Journal of Business Ethics (2010) 92:305–322
DOI 10.1007/s10551-009-0156-3 © Springer 2009

Stakeholder Forces of Socially Responsible Supply Chain Management Orientation

Haesun Park-Poaps
Kathleen Rees

ABSTRACT. This project investigates salient stakeholder forces of socially responsible supply chain orientation (SRSCO) in the apparel and footwear sector focusing on fair labor management issues. SRSCO was conceptualized as a composite of internal organizational direction and external partnership for a creation and continuation of fair labor conditions throughout the supply chain. Primary stakeholders identified were consumers, regulation, industry, and media. A total of 209 mail survey responses from sourcing managers of U.S. apparel and footwear companies were analyzed. Two dimensions of SRSCO were confirmed: internal direction and external partnership. Consumer and industry peer pressures were found significantly related to internal direction, while industry peers and media were significantly related to the external partnership. Regulation was not significantly related to either internal direction or external partnerships. Lack of regulation forces to govern labor issues and roles of consumers, industry peers, and media in promoting fair labor management are discussed in this article.

KEY WORDS: supply chain, clothing, sweatshop, social responsibility

Abbreviation: SRSCO: Socially Responsible Supply Chain Orientation

Introduction

Responding to the growing social demands on business operations is a primary challenge confronting businesses today. Many well-known apparel and footwear manufacturers and retailers, however, have neglected labor and human rights standards by operating sweatshops (e.g., CBS Evening News, 1996; The New York Times, 2001) in the United States and third world countries. Unfair employment practices are more likely to occur within the apparel and footwear sector than in other industries because (1) production is labor intensive and automation limited, (2) competitive pressures to lower production costs has intensified due to increasing imports by domestic manufacturers and retailers, and (3) the apparel and footwear supply chain consists of a complex production network with multiple layers of subcontractors, which results in control at the bottom level of the production chain to often become ineffective.

In response to consumers, industry, and government concerns regarding media exposure of unfair labor conditions in the apparel and footwear industry, President Clinton initiated the Apparel Industry Partnership in 1997, which introduced a workplace code of conduct and principles of monitoring. Since then, corporations have adopted voluntary codes and engaged in various social initiatives such as monitoring systems and/or vendor certification requirements such as Social Accountability (SA) 8000. Studies, however, have reported that many initiatives to control labor issues are inefficient and ineffective because one-way communication and top-down approaches to governing the issues are common (Jørgensen et al., 2003; Neef, 2004). Recognizing the intense competition and multilayer supply channel structure of the industry, Sethi (2003) and Mamic (2005) suggested that change and corresponding actions should consider the context of the entire supply chain. Other scholars have suggested that further development of social initiatives requires incorporating values of fair labor into the organizational core (Andersen and Skjoett-Larsen, 2009; Donaldson, 2001; Howard-Grenville et al., 2003) and development of partnership that facilitates internal and external communication, mutual understanding, and cooperation among parties involved (Jørgensen et al., 2003; Lim and Phillips, 2008; Neef, 2004). That is, the partnership approach to managing fair labor issues is expected to eventually affect bottom-level suppliers by influencing all levels of chain participants.

According to the stakeholder theory, businesses are responsible for various stakeholders and firms respond to claims of the stakeholders as an attempt to legitimize its existence (Freeman, 1984). Stakeholders, in nature, differ not only by their importance and relative power but also by situation (Freeman, 1984; Hill and Thomas, 1992). In responding to stakeholders' claims, firms tend to prioritize claims of stakeholders who are powerful and important to them because they have limited resources (Buysse and Verbeke, 2003; Mitchell et al., 1997). There is a vast amount of literature recognizing customers, competitors, regulators, agencies, media, suppliers, and non-governmental organizations (NGOs) as primary stakeholders of socially responsible corporate behavior (e.g., Buysse and Verbeke, 2003; Freeman and Reed, 1983). However, to date there has been no empirical examination in which stakeholders specifically yield such influence on labor management in the apparel and footwear sector. The purpose of this study, therefore, was to identify salient stakeholder forces of socially responsible supply chain orientation (SRSCO hereafter) within the apparel and footwear sector. SRSCO, in this study, was defined as an organizational commitment that directs responsible and cooperative behavior for the creation and continuation of fair labor conditions throughout the supply chain. Especially, the concept of SRSCO encompasses the partnership concept suggested by many scholars and policymakers for the management of labor conditions in the supply chain (Jørgensen et al., 2003; Mohr and Spekman, 1994; Neef, 2004). The partnership indicates strategic relationships between the buyer and seller firms to share goals and benefits and to acknowledge mutual interdependence for success (Mohr and Spekman, 1994). The orientation toward socially responsible supply chain addresses firms' proactive values and actions in conjunction with their supply chain partners to promote fair labor practices throughout the chain.

Literature review

Labor problems in the apparel and footwear sector

In El Monte, California, Illegal immigrants were found living behind barbed wire and spiked fences making $2 an hour and being forced to work excessive hours (Noble, 1995). This is an example of labor practices by large apparel and footwear companies exposed by the media in 1990s. These companies have borne the brunt of intense media scrutiny and public criticism. Sweatshop labor practices are a violation of human rights principles universally accepted through international organizations such as the United Nations' (UN) Declaration of Human Rights and International Labor Organization's (ILO) core conventions (Hartman et al., 2003). The sweatshop conditions are frequently linked to the apparel and footwear sector because the sector is characterized as having a dispersed, fragmented, vertical, shifting chain structure that involves many levels and networks of participants (Jørgensen et al., 2003; Neef, 2004). It is not out of the ordinary to see a U.S. company to have multiple suppliers that also subcontract one or more of the raw materials, production, assembly, finishing, and/or transportation processes to complete a supply chain. In this type of supply chain structure, risks related to supplier performance and supplier governance are magnified.

Negative publicity has led to government–public alliances to improve these conditions such as the White House Apparel Industry Partnership, a forum of major corporations, labor unions, and NGOs, by the Clinton Administration and other human rights groups (e.g., Fair Labor Association). As a result of the pressures from various forces such as NGOs, international organizations, and activists, companies have started to remedy and implement proper labor conditions at factory levels. This has been accomplished by adopting codes of conduct and monitoring systems addressing issues such as use of child, prison, and forced labor, wages, hours of work, discrimination, harassment, and general working conditions. The issues are consistent to the basic principles found in the UN Global Compact and Social Accountability International SA8000 standards today.

Since the intense public criticisms and corporate reactions to them, it has been reported that a great deal of remedies has been made (Arnold and Hartman, 2004; Jørgensen et al., 2003). However, Jørgensen et al. (2003) argue that current social initiatives and strategies taken by companies may have their limitations in terms of their ability to deliver further improvement. Many criticize that contents of the codes used by companies are not uniform and contents of the codes are not communicated with affected parties such as subcontractors and production workers (Emmelhainz and Adams, 1999; Jørgensen et al., 2003). Another significant problem found in the study by Jørgensen et al. (2003) was that top-down approaches employed by the customer firms turned out to be limited and inefficient without cooperative development and implementation of the voluntary initiatives with their suppliers. Neef (2004) noted that the vendor relation functions have not improved over the years due to a lack of collaborative relationships, especially since their global expansion of supply bases, unlike other functions such as production and distribution in which numerous developments in technologies and processes have taken place (e.g., vendor-managed inventory, lean manufacturing). Mamic (2005) interviewed representatives of clothing and footwear companies and found that achieving effective implementation of codes of conduct requires mutual understanding of the codes' principles and implications across parties involved. Lim and Phillips (2008) also noted that economic criteria dominant in the market-based global supply chain have created disassociation between the buyer and supplier, lacking partnerships and ignorance of labor compliances in the supply chain. Thus, scholars suggest that further strategies need to encompass a collaborative, supply chain-wide approach between the customers who source product and/or production and their suppliers (and their subcontractors). This is based on mutual understanding of the principles of the codes and commitment to change the dynamics of the industry (Andersen and Skjoett-Larsen, 2009; Jørgensen et al., 2003; Mamic, 2005; Neef, 2004; Sethi, 2003).

