# Social Responsibility in Global Supply Chain: Research Trend from 1999 to 2014

Md. Tareq Bin Hossain\*1, Roslan Abdul Hakim\*2, Che Azlan Bin Taib \*3, Md. Julker Naim\*4

\*Faculty of Management Sciences, Prince of Songkla University, Thailand

1tareq.b@psu.ac.th

<sup>#</sup>Othman Graduate Business School, Universiti Uttara Malaysia, Malaysia

<sup>2</sup>ahroslan@uum.edu.my

\*School of Technology Management and Logistics, Universiti Uttara Malaysia, Malaysia

3 c.azlan@uum.edu.my

\*Bangladesh Bank, Dhaka, Bangladesh <sup>4</sup>naim.jnu.bb@gmail.com

Abstract: The well know term of corporate social responsibility (CSR) or simply social responsibility for business organization refers to the concept where the companies integrate social environmental concerns into their day to day business operations. The aim of this article is to observe the social responsibility research trend within global supply chain. Based on the review of prior literature, it is easy to say that the concept of CSR has received overwhelming attention by the professional and academia of all over the global. Even though, there is debate whether the companies have any responsibility for their supplier premises, more literatures are confirming that the business organizations are considering carefully the issues of CSR within supply chain. Since the concept of CSR covering enter arena of business, it is interesting to work on literature and discover the recent research trend on CSR study within supply chain. Current study has taken an initiative to determine the drivers that influence CSR practice within the supply chain based on literature review for sixteen years Finding suggests, there are drivers influences CSR practice within supply chain.

**Keyword**— Corporate Social Responsibility, global supply chain, research on CSR, systematic literature review

# 1. Introduction

There is a growing interest about social responsibility issues in the supply chain management because of outsourcing of noncore activities, short product life cycle, global competition and time compression in all aspects of the supply chain. Unfortunately, nowadays there are so many incidents are happening in the suppliers' factors as well as quality of products and

services. One of the most burning cases in the business arena is the case of Nestle's Maggi Noodles in India [27]. Not only the Nestly, there are number of companies are unable to ensure safe product or safe production line (supply chain) for their valuable customers.

Another incident took place on May 20, 2011, an explosion inside the manufacturing plant in southwestern city of Chine, which caused death and injuries. However, this incident is different than other, because the workers were producing revolutionary product of Apple's iPad<sup>7</sup>. Further investigation uncovered depressing working conditions inside the factories and it said that the company could avoid tragedy through proper safety measures in advance. Another similar report came from the New York Times on January 25, 2012, which gave an inside look on working condition [22]. Angry readers of the report posted thousands of comments within couple of days to condemn Apple's Global Supply Chain and within a few weeks, number of fair-labor organizers delivered 250,000 signatures to Apple stores in six cities around the world [7]. Not only Apple and Nestle, most firms from industrialized regions such as the U.S. and Europe increasingly unable to ensure reliable supply chain in order to ensure their global competitiveness<sup>58</sup>. One of the widely thought reason could be the irresponsible business mentality within the executives of multinational companies. Thus, it is worth to understand the current research trends of CSR within supply chain. In order to achieve the research object, researchers selected systematic literature review techniques on existing literature on social responsibility within the supply chain. Systematic literature review is a kind of literature review that gathers and critically analyzes numerous research studies using different methods, we have explained elaborately in the methodology section.

# 2. Methodology

The main object of this study is to understand the current research trend of social responsibility within the supply chain. In order to achieve the objective, it is worth to know CSR literature on supply chain. As mentioned earlier, this study chooses systematic review to find the research gap because the traditional narrative literature reviews have been widely criticized due to lack of relevance, biased methodology by authors [26], [62]. Systematic literature review assists the researcher to formulate one or more research questions, and then find and analyse studies that relate to the research objectives and answer those questions in a structured methodology. Number of early studies undertaken the systematic literature review methodology to achieve the research objectives [5], [28], [30]. It is expected that the researcher will manage to bring all the necessary literature related to social responsibility within the supply chain. In order to retrieve the highly relevant research paper, this study has taken few steps. Each and every steps are highly connected and assisted directly to obtain the research objective.

