threshold. Table 4.35 below summarises the mode values of the constructs.

**Table 7.46: Statistics (Calculation of mode)**

	Cost reduction	Productivity	Time (speed of delivery)	Flexibility	Strong brand image/reputation
N Valid	149	149	149	149	149
Missing	0	0	0	0	0
Mode	4.00	4.00	5.00	4.00	4.00

		Environmental safety	Community support	Reliability	Quality	Customer satisfaction
N	Valid	149	149	149	149	149
	Missing	0	0	0	0	0
Mode		4.00	4.00	4.00	5	5

The statistical table indicates that time, quality and customer satisfaction have the highest mode value of 5.0 which suggests that majority of the respondents strongly agreed that the constructs can be considered as the main supply chain performance indicators. The other constructs -cost reduction, productivity, strong brand image, environmental safety, community support with a mode value of 4.0 indicates that majority of the respondents agreed that they are main supply chain performance indicators. Although the mode values for flexibility and reliability are 4.0, their low percentage values of 48.3% and 43.65% disqualify them from being considered as main supply chain performance indicators for the organisations. The next section analyses the influence socially responsible purchasing practices have on the supply chain performance.

### **7.7 Influence of socially responsible purchasing on supply chain management**

This section shows the results of the questions in relation to identifying the socially responsible purchasing practices (including evaluating environmental friendliness of products and packaging, purchasing from diversity-owned suppliers (minority, women owned enterprises), ensuring suppliers commit to waste reduction/elimination, regular supplier visits, developing diversity-owned suppliers, ensuring safe incoming movement of products, compliance with child labour laws, equality (for example, fair pay, age, racial and gender equality), employees working in safe environments, supporting local charities, donating to community organisations and ensuring safe supplier location).

These practices are compared with the organisations' determinants of the supply chains success (cost, productivity, time, flexibility, quality, reliability, customer/community satisfaction, creation and maintenance of strong brand image and environmental safety) in order to identify the level of their influence. The influence is viewed from the perspective of whether the practices have a low, moderate, or high positive influence on supply chains success. The tables below analyse the responses of the 149 respondents.

**Table 7.47: Influence of evaluating environmental friendliness of products and packaging**

Attributes	Low <b>1</b> N 149	Moderate <b>2</b> N 149	High <b>3</b> N 149
Cost	5	53	<b>90</b>
Productivity	19	46	<b>84</b>
Time - the speed of delivery	<b>71</b>	40	38
Flexibility	30	<b>67</b>	2
Quality	24	5	<b>120</b>
Reliability	2	<b>100</b>	47
Customer satisfaction	28	<b>105</b>	16
Creation of strong brand	39	<b>110</b>	
Environmental safety	21	<b>106</b>	22

The table shows that majority of the respondents (i.e. 90 out of the 149 respondents) expressed that evaluating the environmental friendliness of products and packaging has a high positive influence on costs (which includes operating cost, transportation costs, costs of supplier visits, and labour costs). However, 53 respondents believe the practice has a moderate positive influence while 5 respondents stated that it has a low positive influence. The result indicates that even though it costs the company a lot to ensure that their products and packaging are environmentally friendly, the resultant effect is still positive.

Productivity seems to increase as a result of the organisations evaluating the environmental friendliness of their products and the packaging with most of the respondents (84) stating that it has a high positive influence. The practice does not have much influence on time with 71 respondents affirming that. Most of the respondents stated that it has a moderate effect on flexibility while a majority say that it has a very high positive influence on the quality of their products.

Majority of the respondents believe evaluating environmental friendliness of their products and the packaging has a moderate positive influence. Out of the 149 respondents, 100 believe it has a moderate influence on reliability, 105 believe it has a moderate influence on customer

satisfaction, 110 believe it has a moderate influence on the creation of brand image while 106 believe it has a moderate influence on environmental safety.

**Table 7.48: Purchasing from diversity-owned suppliers**

Attributes	Low 1	Moderate 2	High 3	Not Applicable 4
Cost	7	21	<b>45</b>	76
Productivity	<b>55</b>	15	3	
Time - the speed of delivery	<b>45</b>	21	7	
Flexibility	<b>47</b>	7	17	
Quality	<b>50</b>	18	5	
Reliability	20	<b>49</b>	4	
Customer satisfaction	<b>56</b>	12	5	
Creation/maintenance of strong brand	<b>45</b>	21	7	
Environmental safety	<b>41</b>	20	12	

The result shows that majority of the organisations do not purchase from minority-owned or small-scale enterprise suppliers. This is evidenced by the result which shows that 76 out of the 149 respondents indicated that the question is not applicable to their organisation. However, 45 respondents out of the remaining 73 believe that purchasing from minority owned or small-scale enterprise suppliers have a high positive influence on cost. From the table, most of the respondents believe that purchasing from minority, women owned enterprises has a low positive influence on their productivity, time, flexibility, quality, customer satisfaction, creation and maintenance of brand image and environmental safety. However, 49 respondents believe it has a moderate influence on reliability.