Socially responsible supply chain management

This study conceptualizes orientation toward responsible supply chain management (SRSCO). Studies in corporate social responsibility include a broad spectrum of social issues. In the supply chain context, issues such as the environment, ethics, diversity, labor and human rights, fair trade, health and safety, and corporate philanthropy have been investigated in relation to procurement and logistics functions (e.g., Andersen and Skjoett-Larsen, 2009; Carter and Jennings, 2004; Maloni and Brown, 2006; Park, 2005). While issues addressed across the studies have been diverse, all focus on critical issues relevant to the specific industry were examined. Park (2005) examined labor, environment, and consumer safety issues in apparel and footwear purchasing, while Carter and Jennings (2004) covered more diverse issues (i.e., the environment, diversity, human rights, philanthropy, and safety) in studying purchasing decisions involving a broader range of consumer products including apparel and footwear, food, appliances, and other consumer goods. Andersen and Skjoett-Larsen (2009) examined the implementation of codes of conduct and knowledge bases in terms of environmental and labor issues in the furniture global sourcing context. Maloni and Brown (2006) reviewed social responsibilities' concerns relevant to supply chains in the food industry and included animal welfare and biotechnology concerns in addition to the common social issues mentioned above. Given attention to the labor issues within the apparel and footwear sector, many studies of responsible supply chain management have focused on labor and human rights issues, primarily through cases and qualitative studies (Emmelhainz and Adams, 1999; Frenkel, 2001; Hartman et al., 2003; Lim and Phillips, 2008; Mamic, 2005; Neef, 2004).

In this study, SRSCO is a proactive labor management concept that encompasses normative and behavioral cores of organizational culture and buyer–seller working partnership toward collaborative labor management throughout the entire supply chain. Scholars have indicated that there are two primary components of ethical sourcing management: organizational alignment and supply chain partnership (Andersen and Skjoett-Larsen, 2009; Warhurst, 2005). According to Warhurst (2005), the internal and external boundaries of corporate social responsibility have expanded to include changing pictures of international labor and human rights laws. That is, corporations are now facing needs to form internal forces to incorporate a higher standard in codes of conduct and voluntary actions to conform to the intrinsic values of the laws. At the same time, aligned with the internal philosophies and actions, corporations need to increase the capacities of supply chain partners through mutual understandings and supports to ensure meaningful and long-term impacts of their actions. Consistent to this, through literature reviews, we found that the concept of SRSCO have a twofold implication: internal direction and external partnership. Internal direction characterizes a firm's intra-organizational orientation toward commitment to fair labor conditions throughout the supply chain. External partnership conceptualized as cooperative and collaborative inter-organizational management of labor issues in the supply chain. The following discusses the concepts further.

First, the essence of internal direction is organizational commitment and alignment toward responsible labor management (Neef, 2004). It has been found that contractors frequently see buyers' contradicting actions to fair labor maintenance, even when the buyer company has set code of conducts and participates in monitoring programs and other initiatives to ensure fair labor conditions. For example, buyers frequently request unrealistic production deadlines and lead time, which results in forced overtime (Dhanarajan, 2004; Jørgensen et al., 2003). A study of socially responsible corporate buying also reported that many buyers were not aware of the contents of monitoring reports (Park, 2005). It appears that the values embedded in the social initiatives may have not been properly communicated to the employees throughout the organization. In this regard, Mamic (2005) suggested that an initial step of responsible labor management is incorporating corporate values into internal policies, strategies, and operational processes.

A firm's internal structure and alignment have a powerful role in its supply chain and contractor relations (Gereffi et al., 1999). The fact that most social initiatives are instigated by buyer firms from developed countries signifies the importance of internal orientation toward responsible labor management. A study that surveyed the world's 500 largest companies showed that success of corporate strategies in dealing with global human rights issues depended on internal commitment and communication throughout the firm (Wilson, 2001). According to Howard-Grenville et al. (2003), bringing social issues closer to the organizational core, or the so-called ''cultural framing,'' is essential for a social initiative to be successful. Organizational culture has long been considered a powerful means of successful organizational strategy and the values embedded in the culture affect organization in the long run (Mintzberg, 1994). Organizational culture, which is collective, enables all employees shape the same understanding of the issues and guide their actions and decisions (Howard-Grenville et al., 2003). It provides not only ideas of what to be prioritized but also what to be acceptable.

Cases reported by Sethi (2003) indicate that corporations that initiated and carried out proactive labor management were frequently involved in high-profile organizing efforts to enhance internal communication by which labor management was prioritized. Carter and Jennings (2004) studied socially responsible purchasing practices focusing on buyer firms and reported that top-management's leadership and individual purchasing managers' values were critical in achieving purchasing social responsibility. Mamic (2005) reported that successful implementation of a code of conduct not only is imperative in establishing corporate values, but also requires the management's interpretation of corporate values and development of a consistent view across all functions within the organization. Thus, the internal direction is conceptualized as organizational culture in which the organizational core values address principles of fair labor management and the values are reflected on the company's internal alignments and actions. The prioritization of, commitment to, and communication of the values within the company are essential indicators of the internal direction of SRSCO.

Second, external partnership is conceptualized as supplier management along with a working partnership approach. As discussed earlier, a lack of communication, mutual understanding, and cooperation have been ubiquitous in managing the social initiatives (Dhanarajan, 2004; Emmelhainz and Adams, 1999; Jørgensen et al., 2003; Sethi, 2003). In the apparel and footwear sector, buyer firms have dominant power. Control of the supply chain is mainly driven by name brand manufacturers and retailers who organize most of the functions of the procurement, manufacturing, and marketing (Frenkel, 2001). Arrangement of social initiatives is also driven by the buyer companies. Contract is frequently held as a hostage for compliance; therefore, contractors are vulnerable to such enforcement. A problem that arises with this type of arrangement is that social initiatives are enforced without cooperative and collaborative planning and implementation. In the apparel and footwear industry, most contractors, either domestic or foreign, are quite small in their sizes and have limited capacities to accommodate requirements of social initiatives. According to Sethi (2003), falsifications by the contractors, which are frequently found, in terms of their compliance to codes of conducts often resulted from buyer companies' misunderstanding of contractors' capacities for codes implementation. This imbalanced structure of labor management is likely to result in an unstable system and be a primary obstacle of further improvement of labor conditions (Jørgensen et al., 2003).

As suggested by scholars, labor management of the apparel/footwear supply chains requires a proactive approach which involves collaborative development and interactions involving all parties of transactions. Mohr and Spekman (1994) defined partnership as ''purposive strategic relationships between independent firms who share compatible goals, strive for mutual benefits, and acknowledge a high level of mutual interdependence'' (p. 135). Partnership results in mutual trust and long-term relationships based on the sense of interdependence in buyer and seller relationship (Anderson and Narus, 1990). Companies that engage in partnerships exhibit high levels of internal communication across functions, communication with partners, and collaborative conflict resolution behaviors (Ellam and Hendrick, 1995; Mohr and Spekman, 1994; Wong et al., 1999). Partnership has been found to bring a superior channel performance and continuous improvement (e.g., Wong et al., 1999) and satisfaction of the relationship (e.g., Anderson and Narus, 1990). Similarly, Neef (2004) suggests that strategic, collaborative approach to manage dispersed supplier base is essential to improve economic efficiency as well as labor conditions in the supply chain worldwide.