Step 1: Search with few key words (see the appendix A for the key words) in three most prominent data bases - Springer Link, Science Direct and Emerald for the period of 1975-2014 (40 years), however researcher unable to retrieve any article before 1999. To obtain the research target, researchers used number of keyword, which includes; Corporate Social Responsibility, CSR within Supply Chain, Ethics / Responsible Supply Chain, Sustainable Procurement, Responsible Supply Chain, Sustainable Purchase /Sourcing. Using several keywords, the researcher has identified 739 research articles, which includes 382 research articles in Springer Link, 189 research articles in Science Direct and 157 papers in Emerald. Step 2: Screening based on the title of the papers, researchers identified 292 research articles which are relevant to the current study. Step 3: carefully read the 292 abstract of different articles for several times and identified 154 articles which are highly linked with the study. Step 4: In order to identify the highly linked research papers, the researchers have excluded a number of papers which are related to supply chain performance. Furthermore, the current study also omitted the papers that are related with computer modelling or decision science for supply chain performance. Moreover, the study did not consider the supply chain related to some product that are sensitive in nature, like food or medicine and so on. Finally, 106 research articles have taken into consideration for further review and analysis. Two articles were not possible download due to retraction from the

publisher. Finally, the current research has identified 104 research articles those are strongly relevant with the current study. Table 1 demonstrated the different steps for this study, start from keyword search, title search, abstract search and finally download the articles that are strongly connect with the research objective to understand the CSR research trend within the global supply chain.

Title 1. Publisher-wise articles considered for study

Steps	SL	SD	ED	Wiley	Total
Keywords	382	189	157	111	739
Title	54	97	69	72	292
Abstract	45	31	40	38	154
Full Text*	33	20	26	25	106

#SL =Springer Link, SD= Science Direct, ED = Emerald

After reviewing the research articles, the researchers tried to understand the CSR research trend on global suppler practice. The below figure 1, demonstrates the trend of research publication by the different publishers. Until 2000, research publication on social responsibility within the supply chain was almost non-existed. However, the number publications slightly increased after the 2000. After 2007, despite publishers the research on social responsibility within the supply increase dramatically. Based on our search, among the four major publishers, Emerald remained as the higher number publication since 2000 until 2014. In the next stage, we are going to discuss about concepts.

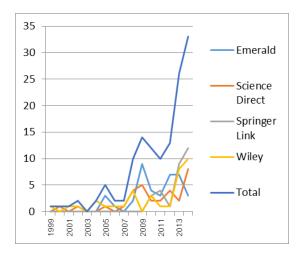


Figure 1. Year wise total number of published articles that considered for the study

### 3. CSR Research Trend in Supply Chain

We have observed the existence of great number of research publications related to social responsibility

within the supply chain. A recent study also confirmed that the number publication on green or sustainable supply chain is high over the last few years [30]. However, it is just the beginning to consider environmental aspects in supplier development researchers. We observed that the peer-reviewed literature has remained primarily qualitative, and often descriptive. Considering the issue, the current study intended to review articles directly linked with CSR in global supply chain. In this section, researcher presented the research trend over the years. Early studies have their own contribution to find-out different drivers behind social responsibilities within the supply chain. Since the current study is based on systematic literature review, the main contribution of this study is to summarize the existing literatures and analyse. At the first stage, it is worth to learn, how the researchers considered CSR within supply chain.

There are number of research finding that discussed about the social responsibilities within the supply chain [10], [13], [40], [57]. However, the research finding are not in the same line and indeed, many of them are opponent with others finding. A study observed that it is possible to improve the profits of both individual supply chain actors and the whole supply chain through CSR [34]. However, there is also opposite opinion about the CSR in Global Supply Chain. A group of researcher consider it as mission impossible and other consider it as boundary less responsibility [10], [40]. Nevertheless, it is a matter of fact, multinational corporations (MNCs) are under pressure to adopt private regulatory initiatives in order to ensure the responsible global supply chain. In the section, the researcher will look on research trend on responsible supply chain; both the negative and positive opinions.

Before going to identify the reasons or the drivers behind social responsibility from the literature, it is worth to obtain the depth of few studies related to social responsibilities within the supply chain. A researcher has taken an attempt to find the relation between CSR in global supply chain and the profit<sup>21</sup>. The researcher developed a framework to explain the complex global supply chain with CSR. The model covered the multicriteria decision-making behavior through a multilevel global supply chain network which includes the maximization of profit, minimization of emission, and the minimization of risk. The study proposed a network performance measure for the evaluation of global supply chain network which can measure the impact of globalization on socially responsible decisionmaking and analyze the effects of CSR on prices, product flows, and the global supply chains.