**Table 7.49: Influence of ensuring suppliers commit to waste reduction**

<b>Attributes</b>	<b>Low 1</b>	<b>Moderate 2</b>	<b>High 3</b>
Cost	57	<b>74</b>	18
Productivity	<b>80</b>	57	12
Time - the speed of delivery	<b>76</b>	50	23
Flexibility	<b>74</b>	40	35
Quality	<b>74</b>	53	22
Reliability	<b>88</b>	34	27
Customer satisfaction	<b>85</b>	40	24
Creation of strong brand	<b>79</b>	33	34
Environmental safety	21	<b>87</b>	40

The result indicates that the respondents are of the opinion that ensuring suppliers commit to waste reduction has a low positive influence on productivity, time, flexibility, quality, reliability, customer satisfaction and creation and maintenance of a strong brand image. The majority of the respondents stated in their response. They however believe that ensuring suppliers commit to waste reduction has a moderate positive influence on cost and safety of the environment.

**Table 7.50: Influence of regular supplier visits**

<b>Attributes</b>	<b>Low 1</b>	<b>Moderate 2</b>	<b>High 3</b>
Cost	50	<b>65</b>	34
Productivity	55	<b>67</b>	27
Time - the speed of delivery	48	<b>62</b>	38
Flexibility	<b>75</b>	49	25
Quality	<b>72</b>	52	25
Reliability	45	<b>73</b>	31
Customer satisfaction	<b>71</b>	48	30
Creation of strong brand	<b>77</b>	50	22
Environmental safety	<b>59</b>	57	33

Visiting the suppliers regularly is seen to have a moderate positive influence on organisations' cost, productivity, time and reliability. However, the influence on flexibility, quality, customer satisfaction, creation and the maintenance of a strong brand image and environmental safety is believed to be a low positive influence which suggests that the influence is not significant.

**Table 7.51: Influence of developing diversity-owned suppliers**

<b>Attributes</b>	<b>Low 1</b>	<b>Moderate 2</b>	<b>High 3</b>	<b>Not Applicable 4</b>
Cost	<b>32</b>	21	20	76
Productivity	14	<b>42</b>	17	
Time - the speed of delivery	28	<b>38</b>	7	
Flexibility	27	<b>41</b>	10	
Quality	<b>45</b>	24	5	
Reliability	<b>41</b>	25	7	
Customer satisfaction	18	<b>38</b>	17	
Creation of strong brand	<b>49</b>	17	7	
Environmental safety	<b>48</b>	20	5	

The result shows that a little over half of the respondents indicate that their organisations do not practice development of diversity-owned suppliers. This might be connected to table 4.3 in which some of the organisations were seen not to purchase from small scale or women owned enterprises. However, from the employees that responded, the development of diversity-owned suppliers is believed to have a low positive influence on cost, quality, reliability, creation and the maintenance of a strong brand image and safety of the environment. Also from the table, the practice is seen to have a moderate positive influence on the organisations' productivity, time, flexibility and customer satisfaction.

**Table 7.52: Influence of ensuring safe the movement of products.**

<b>Attributes</b>	<b>Low 1</b>	<b>Moderate 2</b>	<b>High 3</b>
Cost	2	<b>114</b>	33
Productivity	4	<b>86</b>	59
Time - the speed of delivery	29	<b>80</b>	35
Flexibility	<b>76</b>	68	5
Quality	9	<b>90</b>	50
Reliability	56	<b>91</b>	2
Customer satisfaction	63	<b>82</b>	4
Creation of strong brand	47	<b>95</b>	7
Environmental safety	50	<b>88</b>	10

According to table 48, ensuring the safe movement of products can be seen to have a moderate positive influence on cost, productivity, time, quality, reliability, customer satisfaction, the creation of the brand image and environmental safety while a low influence was given to flexibility. This suggests that practicing the safe movement of products influences the success of the supply chains considerably.

**Table 7.53: Influence of complying with child labour laws**

<b>Attributes</b>	<b>Low 1</b>	<b>Moderate 2</b>	<b>High 3</b>
Cost	<b>83</b>	49	16
Productivity	5	57	<b>87</b>
Time - the speed of delivery	34	39	<b>76</b>
Flexibility	29	48	<b>72</b>
Quality	2	41	<b>106</b>
Reliability	9	46	<b>94</b>
Customer satisfaction	6	41	<b>102</b>
Creation of strong brand	3	50	<b>96</b>
Environmental safety	16	40	<b>92</b>

The table shows that the general view of the respondents is that complying with child labour laws has a high positive influence on their organisation's supply chain success, that is, productivity, time, flexibility, quality, reliability, customer satisfaction, creation and the maintenance of a strong brand image and environmental safety. This is evidenced by the response given by the majority of the respondents. However, abiding by child labour laws is noted to have a low positive influence on cost. This suggests the organisation spends more in employing the services of mature and more experienced workers than when they engage under-aged workers since child labour is cheaper.