A notable case is Nike's global value chain restructuring. Lim and Phillips (2008) reported positive influences of Nike's new close working partnership with fewer but more capable suppliers, rearranging the communication network by setting exemplary ''best'' cases, and identifying and following up with problem areas. Such information sharing and close ties with Nike have created advanced labor compliance and further initiatives by its suppliers. Another is Marks and Spencer's partnership with its suppliers in developing social compliance programs. Marks and Spencer's ''local benchmarking groups'' approach in dealing with global suppliers was based on a long-term partnership and trust shared with its suppliers. It frequently communicated with suppliers regarding problems suppliers had and possible initiatives, which ultimately facilitated implementation of its social programs (Ethical Performance Online, cited in Neef, 2004). For example, its literacy program for factory workers in Morocco was accompanied by contractors' arrangement of work schedules and facilities for the program, which resulted in the improvement in efficient communication with workers regarding health and safety notices. Arnold and Hartman (2004) also reported that success of social practices, such as an on-site, paid educational program for children found at Adidas-Solomon's contractor factories was attributed to corporations by its contractors.

Such partnership can result in effective, consistent labor management through sharing information and joint problem solving, along with setting a common goal (Lim and Phillips, 2008; Mamic, 2005; Sethi, 2003). This requires constant communication between buyers and sellers for development and implementation of codes addressing responsible labor management and identification of further remedies (Mamic, 2005). Therefore, improvement in labor management is more likely to be developed when two parties are committed to a partnership where mutual trust and interdependence are built. The external partnership connotes a buyer–seller working partnership where the roles of buyer companies not only include bringing the seller firms knowledge and disciplines but also engage in collaborative planning and implementation. Mutual and frequent communications, collaborative goal setting and actions, and cooperation are essential indicators of partnership.

Stakeholder forces

Business organizations are responsible for satisfying various stakeholders (Freeman, 1984), and therefore, they can be the forces that can change business behavior on labor management. A narrow definition of stakeholders includes parties "on which the organization is dependent for survival" (Freeman and Reed, 1983, p. 92). The parties that directly affect a firm's activities with implicit and explicit contract such as customers, stockholders, competitors, and regulators, fall into the narrow definition of the stakeholders. A broader definition expands its boundary. Stakeholders of a firm include "any group or individual who can affect or is affected by the achievement of the organization's objective" (Freeman, 1984, p. 46). Such view of a corporation surpasses the traditional views of corporate economic obligations prevalent a few decades ago. Stakeholder theory values reflect not only financial returns for businesses but also other values such as respect for others.

With an accelerated pace of globalization and increased level of social expectations, companies confront a different set of stakeholders that they need to be responsive to, which include suppliers' workers and their families that have not been recognized as stakeholders (Arnold and Hartman, 2004). That is, social expectation of businesses' responsibility for what is happening in contractors' sites pushes the businesses to expand their obligation boundary to a broader range of stakeholders. Corporations are increasingly addressing principles of the stakeholder management in their codes in addition to organizational core values and conduct-related content (Kaptein, 2004). As an adjustment process, they are changing themselves internally by enhancing social justice and governance (e.g., initiatives) and externally by expanding their responsibilities to involved parties around the world (e.g., suppliers) (Warhurst, 2005). That is, in today's norm, suppliers' workers and their families are considered stakeholders of the corporation, and therefore, need to be properly managed (Donaldson, 2001; Warhurst, 2005).

While stakeholder concept alerts and guides businesses to recognize affected parties including suppliers' workers, it also provides a framework of whose businesses should attend to in regards to responsible labor management. Some argue that in reality, managers prioritize their firm's key stakeholders due to their limited resources (Buysse and Verbeke, 2003; Mitchell et al., 1997). Stakeholder theorists suggest that stakeholders differ in terms of their importance and relative power, which vary by situation (Freeman, 1984; Hill and Thomas, 1992). Some stakeholders are more influential than others because of the nature of the contractual form existing between the firm and this may also change along with interactions with various externalities and institutional supports (Friedman and Miles, 2002). From the managerial standpoint, Mitchell et al. (1997) conceptualized stakeholder salience as "the degree to which managers give priority to competing stakeholder claims" (p. 854). According to them, stakeholders are identified by three attributes: (1) power of influence, (2) legitimacy of relationship, and (3) urgency of claim. The cumulative number of these three attributes determines stakeholder salience by which stakeholders can be classified into three categories: latent, expectant, and definitive stakeholders. The salience of a stakeholder may be elevated by acquiring missing attribute(s).

Important stakeholders vary over time and depend on issues and industry (Buysse and Verbeke, 2003; Freeman, 1984; Jawahar and McLauglin, 2001). Thus, to identify influential stakeholders for business behavior, researchers need to empirically approach companies with a specific issue. Although researchers have indicated that defining stakeholders and their salience are important tasks for managers, a limited number of empirical works have assessed salience of various stakeholders and their impact on socially responsible actions and performance. For example, salient stakeholder forces in corporate environmentalism and environmental strategies include regulation, public concern, customer pressure, industry pressure, and media (Banerjee et al., 2003; Buysse and Verbeke, 2003). In this study, consumer pressure, industry peer pressure, labor regulation, and media interest were identified as primary stakeholder forces of SRSCO. They are stakeholders that affect the firm's survival and economic interest (Freeman and Reed, 1983; Mitchell et al., 1997). According to Mitchell et al. (1997), there are "claimants," stakeholders who have legitimate or illegitimate claims, and "influencers," those who have power to actually influence the businesses. This study's interest was to discover the influencers that affect a company's orientation toward socially responsible supply chain management. The forces of NGOs were not included in this study. The forces of NGOs primarily have been directed toward large corporations that are highly visible and struggle to maintain their social legitimacy (Arnold and

Hartman, 2004; Jørgensen et al., 2003; O'Rourke, 2006), and their operations and standards seem confusing (O'Rourke, 2006). Thus, although the roles of recently rising NGOs in setting global labor standards need to be recognized, the influence of NGOs at this time seem inapplicable to all companies in the clothing and footwear sector. This is because of the fact that the sector tends to be highly fragmented and comprised a large number of companies which are small in size. Regardless, scholars believe that the voices of NGOs influence and are influenced by corporations, regulation, consumers, and the media (Lloyd, 2005; Neef, 2004; O'Rourke, 2006). The following section discusses each of the stakeholder influences included in the present analysis and addresses the relevant hypothesis associated with each.

Consumer pressure

According to Donaldson (2001), inclusion of consumers, beyond international legal and management standards, is a basic force of labor relation improvement. One of the advantages a company expects from responsible labor practices is a better relationship with consumers by building corporate reputation (Arnold and Hartman, 2004). Many studies have reported that American consumers are socially conscious, and when making purchasing decisions, they consider working conditions under which products are made (e.g., Lach, 1999; Prasad et al., 2004). With intense public disclosure of sweatshop conditions and activists' claims, consumers are better informed and increasingly interested in working conditions. For consumer product companies, consumers are the essence of corporation's existence and influence their decisions. Consumers, who affect businesses' financial performance, are identified as key stakeholders who bear immediate stakes and significant power.