Finally, the researcher found that a social responsible global supply chain has more efficiency than a less responsible. Similar type of researcher has been taken by Hsueh and Chang [34]. The researcher employed a bi-level programming model, researcher proposes the supply chain (SC) director can determines optimal performance levels of corporate social responsibility (CSR) as well as compensation for all supply chain actors. As a result, the supply chain can maximize their profits. Finally, the research urged that it is possible to improve the performance of CSR as well as the profits of both individual supply chain actors and the whole SC through meaningful collaboration.

Since the both studies used the programming model, it difficult to generalize the idea for global supply chain. Another study has taken a challenge to develop a conceptual framework for CSR practice in global supply chain [6]. The study urges that the supply chain management is an area of increasing strategic importance due to global competition, short product life cycle and outsourcing trend all over the large corporations. Using the interview method on a Swedish company 'IKEA' the study finding shows that it is required to embed CSR within the entire organization. The researchers had aim to answer few questions, which includes CSR relation with global supply chain; the driving force behind CSR in global supply chain; implementation of CSR; and most contingency factor. The study found that the company mentioned high level CSR practice within the global supply chain.

Now, it is worth to look on the CSR practice in supply the chain by a Small and Medium Enterprise (SMEs). A research paper analyzes the practices adopted and difficulties by Small and Medium-sized experienced Enterprises (SMEs) to transfer socially responsible behaviors to suppliers that operate in developing countries [19]. The study took a multiple case study to conduct on five Italian SMEs. The study observed that the companies use different strategies as well as diverse management systems and tools to address CSR issues along their global supply chain. According to the authors, their study fulfil a literature gap to investigate the adoption of CSR practices by SMEs from a supply chain perspective. Early study confirmed that only few existing studies investigate the social responsibility adopted by SMEs in the supply chain. The study observed that the SMEs are playing significant role to ensure social responsibility within the supply chain. However, the question remains what are the factors or the drivers behind the socially responsible business or corporate social responsibility in global supply chain. Why the small or large business organizations are showing their responsibility to

ensure socially responsible supply chain. Early study suggests that there are number of drivers that influence CSR practice within the global supply chain [14]. In the following section, researcher presented the drivers that influence CSR practice within supply chain.

# 4. Drivers behind social responsibilities within the supply chain

After presenting the discussion on current research trend on social responsibility within supply chain, it is worth to look on the drivers that influence social responsibility or CSR within the global supply chain. It is observed that the responsibilities of the corporations are no longer limited within the shareholder or investors, but it goes beyond the economy. As a result, we can see there is difference between contemporary research and previous research on the buyer selection processes or global purchase policy.

Historically, corporation used to select the supplier based on different supplier characteristics, evaluation frameworks, and selection metrics which can leverage the economic gain only [33], [25]. However, the more contemporary research has increasingly assessed qualitative selection factors, such as post selection buyer supplier relationship, supplier fit with customers' business strategies, and social responsibility [31]. The above findings indicate that the buyer has substantial influence to ensure CSR practice in global supply chain. Not only the buyer but also the expectation of the society has been changed. Society expects more from corporations, because there are several business organizations have more power than governments in many parts of the world [22]. Furthermore, number of companies' annual budget are more than the national budget of many countries. Hence, it is expected that MNCs should promote CSR practice within the SMEs through supply chain pressure. However, it is observed that the MNCs only create pressure on SMEs to practice CSR without proving any support [6]. This finding lead to us to think again, why the MNCs creates pressure on SME to show their social responsibility within the supply chain. A study observed that the supply chain pressure is the most effective driver for environmental changes of SMEs in Hong Kong [61]. Moreover, there are number of studies in different parts of the world indicates that the buyer pressure influence CSR practice within the global supply chain [37].

However, the question remains why the buyers are asking the suppliers to ensure social responsibility in global supply chain? A study has taken place to identify the drivers that pressure the MNCs as customer influence CSR practice within

their Global supply chain [24]. The article aimed to address the reason behind the MNCs' expected criteria in selecting international suppliers from the world's emerging economies. The researchers collect data from 244 U.S. and German based corporation and found that middle level supply managers as internal stakeholders play a major driving role for firms' to select socially responsible supplier. The study extends the stakeholder theory to address the pressures from customers, the government, and employees primary as constituencies of the firm determine the extent to which firms consider social aspects in the selection suppliers from emerging economy. From the article, we can conclude there are three major factors that influence buyers' pressure for the supplier to practice CSR, these are; Customers Pressure, Government Pressure, and Middle Manager Environmental Pressure.