**Table 7.54: Influence of ensuring equality (gender, fair pay)**

<b>Attributes</b>	<b>Low 1</b>	<b>Moderate 2</b>	<b>High 3</b>
Cost	<b>74</b>	49	26
Productivity	25	<b>67</b>	57
Time - the speed of delivery	42	<b>65</b>	42
Flexibility	<b>79</b>	47	30
Quality	<b>75</b>	53	11
Reliability	51	<b>75</b>	23
Customer satisfaction	53	<b>70</b>	26
Creation of strong brand	<b>89</b>	44	15
Environmental safety	<b>93</b>	48	7

The result shows that the organisations' involvement in ensuring equality at work has a moderate positive effect on the organisations' productivity, time, reliability and customer satisfaction. It however has a positive but low influence on cost, flexibility, quality, the creation of a brand image and environmental safety. This suggests that when organisations try to ensure equality, it will increase cost, the quality of their products does not necessarily improve, the brand image is not affected in any way and it does not pose any threat to the environment.

**Table 7.55: Influence of employees working in a safe environment**

<b>Attributes</b>	<b>Low 1</b>	<b>Moderate 2</b>	<b>High 3</b>
Cost	37	<b>97</b>	15
Productivity	4	46	<b>99</b>
Time - the speed of delivery	2	50	<b>97</b>
Flexibility	13	<b>91</b>	45
Quality	12	32	<b>105</b>
Reliability	9	51	<b>89</b>
Customer satisfaction	18	<b>96</b>	35
Creation of strong brand	37	<b>95</b>	17
Environmental safety	13	<b>114</b>	21

According to table 51, the data show that ensuring that employees work in a safe environment has a high positive influence on the organisations' productivity, time, quality and reliability. This suggests that when employees are protected, they tend to be more productive, they work faster and are mindful of the quality of goods they produce. The result also indicates that ensuring the safety of employees in the work environment has a moderate positive influence on cost, flexibility, customer satisfaction, the creation of a strong brand image and environmental safety. This means that ensuring employees work in a safe environment affects the organisation's performance to some considerable extent

**Table 7.56: Influence of the support of local charities**

<b>Attributes</b>	<b>Low 1</b>	<b>Moderate 2</b>	<b>High 3</b>
Cost	53	<b>75</b>	21
Productivity	41	<b>74</b>	34
Time - the speed of delivery	38	<b>72</b>	39
Flexibility	39	<b>75</b>	35
Quality	<b>72</b>	63	14
Reliability	60	<b>78</b>	11
Customer satisfaction	8	53	<b>88</b>
Creation of strong brand	7	<b>97</b>	35
Environmental safety	68	<b>76</b>	5

The table reveals that when the organisations support local charities, the positive influence on cost, productivity, time, and reliability, flexibility, the creation of a strong brand image and environmental safety is moderate. The results however show that the practice has a low positive influence on quality but a high positive influence on customer satisfaction. This suggests that has the organisations extend their support to charity organisations, for example, donating their products to the charity, will increase their product awareness and this will endear the community (customers) to their products and brand, however, it has little or no effect on the quality of the products.

**Table 7.57: Influence of donating to the community**

<b>Attributes</b>	<b>Low 1</b>	<b>Moderate 2</b>	<b>High 3</b>
Cost	56	<b>71</b>	22
Productivity	52	<b>77</b>	20
Time - the speed of delivery	53	<b>73</b>	24
Flexibility	<b>81</b>	40	28
Quality	46	<b>82</b>	21
Reliability	30	<b>72</b>	47
Customer satisfaction	32	<b>75</b>	42
Creation of strong brand	15	<b>80</b>	54
Environmental safety	15	<b>74</b>	60

The result shows that donating to the community only has a moderate positive influence on cost, productivity, time, quality and reliability, customer satisfaction, the creation of a strong brand image and environmental safety. However, the influence on flexibility is seen to be low. The moderate influence suggests that there is a considerable benefit from engaging in donating to communities.

### **Concluding remarks**

The questionnaire data are presented and analysed to provide a deeper insight into socially responsible purchasing practices in relation to supply chain performance in the food and beverage sector. Based on the results, prominent socially responsible purchasing practices in the respondent organisations were identified, the main drivers of and barriers to the adoption and implementation of socially responsible purchasing practices were also identified, while the main supply chain performance determinants and the influence of the practices on the success of the supply chains were evaluated. Table 4.58 below shows the summary of the main practices, drivers, barriers, and the supply chain performance determinants.

**Table 7.58: Summary of results**

<b>Prominent socially responsible purchasing practices</b>	<b>Main drivers</b>	<b>Main barriers</b>	<b>Main supply chain performance determinants</b>
Ensuring safe incoming movement of products	Reputation/image	Suppliers' non-compliance	Productivity
Employees working in a safe environment	Top management support	High cost	Quality
Compliance with child labour	Employee commitment	Lack of skills	Time
Frequent supplier visits	Organisational culture	Risk involved in implementation	Customer satisfaction
Supporting local charities	Government regulations	<b>Trust issues</b>	Cost reduction
Donating to communities	Compliance with international standards		Creation & maintenance of strong brand image
Equality			Environmental safety
Ensuring suppliers commit to waste reduction			<b>Risk management</b>
<b>Due process purchasing</b>			Community support