Due to the influence consumers possess, the public sectors' frequent strategies are to influence corporations by informing consumers about business practices. For example, the trendsetter list published by the Apparel Industry Partnership during the Clinton Administration recognized companies that displayed "good" labor management behaviors to inform consumers. Similarly, social labeling strategies such as "No Sweat" are designed to influence consumers and their purchasing decisions. An increasing number of companies are participating in a variety of voluntary social initiatives and engage in partnerships with other companies, NGOs, and trade associations to build corporate strategies to ensure that fair labor conditions are maintained at the factory level. Scholars have attributed corporate behavioral change to consumer concerns and interests resulting from intense public criticism since mid 1990s (Arnold and Hartman, 2004; Emmelhainz and Adams, 1999; Neef, 2004; Rock, 2003; Weil, 2005).

H1: Consumers and public pressures have a significant positive impact on SRSCO

Regulatory force

Regulation falls into the narrow definition of stakeholders with its direct and formal interactions with the corporations (Freeman and Reed, 1983). Corporations as legal entities are obligated to follow the laws; otherwise the existence or well-being of the corporations is at stake. U.S. Labor laws address regulations related to employment issues such as minimum wages, overtime pay, and child labor prohibitions. Increasingly, global labor standard issues appear in international trade policy agendas as a major consideration. The governance of international labor management is based on principles of the UN Universal Declaration of Human Rights. Universally accepted labor standards are covered by ILO conventions to which member countries and their multinational corporations are obligated, at least in principle, to comply. Core standards cover collective bargaining and freedom of association, elimination of forced or compulsory labor, freedom from child labor, and equality of opportunity (ILO, 1998).

Regulation has been a primary, traditional force to govern corporate social responsibility. One argument related to the labor exploitation issue is that regulation should govern corporations' behaviors, because the free market system does not effectively function, especially when large multinational corporations are involved (Gray and Dawn, 1998). Earlier discoveries of sweatshops were frequently found to be in violation of both ILO labor standards and local host country's labor laws (Arnold and Bowie, 2003). This has been a basis of sweatshop criticism and a legitimacy claim for workers' rights. Corporations have acted immediately and responsively against such accusations. Most codes of conduct developed are created to comply with ILO core conventions, UN principles, and local laws (Emmelhainz and Adams, 1999). However, the legal boundaries tend to remain minimal, especially in international labor laws because of the limited ability to govern international corporations and differences in labor standards among countries. Increasingly, the pressure to increase the standard is being raised. For example, in the US, human rights activists (e.g., Abolition of Sweatshops and Child Labor) demand extra regulations to govern corporations that outsource production such as restricting imports and forcing factory disclosure of factory conditions (Business Week, 2002). Such growing legal pressure for responsible labor management is communicated in the business community; this will affect how corporations manage labor issues in their supply chain.

H2: Regulatory force has a significant positive impact on SRSCO

Industry peer pressure

Creation of the Apparel Industry Partnership in the mid-1990s was the beginning of companies' voluntary actions in collaboration with industry peers in response to sweatshop allegations. A notable recent industry partnership is Fair Labor Association, a coalition of companies, consumers, unions, and NGOs, through which companies support supplier monitoring and disclose the progress. Through such industry-wide interactions, companies in the apparel and footwear sector have been forced to change their norms and practices in dealing with workers at the contractors' sites. Studies report that standards and the extent of voluntary initiatives in the apparel and footwear sector have been based on what other companies have implemented (Jørgensen et al., 2003; Neef, 2004). The negative consequence of this tendency is that companies do not wish to surpass the industry standards regarding what is acceptable in the industry (Jørgensen et al., 2003). Elevated expectations of industry peers also seem to have positive effects. According to Arnold and Hartman (2004), "above-expectation" labor management practices that address working conditions and child labor regulations were found among major corporations. Large corporations that once were involved in sweatshop scandals have worked together, along with NGOs, to create system-wide voluntary initiatives to ensure fair working condition and education opportunities for child workers, which exceeds what is required by international or local labor laws (Arnold and Hartman, 2003; Neef, 2004). Along with the implication that the industry peers provide an industry norm of "good enough" or "acceptable" practice, such exceptional practices can change the norm in an upward fashion. Environmental management studies have found that competitors and industry peers have a strong influence on environmental orientations and strategies (Banerjee et al., 2003; Buysse and Verbeke, 2003).

H3: Industry trend and peer pressure have a significant positive impact on SRSCO

Media interest

The media have played a powerful role in social performance of businesses. Numerous news stories exposing sweatshop conditions, victims, and disclosure of responsible parties have appeared in the media (e.g., CBS Evening News, 1996; The New York Times, 2001). Apparel and footwear companies have been frequent targets of media exposure because their products are labor intensive, employ less-skilled workers, and are public image sensitive. News stories and programs depicting labor conditions in 1996 in the factories producing Kathie Lee Gifford's line of clothing were among initial stories that stimulated the media attention to sweatshop issues. Exposure of sweatshop conditions or child labor practices has led to numerous boycotts and anti-sweatshop campaigns, thus negative publicity, which harmed the reputations of major apparel and shoe companies. Brammer and Pavelin (2004) discovered that a firm's voluntary social disclosure is significantly related to the intensity of its media exposure. Rock (2003) and Sethi (2003) reported a negative impact of public disclosure of labor conditions in the media on the involved companies' stock prices and following good labor practices disclosed. It has also been reported that corporations pay attention to media coverage in an effort to build the standards of corporations' voluntary social initiatives (Frenkel, 2001; Wilson, 2001). Thus, the media drive the companies to react to social issues,

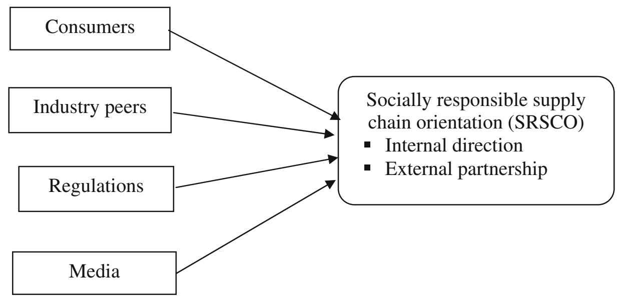

Figure 1. Forces of SRSCO.

and this influence seem to be driven by both public image and the company's financial well-being concerns (Figure 1).

H4: Media interests of labor practices have a significant positive impact on SRSCO

Method

Research design

A human subject exemption request was approved by the Institutional Review Board. A survey was conducted in 2005. A mail survey was employed (1) to effectively reach nationally distributed companies and (2) to provide anonymity requisite for the sensitive matter of the subject covered in the survey. A total of 2,400 companies were identified from D&B Million Dollar database directories along with SIC codes 56, 23, 513, and 314. Individual phone calls were made to identify companies that source products/production and their sourcing managers or the individual responsible for sourcing. A total of 967 companies were identified and sent questionnaires. A multi-stage design was used according to Dillman's (1978) survey design (first mailing of the questionnaire, a postcard reminder after 2 weeks, and second copy of the questionnaire after 2 weeks). In order to maximize return rate, telephone contacts to non-respondents were made after the three-stage mailing. The total number of responses received was 215. Seven of them were deemed as unusable due to significant number of missing values. This resulted in a final sample of 208 usable responses (21.5% response rate). The *t* tests were performed on demographic variables (i.e., age, education, foreign sourcing %, and sales volume), and major variables showed no significant differences between early and late responses.