Another study has taken an initiative to identify the drivers that influence the buyer to select socially responsible buyer [31]. The researchers collect and compare the evidence from firms operating in three countries, namely; China, the United States, and the United Arab Emirates. The study employed partial least squares SEM to analyze the secondary data collected from SRSS. They identify three key drivers of supply managers' ethical intentions and examine both their direct and indirect impacts on socially responsible supplier selection. These three drivers influence buyer to pressure supplier for responsible supply chain; Employees' Ethical Orientation, Top Management Ethical Behavior, and External Pressure to Behave Ethically.

Since there are number of researches that took initiatives to identify the drivers influence CSR practice in the global supply chain, it would not be interesting to mention all of the studies in this section. However, the current study will present one more research that investigates the stakeholders' forces of socially responsible supply chain in apparel and footwear sector. The other study that we are going present is unique in compare to other mentioned research, because the research considers industry peer pressure [50]. Industry peer pressure refers collaboration for fair trade which has significant role in apparel industry, created in mid-1990s. Study identified internal and external stakeholder force that influence socially responsible supply chain. In order to ensure socially responsible supply chain, the study proposed a model that suggests the factors behind CSR practice within the global supply chain.

Based on above discussion, current study acknowledges that MNC as customer plays vital role behind CSR practice within suppliers'

premises. Additionally, we can also recognize that the buyers ask the supplier to practice CSR because they are under pressure by the number of parties, like; consumers, media, regulation of the buyers' country and employee. Hence, in the next section, we try to explain four drivers that plays vital role within supply chain, these are customers' commitment, regulation and policy, media investigation and management commitment. Our intention is to bring summery of early studies that cover corporate social responsibility within the supply chain.

#### 3.1. Customers' Commitment

Over the last few decades' companies are realizing the importance of social and environmental responsibility as a mean to ensure their success [55]. Number of studies clearly demonstrated that MNCs are now showing commitment to their supplier to ensure CSR practice through their own code of conduct or bench mark [8], [12]. As a customer, MNCs are more influential than other stakeholders within the supply chain. As explained in early sections, the scholars have different opinions whether the large companies that located in developed countries should take responsibility for their supplier premises or not. Even-though there is debate among scholars, the most important question is whether their initiate enhance CSR practice within the supply chains or not. If the buyer influences the supplier to practice CSR which eventually enhance CSR practice within suppliers' premises than the MNCs had to consider the issue. Study finding suggest that the large companies around the world are under pressure for their suppliers to ensure to social responsibility [29]. On the contrary, other researchers disagreed with the social responsibility of global brands for their supply chain, and instead consider it as boundary less responsibilities for the corporation<sup>4</sup>. Though there is debate among the scholars about the responsibilities of buyers within the supply chain, early studies confirmed as buyer MNCs are playing an important role within the supply chain through influencing the small and medium size organizations [8]. Study on large companies and SMEs indicate the customer commitment towards CSR within supply chain is a matter of fact that cannot avoid [12].

# 3.2. Regulation and Policy

Different regulatory bodies as well as the government policy are the important consideration to ensure CSR practice within the supply chain. Indeed, the first initiative towards CSR regulation has been taken by French [20], which made compulsory for all registered organization to publish their report. Later on a number countries

including Denmark, United Kingdom, Malaysia, Thailand and few other countries made it compulsory for the registered corporation to publish their social responsibility report. However, other researchers considered it ill motivated to enforce corporate to practice CSR [46]. According to them it has to be voluntary initiative as mentioned by European Commission.

However, more and more research show proved that the regulatory bodies have lot of responsibility to enhance CSR practice. The question is why the companies around the world taking responsibilities for their supply chain. A study has taken initiative to identify the factors influence the government or regulatory bodies to encourage corporate to practice CSR [2]. The aim of the article is to understand the role of regulatory bodies to promote CSR. The study urged that as like as other stakeholder, governments also act to drivers the CSR initiatives over the last decade. The article focuses on the analysis of the strategies adopted by governments in order to promote CSR values and strategies. The research is based on the analysis of an explanatory framework and the research compares CSR initiatives and public policies in three European countries: Italy, Norway and the United Kingdom. The preliminary results demonstrate that governments are uniting a common statement and encourage CSR practice. For governments, CSR implies the need to manage a complex set of relationships in order to develop a win-win situation between business and social organizations. Finally, the study suggests that there are divergences within the countries based on the previous cultural and political framework, the organizational structures. However, the culture, political framework and the organizational structures of the country is also highly linked with the government policy about transparency. Hence, it is more reasonable to say that along with government, different regulatory bodies from within the country or even outside of the country are playing vital role to ensure CSR practice within supply chain.

# 3.3. Media Investigation

Previous literatures suggest that media interest can impact CSR and the media is gradually gaining importance as a driver of corporate social responsibility within the global supply chain<sup>34</sup> However, it is yet to be known that whether media interest directly impact CSR of suppliers? Alternatively, an inter-relationship between media agenda setting interest and government policies to exposing companies social and environmental performance may better explain: how media with the mediation of government policy or top management commitment impact CSR of suppliers.

Islam and Deegan (2008) study perhaps only a study in CSR literature of this kind which used qualitative methodology to understand role of media and NGOs together [35]. We argue that knowing the way determinants directly or indirectly effect CSR is important for both enriching the theory such as legitimacy and relative importance of determinants to the MNCs' management for managing their supply chain in socially responsible way. This is particularly important for apparel industry, as the industry supply chain is under the scrutiny of wider stakeholders due to frequent unethical labour practices, human right violations and accidents often referred to this industry by media [32]. So, there is need to understand the role of media in the global supply chain and it is expected that the current study will bring direct and indirect relation of media to ensure CSR practices.

# 3.4. Management Commitment

Management commitment is one of the most influential factors to confirm CSR practice within global supply chain. Griffis et al. suggested that managers' ethical intentions directly or indirectly impacts on selecting socially responsible supplier [31]. Another researcher also considered top management commitment is vital to ensure CSR practice in supply chain [59]. Ehrgott et al. identified the drivers of CSR within the supply chain of 244 US and Garman based corporations taking the parent corporation's perspective [24]. They found that mid-level supply management is the key driver of CSR activities in supplier's premises. They suggest that mid-level management such as supply manager at parent corporation level manage CSR of suppliers through selecting socially responsible global supplier from the supplier list.

Management commitment is reflected within the ethical intention, CSR strategy and supports for CSR activities within the organization and outside of the organization, avoid corruption and arranging training [11], [31], [45]. Although early studies have their own contribution but there is limitation of literature that does not clearly explain whether top management direct influence on CSR or not. As well as, the previous studies the relation which explain between management commitment and CSR are based on developed countries, hence there is a need to study the relation based on the primary data from the developing countries where the suppliers are located.

# 5. CSR Practices by Suppliers

At the beginning of the literature review, researcher has presented the CSR from a general point of view and in this section researcher is going to discuss the

CSR from suppliers' point of view. Suppliers' CSR practice covers a wide range of issues such as the labour and human rights, food safety, employee training, health and safety, philanthropy and environment, animal welfare [18], [60]. Pretious and Love (2006) identified child labour, bribery and corruption as specific ethical sourcing problems [53]. There is number of research that address single dimensions of CSR such as sourcing business minority enterprises environmental purchasing [17] and so on. There is extensive research on supplier selection aspect. However, there is research gap to identify CSR from supplier point of view based on empirical data.

There are different opinions of experts about CSR framework or how to implement CSR. Carroll proposed a popular four-part (dimension) definition of CSR, suggesting that corporations have four responsibilities or "four faces" to fulfil to be good corporate citizens: economic, legal, ethical and philanthropic or humanitarian CSR [18]. Carroll actually divided "social" and "environmental" into legal, ethical and philanthropic. Another scholar mentioned philanthropic as stewardship responsibility and his CSR framework mentioned four responsibilities, namely; **Economic** responsibility, Legal responsibility responsibility, Ethical and Stewardship responsibility.

Another study found that CSR framework should cover five areas that are valued by the market; community, diversity, employee relations, environment, and product (e.g. high product quality, high innovation, and development to meet the special needs of the disadvantaged) [9]. Bursa Malaysia (2009), in their CSR framework, mentioned the Triple bottom line in terms of the economic, social, and environmental bottom-line wellness [15]. They then divided the society into two categories; i.e., the community and the market place. The International Institute for Sustainable Development defined sustainable development for business corporations as a process of adopting business strategies and activities to fulfil the present corporation's needs and the needs of stakeholders as well as protecting, supporting and increasing the human and natural resources needed in the future [42]. Lisbon Agenda highlighted the close link between sustainable economic growth, social cohesion and environmental protection [63]. Thus, it is easy to say that sustainable development does not focus only on ecological issues; rather it covers three dimensions as follows: Economic Dimension, Social Dimension, Environmental Dimension.