Measurements

All items included in the questionnaire used 7-point Likert scales (e.g., 1 = strongly disagree; 7 = strongly agree). Measures were developed from instruments found in the partnership and corporate social responsibility literature (e.g., Banerjee et al., 2003; Mohr and Spekman, 1994) with modification to fit the specific context of labor management in the apparel and footwear industries. Nineteen SRSCO scale items were developed to measure both internal direction and external partnership of SRSCO. Items measuring internal direction were designed to assess the extent to which the firm is committed to the welfare of suppliers and their workers and the extent to which they integrate labor management issues into the firm's internal communication and activities. External partnership was measured by items asking sourcing managers to indicate to what degree the firm continues to develop and engage in partnership (i.e., exchanges information and participates in joint activities and problem solving) with its suppliers.

Consumer pressure was measured by four items designed to assess the degree to which sourcing managers perceived consumers are concerned with workers' welfare at production sites and demand products that are made in fair working conditions. Regulation force was measured by three items which assessed the intensity of regulatory forces that govern labor management in the industry. Industry was operationalized in four items which were designed to measure the degree to which sourcing managers perceive their industry peers behave and the pressure they feel from the peers. Media was measured by the degree of firm's sensitivity to media interests in labor conditions and the extent to which they are concerned with its image portrayed in the media (four items). See Appendix for the item descriptions. The Cronbach's Alpha was 0.68 for consumers, 0.59 for regulation, 0.60 for industry, and 0.68 for media.

Results

SRSCO scale

A principal components analysis with varimax rotation was used to examine the dimensionality of the SRSCO scale. Along with an observation of its scree plot, the analysis suggested a two-factor solution. Six out of the original 19 items were dropped due to their low-loadings (<0.50) or cross loadings on two factors. The resulting two factors were consistent with dimensions considered in development of these items: (1) internal direction (six items) and external partnership (seven items). The two-factor structure explained 64.9% of total variance and achieved fairly high internal reliabilities. However, a confirmatory factor analysis of the two- factor structure along with 13 items did not show acceptable fit. When examination of the factor structure is exploratory and theoretically unknown, it has been suggested that the source of misfit be examined and the model be revised (Byrne, 1998). Examination of modification indices suggested an item as a source of the misfit. The item was ''We frequently talk to our suppliers regarding the labor conditions we expect''. This item may not fit the concept of partnership, as it represented a one-way form of communication. Thus, the revised model was built by removing the item. The *t* statistics of all the factor loadings were significant (see Table I): Chi-square (χ^2) value was 106.04 ($df = 53$, $p < 0.001$), GFI 0.92, AGIF 0.88, RMSR 0.11, and RMSEA 0.071. Thus, the two-factor model along with 12 items was acceptable (Browne and Cudeck, 1993; Byrne, 1998). Table I presents the items included in the final confirmatory factor analysis, factor loadings, and internal validity coefficients of the factors. The model showed a high degree of inter-factor correlation of the two factors (0.76). Therefore, to assess discriminant validity of the scale, a chi-square difference test between two factorial models, one with a freely estimated inter-factor correlation and the other with a constrained inter-factor correlation to 1, was performed. The test indicated that the unconstrained model had a significantly lower chi-square value than the constrained model, rejecting the hypothesis of perfectly correlated factors ($\Delta\chi^2 = 541.64 - 106.04 = 435.60$; $\Delta df = 54 - 53 = 1$). In this manner, discriminant validity of the two dimensions was achieved.

Relationships between stakeholder forces and SRSCO

In order to examine the significance and relative strength of the relationships between stakeholder forces and SRSCO (hypothesis tests), a set of regression models was run on each dependent variable. Regression analysis was deemed the best-suited analytical method to test the hypotheses because the purpose of this study was to identify salient stakeholder forces and the forces identified were correlated with one another. Dependent variables were internal direction of SRSCO and external partnership of SRSCO. Independent variables included in the analyses were consumers, regulation, industry, and media. Because previous research has indicated that large companies tend to be more sensitive to stakeholder interests (Buysse and Verbeke, 2003) and are more likely to be engaged in partnerships (Bruce and Moger, 1999), company size in terms of annual sales volume in millions was included as a covariate. In addition, because it has been found that sweatshop and ethical sourcing issues were more prevalent in the global sourcing context than domestic (Sethi, 2003), source of merchandise was also included in the model as a dummy variable (one for ''50% or more foreign source'' and zero for ''less than 50% foreign source''). This model strategy was employed to determine the extent to which the effects of variables of interest could be explained, in full or in part, by the covariates, the company size and the source of merchandise. Table II presents the means, standard deviations, and correlations of the dependent and independent variables and the covariate, sales volume.

Regression analyses revealed that internal direction was significantly related to consumer and

TABLE I

SRSCO item factor loadings of the final confirmatory factor analysis

SRSCO items	Internal direction	External partnership	Scale reliability
Pursuing worker's welfare in the manufacturing facilities where our products are made is a central corporate value in our firm	0.80		0.92
Ensuring good worker treatments through the entire distribution chain is vital to our firm's existence	0.77		
At our firm, we make a concerted effort to make every employee understand the importance of maintaining fair labor status in the entire supply chain	0.79		
We promote maintaining fair labor conditions throughout the entire supply channel as a major goal across all departments	0.81		
Our firm has a clear policy statement urging awareness of labor issues in every area of operations	0.80		
Our firm continuously looks for voluntary initiatives to ensure fair labor in our suppliers' factories	0.84		
The fair labor issues do not currently affect our firm's supplier management activity*		0.52	0.91
We gather labor practices information from management of our present suppliers with consultation from the workers		0.88	
We participate in setting goals and strategies to improve and maintain fair labor conditions with our suppliers		0.93	
We inform our suppliers in advance whenever we have changes in our labor requirements		0.86	
When our firm and our suppliers have a conflict related to fair labor management, we peacefully coordinate to resolve the issue		0.78	
We help suppliers when we find they are lacking the resources to carry out initiatives to maintain fair labor		0.83	
Factorial model fit			
χ^2	106.04		
df	53		
RMSR	0.11		
RMSEA	0.07		
GFI	0.92		
AGFI	0.88		

Note: Loadings are standardized.

* Indicates reversed questions. The scores on the item were reverse coded for data analysis.

industry variables and that external partnership was significantly related to industry and media variables. The regression model with internal direction as dependent variable explained 33% of the variance and the external partnership model explained 42% of the variance. There were no signs of multicollinearity threat since variance inflation factors were less than 2 for all variables. Thus, hypotheses 1 and 3 were supported, and hypothesis 4 was partially supported. In contrast, regulation was interpedently correlated with internal direction and external partnership; regulation was not significant in the

TABLE II

Descriptive statistics and correlations of the variables

Variable	Mean	SD	ID	EP	Consum	Regul	Indust	Media
Internal direction	29.371	7.916						
External partnership	25.837	8.696	0.713**					
Consumers	15.827	4.220	0.382**	0.322**				
Regulation	15.585	3.231	0.230**	0.268**	0.318**			
Industry	13.544	3.430	0.500**	0.573**	0.348**	0.376**		
Media	17.129	4.506	0.286**	0.340**	0.196**	0.339**	0.356**	
Sales volume	424.791	1689.490	0.139	0.210*	0.050	0.017	0.168*	0.104

Note: *N* varies from 162 to 207 mainly due to missing values in sales volume.
*Correlation is significant at the 0.05 level, **Correlation is significant at the 0.01 level.
ID: internal direction, EP: external partnership.