From the above discussion, we can conclude that corporate social responsibility is the combination of three dimensions, which includes Economic Dimension, Social Dimension and Environmental Dimension. The current study intended to examine the contribution of each dimension to CSR practice. Based on the literature, we will try to explore the activities under each dimension of corporate social responsibility within the global supply chain.

#### 4.1. Economic Dimension

In the 1960s, economic gain was the only responsibility of the business organizations, but later on, the idea has changed. It was found that many CSR activities in the literature review could be put under economic responsibility. These activities are responsibilities to employee, supplier, competitor, partner, customer, stockholder [64], regular and occasional financial contributions to the welfare organization [1], training activities, employee services, and customer satisfaction [56]. In this research, responsibilities towards employees mean to give a fair salary (no discrimination), regular training for career development, to take their opinion for decision making. Responsibilities to supplier, competitor and partner, mean having a good relationship with them and paying their dues on time. Responsibilities to corporation mean producing goods and services that fulfil the customers' basic desires. Responsibility shareholders means to give them a fair return for their investment [38]. Firms are also economically responsible to innovating new products, increasing share values, and paying tax to the government from the profit etc. Hence, more fully delineated a set of seven economic responsibilities. These are to;

- satisfy customers with goods and services of real value;
- b) earn a fair return on the funds entrusted to the corporation by its investors;
- c) create new wealth, which can accrue to non-profit institutions which own shares of publicly-held companies and help lift the poor out of poverty as their wages rise;
- d) create and maintain new jobs;
- e) defeat envy through generating upward mobility and giving people the sense that their economic conditions can improve;
- f) promote innovation; and
- g) diversify the economic interests of citizens (through tax pay and reasonable product price).

It is essential to confirm work-life balance or no human right violation as per UN universal Declaration of Human Right and also need to

ensure that there is equal opportunity or no discrimination among the employees as per ILO convention. To encourage suppliers to practice CSR or inspection of supplier's facilities for health, safety and environment dimensions is an important responsibility of a corporate as per ILO working environment convention. From the above literature, eight most important variables to prove economical dimension of CSR can be summarized. The most important eight variables; Gain Profit for the Encouraging Long-term business, career, Consultation with the employees, Encouraging supplier to practice CSR, no discrimination among the employees, Work-life balance for employees, Reasonable product price, Paying TAX on time, and Welfare fund.

#### 4.2. Social Dimension

Companies are the main economic and social actors, and their aggregate activities have a tremendous impact on national societies. Being social institutions, they fulfil essential functions: they provide jobs to the greatest part of the society; they represent a decisive factor for the creation and the preservation of social ties; their innovations, their strategic choices influence the fate of societies in which they operate. As the companies have tremendous impact on society, they should always try to minimize the negative effect and maximize the society's benefit. According to another study [43], CSR entails the obligation stemming from the implicit "social contract" between business and society for firms to be responsive to society's longrun needs and wants, optimizing the positive effects and minimizing the negative effects of its actions on society. Ahmad mentioned collecting donations from employees, sponsoring events, allowing employees to volunteer expertise (Training), providing free use of company facilities, and donating surplus office equipment as activities of being socially responsible by the organizations<sup>1</sup>. Perrini gave examples of the social responsibilities local community development (scholarship); support of cultural activities; and support of sports activities etc. [51]. From the above discussion, this research can list the following variables to prove the social dimension CSR; Preference to purchase locally, Employees' participation in local community activities, giving financial support to local community, supporting local homeless people, offering job for local community and providing donation or scholarship. From the above discussion, current study intended to consider economic, environmental and societal dimension as supplier CSR practice. The aggregate result of the above three dimension will affect the suppliers' organizational performance.

Int. J Sup. Chain. Mgt

#### **4.3.** Environmental Dimension

Environment is the silent stakeholder of the business organizations because it is greatly affected by the organization. According to Welford, the environmental stock must not be treated as a free good but must rather be protected, which implies minimal use of non-renewable resources and minimal emission of pollutants [65]. Organizations must not merely produce products and services to satisfy their numerous clients, they must also go for actions that will ensure the protection of the Organizations environment [49]. responsibility to ensure healthy environment, as shown in the following studies. Koontz and Weihrich listed eleven arguments in favour of social involvement of corporate organizations and seven arguments to the contrary [41]. A major argument for CSR is that the creation of a better social environment benefits both society and business. Society benefits through better economic conditions and employment opportunities, while corporate organizations gain from a better community, since the community is the source of its human and natural resources and the consumer of its products and services. Here, the research divides environmental responsibility into two areas; one is internal environment which means the work environment and another one is the external environment which means the natural environment. Other research mentioned many CSR activities, some of them are safeguarding employees' health, product safety, controlling environmental impacts of products and environmental protection activities are put together as environmental responsibility [52]. Research finding showed that in the CSR process of a Swedish company, the most important part is the management of the environmental impact; third important part is the health and safety programmes and sixth important part is the quality programmes which are the environmental responsibility of the organization [70].

To perform these responsibilities provide companies should such internal environment so that employees become healthy physically and mentally. In order to protect natural environment, organizations should have plantation programmes regularly; they should environment friendly transportation, recycle the waste, save energy to prevent all kinds of pollution, and produce safe products. Another research suggests that corporate social responsibility must cover four sections namely business principles, health safety security, environment, and resources<sup>36</sup>. These are the tasks organizations should do to be environmentally responsible. This study summarizes the variable for environmental dimension as follows; Discourage all kinds of pollution (water, air and sound), Suitable arrangement for employees' health and safety, Encouragement to recycle or reuse, having plantation programmes, reducing environmental impact in terms of energy conservation, Offering training to the local community (Conservation of wildlife).

### 5. Conclusion

The main objective of this study is to fulfill the research gap based on early studies. Our literature review suggests that the research in corporate social responsibility although has long history in the academic literature it is only recently researches focused social responsibility of corporation within the global supply chain with the increasing operation of multinational companies in developing countries through different suppliers [47], [31], [44]. Multinational corporation (MNCs) operations in developing countries in order to reduce their operation cost and to ensure profit which eventually leading different ethical issues in the developing countries. Our literature review also suggests that most of studies conduct the research based on data from developed counties, very little initiatives have been taken based on developing counties. So, there is a geographical research gap to evaluate the factors based on the data collected from developing country.

Over the last few decades' companies are realizing the importance of social environmental responsibility as a mean to ensure their success. Moreover, large companies around the world are under pressure for their suppliers' social responsibility. On the contrary, other researchers disagreed with the social responsibility of global brands for their supply chain, and instead consider it as boundary less responsibilities for the corporation. Though there is debate among the scholars about the responsibilities of MNCs within the supply chain, early studies confirm that MNCs are playing an important role within the supply chain through influencing the top management as well as the government. However, the early studies are limited to answer the direct as well as indirect influence among MNCs pressure and regulatory bodies to ensure CSR within the global supply chain. Hence, there is a need to investigate the influence of MNCs on government as well as top management to ensure CSR in developing countries.

Early study observed number of parties to ensure CSR practice within the supply chains based on the data from developed countries. However, among these parties, the media is also considered as a major player behind CSR initiatives in the global supply chain. Park-Poaps and Rees (2010)

mentioned that media as a primary stakeholder influences significantly in ensuring a socially responsible supply chain [50]. Other studies also observed the role media on government as well as management decision or management commitment [3]. Based on the discussion, it is more logical to consider that the media has direct influence on CSR, government as well as management of the organization to ensure CSR within the global supply chain. The current study urges that there is a need to investigate the interrelationship between customers' influence, media interest, regulatory policy, top management commitment and CSR practice within the global supply chains.

Previous studies confirmed that in today's highly complex business world, one of the most important stakeholders is the management commitment to ensure CSR practice [11], [39]. However, the early studies that examine the management commitment within supply are mostly based in developed country. Hence, there is a need to re-examine the relationship between the management commitment and CSR practice within the global supply chain based on the data from developing country. In short, current study urges that the early studies tested the Stakeholder theory to determine the factors influence CSR practice in global supply chain. However, the main research gap is that the early studies never analyses the complex relation among the factors based on the data from developing country. Therefore, the theatrical research gap is to understand the complex relation through examining the mediating relation among the determinant using a sophisticated research model. Further study could consider stakeholder network theory to evaluate the interrelationship among the drivers to ensure CSR practice within the supply chain.