TABLE III

Results of multiple regression analyses on SRSCO

Variables	Dependent variables					
	Internal direction (n = 155)			External partnership (n = 154)		
	B	Standard error	β	*B*	Standard error	β
Independent						
Consumers	0.438	0.125	0.256**	0.138	0.125	0.100
Regulation	−0.104	0.194	−0.040	0.105	0.197	0.038
Industry	0.918	0.192	0.378**	1.075	0.195	0.412**
Media	0.248	0.138	0.134	0.306	0.138	0.153*
Control						
Sales	0.000	0.000	0.052	0.000	0.000	0.089
Source	−0.248	1.280	−0.014	3.647	1.290	0.189**
R^2	0.333			0.424		
Adjusted R^2	0.306			0.401		
F	12.376			18.179		

Source: source of merchandise, a dummy variable.
*$p < 0.05$, **$p < 0.01$.

both models where other independent variables existed. The covariate, sales volume, did not have significant effects in either model. However, the source of merchandise effect was significant for model 2 (on external partnership). The data revealed that companies for which 50% or more merchandise being obtained from foreign sources had a higher external partnership score than companies with less than 50% foreign sourced merchandise. Table III summarizes model tests and coefficients.

Discussion

The purpose of this study was to examine salient stakeholder forces of SRSCO within the apparel and footwear industry. Consumers, regulations, industry peers, and media pressures were examined. This study conceptualized orientation toward socially responsible supply chain management as a composite of internal direction and external partnership. Consistent to this conceptualization, the analysis revealed the two dimensions of the SRSCO: internal direction and external partnership. The internal direction encompassed organizational values that address suppliers and their workers as stakeholders in business management. In this study, the external partnership concept expanded the traditional idea of chain management governance by encompassing companies' partnership approach with their suppliers in dealing with labor issues.

In this study, regulation force was not found to be significantly related to internal or external orientation toward socially responsible supply chain management. It appears that the effect of regulation diminishes when consumers and industry peers are considered. Regulation force has long been one of the primary stakeholders, which affects a firm's existence and bears financial risks for the firm (e.g., fines). The coverage of regulation is limited typically providing only minimum prohibitions regarding what is not to be done in business conduct, rather than being proactive setting standards for what to be done (Lantos, 2001). While some studies have found a significant relationship between regulation and environmental orientation and strategies (e.g., Banerjee et al., 2003), others have found no significant impact of regulation on socially responsible purchasing when considering various social causes (e.g., Carter and Jennings, 2004). The impact of regulation on ''proactive'' corporate social behaviors beyond the legal framework may be quite different from compliance with a limited set of regulations. In this study, regulation failed to emerge as a significant variable. The result is similar to the result of Buysse and Verbeke's (2003) study reporting that proactive environmental leadership was associated with changing norms and expectations of various stakeholders, but not with those of regulation force.

As stated earlier, traditionally regulation only encompasses minimal standards. The emerging concept of responsible labor management encompasses welfare of supplier's contractors and their workers and tends to be proactive beyond the legal framework, especially for firms engaging in international sourcing. Ratification of ILO conventions is not forced, and influence of ratified member countries over multinational corporations is limited. There seems to be no ''absolute'' legal force to standardize and enforce international labor standards even if they do exist. Moreover, there has been a great deal of disagreement among countries in legalizing labor standards. Inclusion of the labor standards in trade regulation has not only faced an intense debate, but also resulted in disputes and disagreements among countries due to different economic conditions and trade competition. Sethi (2003) noted that implementation of legally binding codes to govern multinational corporations is impossible and undesirable at the present time. Structural weaknesses in the stakeholder relation with the firm and a lack of supportive mechanism were pointed out to weaken the stakeholder influence over the firm (Friedman and Miles, 2002). The results of this study may reflect the current lack of control, coverage, and uniformity of labor regulations designed to promote ethical labor management. As Friedman and Miles (2002) pointed out, the structure of labor relation should be necessity based rather than contingency based. Perhaps, the domestic labor and human rights regulatory force does not provide the firm the necessity of the stakeholder management in the international context.

Due to the lack of regulations in the context of global labor management, NGOs are on the rise and thrive to uphold and raise labor management standards. Although there is a lack of empirical investigations to prove whether NGOs actually increase standards, some believe that they may not have sufficient power to drive change within the private sectors and only serve governments and higher order corporations rather than small suppliers and consumers (Lloyd, 2005). There is also a criticism that self-regulation led by NGOs actually weakens the governance of multinational corporations (O'Rourke, 2006). Given weak regulatory power and legitimacy of NGOs in international politics to govern the labor issues, scholars have led discussions of ethics values incorporated in business practices, as opposed to the legal compliance, as a critical basis of global ethics improvement (Arnold and Hartman, 2003; Donaldson, 2001; Jørgensen et al., 2003; O'Rourke, 2006). Buysse and Verbeke (2003) suggested use of voluntary initiatives, rather than legal forces, in governing corporate behaviors. While Sethi (2003) criticized that the industry's voluntary and multi-party agreed codes have limited impact on actual labor conditions, they still remain primary forces of change within the industry. This is especially true when government and international agencies' control over businesses is limited. A number of studies have indicated that non-regulatory, voluntary forms of governance such as monitoring have been effective in improving not only labor standards but also managers' concern over labor conditions (e.g., Jørgensen et al., 2003; Weil, 2005). In addition, voluntary initiatives need to be value based. Donaldson (2001) pointed out the importance of identifying ethical content rather than legal content of the issue as a precondition for improving labor relations.

It is interesting to note the media's relationship with external partnership, rather than with internal direction of socially responsible supply chain management. Increasing media attention to corporate ethics and social responsibility, coupled with its impact on consumers and public, may have caused corporations to be externally conscious, instead of committing to the concept of ethical sourcing and internal coordination. Mitchell et al. (1997) made an interesting claim that stakeholders that have power but lack legitimacy of their claim can disturb businesses' survival. The media obviously has power over, and deliver urgency to, businesses in the twenty-first century. However, the media do not experience any harms or benefits from the actions by the corporations. The media may not be morally or physically legitimate in its stakeholder claim. While it is beyond the scope of this article to discuss the legitimacy of stakeholder claim of the media, the media is certainly considered a stakeholder that holds power over business even without formal or contractual transactions with businesses (Buysse and Verbeke, 2003). However, it seems that, rather than interacting which in theory is a condition of being stakeholder of a firm, the role of the media has been a one-way threat to the business. Reacting to such force, the companies may approach with a strategy that resolves the conflict with the stakeholder origin (Jawahar and McLauglin, 2001). We question whether the media is forcing the businesses to the edge with its power, which drives them to focus on what is seen, rather than providing or communicating with businesses justifications and ways to find means to developing strategies to change their business values and beliefs.

Consumer pressure was found to be related to internal direction. Consumers, who are one of the primary stakeholders for the consumer product companies, seem to have an impact on organizational direction. However, the external partnership did not show a significant relationship with consumer pressure. This may indicate that growing consumers' concerns and interest in sweatshop issues may not have been a motivator for the companies to behave proactively working with their suppliers to improve labor conditions in the supply chain. Rather, the media and industry pressure may have been the main sources of such partnership behavior.

As predicted, industry peer pressure had a consistently high impact on both internal and external orientations. Buysse and Verbeke (2003) found a similar effect of competitors' environmental activities on proactive environmental leadership. In their discussion of positive deviancy of large footwear companies, Arnold and Hartman (2004) argue that big corporations may provide a model for further development and dissemination of higher labor standards and initiatives. While positive deviancy may be seen as a mere reaction to negative public and media criticism, the results in this study suggest that it may have a profound, positive impact on the industry-wide improvement. Given that the data used in this study are managerial perceptions, the results illustrate underlying motivators of proactive socially responsible supply chain management. Findings imply that normative changes within the public and industry seem to be related to the level of proactive, value-based labor management in the apparel and footwear sector.

While size of the company was not shown to be significantly related to SRSCO, source of merchandise was found to be related to external partnership. This indicates that the partnership approach to labor issues is more apparent among companies dealing with more foreign suppliers. Most studies investigating sweatshop issues are directed toward large corporations and their behavioral changes (Arnold and Hartman, 2003, 2004; Emmelhainz and Adams, 1999; Neef, 2004; Sethi, 2003). The insignificant influence of the firm size was also seen in previous studies (Carter and Jennings, 2004). The insignificant effect of company size found in this study, along with the significant effect of consumers, industry peers, and media pressures, indicates that concerns for responsible labor management may not be a matter of only large corporations today. This may be due to the increased level of expectations for corporate social behaviors that became a norm for all businesses.

Stakeholder concepts have been examined in such areas as environment, labor and human rights, and fair trade. As an attempt to discover influencers of responsible labor management, this study examined four primary stakeholders on SRSCO focusing on the responsible labor management in the clothing and footwear sector. While, theoretically, the influence of each stakeholder should be weighted equally, in reality the salience of each stakeholder is contextual, depending on the issue and industry being studied, to determine its influence on business decision making and actions (Freeman, 1984; Mitchell et al., 1997). This study empirically showed that salience of stakeholder forces related to proactive labor management is unique to the situations existing within the sector. The results also suggest that the effects of stakeholders on internal and external actions may be different, depending on characteristics of the stakeholder influence, including power, legitimacy of relationship, and visibility and urgency.

The findings raise interesting insights to the current literature of corporate social responsibility and the stakeholder theory. Crouch (2006) argues that the stakeholder theory is too simple to depict exchanges and actions of the firms in shaping the externalities (e.g., publicity, regulation) in addition to their reactions to the externalities. Friedman and Miles (2002) also argue that current thinking of stakeholder theory is confined to a view from an organization neglecting the role of firms to revamp themselves in response to the changing scenario of the market and institutional structure. From this perspective, the insignificant result of the regulatory force implies that, although the institutional supports are not sufficient, the firms are capable of creating their own systems of fair labor management through interacting with other externalities such as peers. The stakeholder relationship of the firm with consumers in the marketplace is well recognized in nature and one with the media may remain implicit without formal contracts (Friedman and Miles, 2002), which might have impacted what we found in this study. As the stakeholder theory posits, the firm's responsibilities have expanded to cover social obligations from the economic and legal obligations. While workers and their families do not have formal contracts with the firm, the stakeholder theory claims them to be one. However, researchers have reported that that the idea of accepting them as a key stakeholder may not be widespread in the global supply chain (Lloyd, 2005; O'Rourke, 2006). The results of this study revealed that the proactive labor management that considers them as a beneficiary of a firm's responsible principles and actions is driven by other stakeholders who hold power and influence. This exemplifies the complex interrelationships among the firm, stakeholders, and the context in which the firms recognize new sets of stakeholders and interact with them.

Finally, the significance of this study also rests on the fact that the data of this study come from mostly small- and medium-sized companies. The literature on corporate social responsibility and corporate governance is heavily weighted toward multinational corporations who may have created the labor issues and actively responded to the criticism with voluntary initiatives at the same time. The findings of this study reflect the stakeholder management from the small- and medium-sized apparel/footwear firms that are prevalent in the industry. The concept of stakeholder continues to expand as different social issues arise and social expectations increase. As broader concepts of stakeholders are developed, other types of stakeholders may be investigated. Specifically, the impacts of NGOs on the manner in which firms recognize consumer pressure and peer efforts would merit future investigation. In this study, firm size and the source of merchandise were examined as control variables. Various organizational characteristics also may influence or moderate these relationships. Further investigation of these characteristics, along with the findings in this study, will provide more detailed directions for corporations and policymakers. Finally, while the apparel and footwear industry underwent an extraordinary path to remedies, other industries are now facing diverse social responsibility concerns in their supply chains (e.g., Maloni and Brown, 2006). Further studies should empirically examine roles and weights of different stakeholders in different industries and for different issues at hand. The findings of such studies will contribute to the theory building for socially responsible supply chain management.

Appendix

Items of independent variables measures

Consumers

(a) The American public is very concerned about workers' welfare in manufacturing facilities
(b) American consumers are increasingly demanding products that are made in decent working conditions
(c) The public is more worried about the economy than workers' welfare*
(d) The anti-sweatshop movement is a major social trend today
(e) Our customers prefer a cheaper price to a good image built by worker treatment*

Regulation

(a) Labor regulations by government agencies and international trade organizations have been intensified over the last 10 years
(b) Labor legislation can affect the growth of our firm
(c) Our industry is faced with strict regulation regarding labor issues

Industry

(a) Other companies in our industry pressure us to be responsible for labor management
(b) The efforts by the companies in the industry help govern worker treatment issues
(c) Worker treatment issues are an important factor in doing business in our industry

Media

(a) Our firm's image as portrayed in the media is one of our primary concerns
(b) The media is interested in whether companies ensure fair labor in their production sites
(c) Media exposure related to labor conditions at our production sites immediately affects our firm's production/sourcing strategies
(d) The threat of negative media exposure is the major reason why our firm is concerned about worker treatment issues

Note: *indicates reversed questions

References

Andersen, M. and T. Skjoett-Larsen: 2009, 'Corporate Social Responsibility in Global Supply Chains', *Supply Chain Management* **14**(2), 75–86.

Anderson, E. and J. A. Narus: 1990, 'A Model of Distributor Firm and Manufacturer Firm Working Partnerships', *Journal of Marketing* **54**, 42–58.

Arnold, D. G. and N. E. Bowie: 2003, 'Sweatshops and Respect for Persons', *Business Ethics Quarterly* **13**(2), 221–242.

Arnold, D. G. and L. P. Hartman: 2003, 'Moral Imagination and the Future of Sweatshops', *Business and Society Review* **108**(4), 425–461.

Arnold, D. G. and Hartman, L. P.: 2004, 'Beyond Sweatshops: Positive Deviancy and Global Labor Practices', Presented at the Society for Business Ethics (New Orleans, LA).

Banerjee, S. B., E. S. Iyer and R. K. Kashyap: 2003, 'Corporate Environmentalism: Antecedents and Influence of Industry Type', *Journal of Marketing* **67**, 106–122.

Brammer, S. and S. Pavelin: 2004, 'Voluntary Social Disclosures by Large UK Companies', *Business Ethics: A European Review* **13**(2/3), 86–99.

Browne, M. W. and R. Cudeck: 1993, 'Alternative Ways of Assessing Model Fit', in K. A. Bollen and J. S. Long (eds.), *Testing Structural Equation Models* (Sage Publication, Newbury Park, CA), pp. 445–455.

Bruce, M. and S. T. Moger: 1999, 'Dangerous Liaisons: An Application of Supply Chain Modelling for Studying Innovation Within the UK Clothing Industry', *Technology Analysis and Strategic Management* **11**(1), 113–125.

Business Week: 2002, September 30, 'Remember Sweatshops?', p. 14.

Buysse, K. and A. Verbeke: 2003, 'Proactive Environmental Strategies: A Stakeholder Management Perspective', *Strategic Management Journal* **24**(5), 453–470.

Byrne, B. M.: 1998, *Structural Equation Modeling with LISREL, PRELIS, and SIMPLIS: Basic Concepts, Applications, and Programming* (Lawrence Erlbaum Associates, Mahwah, NJ).

Carter, C. R. and M. M. Jennings: 2004, 'The Role of Purchasing in Corporate Social Responsibility: A Structural Equation Analysis', *Journal of Business Logistics* **25**(1), 145–186.

CBS Evening News: 1996, June 11, 'Federal Government Believes Retailers Knowingly Deal with Sweatshops', CBS Broadcasting, retrieved from Lexis-Nexis database.

Crouch, C.: 2006, 'Modelling the Firm in Its Market and Organizational Environment: Methodologies for

Studying Corporate Social Responsibility', *Organization Studies* **27**(10), 1533–1551.

Dhanarajan, S.: 2004, Autumn, 'Faster, Longer, Cheaper: The Nexus Between Poor Labour Standards and Supply-Chain Management in the Apparel Industry', *European Retail Digest*, 43–47.

Dillman, D.: 1978, *Mail and Telephone Surveys: The Total Design Method* (John Wiley and Sons, New York).

Donaldson, J.: 2001, 'Multinational Enterprises, Employment Relations and Ethics', *Employee Relations* **23**(6), 627–642.

Ellam, L. M. and T. E. Hendrick: 1995, 'Partnering Characteristics: A Dyadic Perspective', *Journal of Business Logistics* **16**(1), 41–64.

Emmelhainz, M. A. and R. J. Adams: 1999, 'The Apparel Industry Response to "Sweatshop" Concerns: A Review and Analysis of Codes of Conduct", *Journal of Supply Chain Management* **35**(3), 51–57.

Freeman, R. E.: 1984, *Strategic Management: A Stakeholder Approach* (Pitman, Boston).

Freeman, R. E. and D. L. Reed: 1983, 'Stockholders and Stakeholders: A New Perspective on Corporate Governance', *California Management Review* **25**(3), 93–94.

Frenkel, S. J.: 2001, 'Globalization, Athletic Footwear Commodity Chains and Employment Relations in China', *Organization Studies* **22**(4), 531–562.

Friedman, A. L. and S. Miles: 2002, 'Developing Stakeholder Theory', *Journal of Management Studies* **39**(1), 1–21.

Gereffi, G., F. Palpacuer and A. Parisotto: 1999, *Global Production and Local Jobs* (International Labor Office, Geneva).

Gray, J. and F. Dawn: 1998, *The Delusions of Global Capitalism* (The New Press, New York).

Hartman, L. P., W. Shaw and R. Stevenson: 2003, 'Exploring the Ethics and Economics of Global Labor Standards: A Challenge to Integrated Social Contract Theory', *Business Ethics Quarterly* **13**(2), 193–220.

Hill, C. W. L. and M. J. Thomas: 1992, 'Stakeholder-Agency Theory', *Journal of Management Studies* **29**(2), 131–154.

Howard-Grenville, J. A., A. J. Hoffman and J. Wirtenberg: 2003, 'The Importance of Cultural Framing to the Success of Social Initiatives in Business', *Academy of Management Executive* **17**(2), 70–86.

International Labor Organization: 1998, *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up* (International Labor Organization Publications, Geneva).

Jawahar, I. M. and G. L. McLauglin: 2001, 'Toward a Descriptive Stakeholder Theory: An Organizational Life Cycle Approach', *Academy of Management Review* **26**(3), 397–414.

Jørgensen, H. B., P. M. Pruzan-Jørgensen, M. Jungk and A. Cramer: 2003, *Strengthening Implementation of Corporate Social Responsibility in Global Supply Chains* (The World Bank, Washington DC).

Kaptein, M.: 2004, 'Business Codes of Multinational Firms: What Do They Say?', *Journal of Business Ethics* **50**(1), 13–31.

Lach, J.: 1999, 'Who's Responsible?', *American Demographics* **21**(12), 17–18.

Lantos, G. P.: 2001, 'The Boundaries of Strategic Corporate Social Responsibility', *Journal of Consumer Marketing* **18**(7), 595–630.

Lim, S. and J. Phillips: 2008, 'Embedding CSR Values: The Global Footwear Industry's Evolving Governance Structure', *Journal of Business Ethics* **81**, 143–156.

Lloyd, R.: 2005, 'The Role of NGO Self-Regulation in Increasing Stakeholder Accountability', http://www.oneworldtrust.org. Accessed 20 Jan 2008.

Maloni, M. J. and M. E. Brown: 2006, 'Corporate Social Responsibility in the Supply Chain: An Application in the Food Industry', *Journal of Business Ethics* **68**(1), 35–52.

Mamic, I.: 2005, 'Managing Global Supply Chain: The Sports Footwear, Apparel and Retail Sectors', *Journal of Business Ethics* **59**, 81–100.

Mintzberg, H.: 1994, 'Pitfalls and Fallacies: Rethinking Strategic Planning, Part 1', *Long Range Planning* **27**(3), 12–22.

Mitchell, R. K., B. R. Agle and D. J. Wood: 1997, 'Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts', *The Academy of Management Review* **22**(4), 853–886.

Mohr, J. and R. Spekman: 1994, 'Characteristics of Partnership Success: Partnership Attributes, Communication Behavior, and Conflict Resolution Techniques', *Strategic Management Journal* **15**(2), 135–152.

Neef, D.: 2004, *The Supply Chain Impetrative: How to Ensure Ethical Behavior in Your Global Suppliers* (American Management Association, New York).

Noble, K. B.: 1995, August 4, 'Thai Workers are Set Free in California', *The New York Times* Section A, p. 1.

O'Rourke, D.: 2006, 'Multi-Stakeholder Regulation: Privatizing or Socializing Global Labor Standards?', *World Development* **34**(5), 899–918.

Park, H.: 2005, 'The Role of Idealism and Relativism as Dispositional Characteristics in the Socially Responsible Decision-Making Process', *Journal of Business Ethics* **56**(1), 81–98.

Prasad, M., H. Kimeldorf, R. Meyer and I. Robinson: 2004, 'Consumers of the World Unite: A Market-Based Response to Sweatshops', *Labor Studies Journal* **29**(3), 57–79.

Rock, M. T.: 2003, 'Public Disclosure of the Sweatshop Practices of American Multinational Garment/Shoe Makers/Retailers: Impacts on Their Stock Prices', *Competition and Change* **7**(1), 23–38.

Sethi, S. P.: 2003, *Global Standards: Guidelines for Creating Codes of Conduct in Multinational Corporations* (John Wiley and Sons, New York).

The New York Times: 2001, February 22, 'Report Says Nike Plant Workers Abused by Bosses in Indonesia', p. C2.

Warhurst, A.: 2005, 'Future Roles of Business in Society: The Expanding Boundaries of Corporate Responsibility and a Compelling Case of Partnership', *Futures* **37**(2/3), 151–168.

Weil, D.: 2005, 'Public Enforcement/Private Monitoring: Evaluating a New Approach to Regulating the Minimum Wage', *Industrial and Labor Relations Review* **58**(2), 238–257.

Wilson, A.: 2001, 'Special Report: Business and Human Rights', *Corporate Social Responsibility Magazine* **2**(1), 7.

Wong, A., D. Tjosvold, W. Wong and C. K. Liu: 1999, 'Relationships for Quality Improvement in the Hong Kong-China Supply Chain', *International Journal of Quality and Reliability Management* **16**, 24–41.

Haesun Park-Poaps
School of Human Ecology,
Louisiana State University,
Baton Rouge, LA 70803, U.S.A.
E-mail: hpark@lsu.edu

Kathleen Rees
Department of Human Sciences,
Texas A&M University-Kingsville,
Kingsville, TX 78363, U.S.A.