#### References

- [1] Ahmad, S. J. (2006). From Principles To Practice: Exploring Corporate Social Responsibility In Pakistan. *Journal Of Corporate Citizenship.*, 115-129.
- [2] Albareda, L., Lozano, J. M., Tencati, A., Midttun, A., & Perrini, F. (2008). The changing role of governments in corporate social responsibility: drivers and responses. *Business ethics: a European review*, 17(4), 347-363.
- [3] Albuloushi, Mohammad S. *Media advertising credibility in Kuwait: the cosumer's perspective.* Diss. University of South Carolina, 2000.
- [4] Amaeshi, K. M., Osuji, O. K., & Nnodim, P. (2008). Corporate social responsibility in supply chains of global brands: A boundary

- less responsibility? Clarifications, exceptions and implications. *Journal of Business ethics*, 81(1), 223-234.
- [5] Amara, Nabil, and Nizar Becheikh. 2006. "Lessons from Innovation Empirical Studies in the Manufacturing Sector: A Systematic Review of the Literature from 1993 – 2003." 26: 644–64.
- [6] Andersen, Mette, and Tage Skjoett-Larsen. 2009. "Corporate Social Responsibility in Global Supply Chains." Supply Chain Management: An Inter-national Journal 14(2): 75–86.
- [7] Asgary, Nader, and Gang Li. 2014. "Corporate Social Responsibility: Its Economic Impact and Link to the Bullwhip Effect." *Journal of Business Ethics*.
- [8] Baden, D.A., I.A. Harwood, and D.G. Woodward. 2009. "The Effect of Buyer Pressure on Suppliers in SMEs to Demonstrate CSR Practices: An Added Incentive or Counter Productive?" European Management Journal 27(6): 429–41.
- [9] Bird, R., Hall, A. D., Momentè, F., & Reggiani, F. (2007). What corporate social responsibility activities are valued by the market? *Journal of business ethics*, 76(2), 189-206.
- [10] Bai, Chunguang, Onyeka K Osuji, and Paul Nnodim. 2008b. "Corporate Social Responsibility in Supply Chains of Global Brands: A Boundaryless Responsibility? Clarifications, Exceptions and Implications." *Journal of Business Ethics* 81(1): 223–34.
- [11] Banerjee, Subhabrata Bobby, Easwar S. Lyer, and Rajiv K. Kashyap. 2003. "Corporate Environmentalism: Antecede-nts and Influence of Industry Type." American Marketing Association 67(2): 106–22.
- [12] Björklund, Maria. 2010. "Benchmarking Tool for Improved Corporate Social Responsibility in Purchasing." *Bench-marking: An International Journal* 17(3): 340–62.
- [13] Boyd, D Eric, Robert E Spekman, John W Kamauff, and Patricia Werhane. 2007. "Corporate Social Responsibility in Global Supply Chains: A Procedural Justice Perspective." 40: 341–56.
- [14] Brik, Anis Ben, Kamel Mellahi, and Belaid Rettab. 2013. "Drivers of Green Supply Chain in Emerging Economies." *Thunderbird International Business Review* 55(2): 123–36.
- [15] BURSA (2009).Corporate Social (CSR) Responsibility Framework for Malaysian Pubic Listed **Companies** [Online].[Accessed 30 20091 June .http://www.klse.com.my/website/bm /abo utus.the\_organisation/csrwriteup.pdf
- [16] Carter, Craig R. 2000. "Ethical Issues in International Buyer–supplier Relation-ships:

- A Dyadic Examination." *Journal of Operations Management* 18(2).
- [17] Carter, Craig R, and P Liane Easton. 2011. "Sustainable Supply Chain Management: Evolution and Future Directions." International Journal of Physical Distribution & Logistics Management 41(1): 46–62.
- [18] Carter, Craig R, and Marianne M Jennings. 2002. "Social Responsibility and Supply Chain Relationships." *Transporta-tion Research Part E: Logistics and Transportation Review* 38(1): 37–52.
- [19] Ciliberti, Francesco, Pierpaolo Pontrand-olfo, and Barbara Scozzi. 2008. "Investi-gating Corporate Social Responsibility in Supply Chains: A SME Perspective." Journal of Cleaner Production 16(15): 1579–88.
- [20] Christophersen, Timo, and Udo Konradt, (2012) 'Development and Validation of a Formative and a Reflective Measure for the Assessment of Online Store Usability', *Behaviour & Information Technology*, 31, 839–57
- [21] Cruz, Jose M. "The impact of corporate social responsibility in supply chain management: Multicriteria decision mak-ing approach." *Decision Support System-s* 48.1 (2009): 224-236
- [22] Davis, Keith. 1973. "The Case for and against Business Assumption of Social Responsibilities." *Academy of Manage-ment journal* 16(2): 312–22.
- [23] Duhigg, Charles, and David Barboza. 2012. "In China, Human Costs Are Built into an iPad." *New York Times* 25.
- [24] Ehrgott, Matthias, Felix Reimann, Lutz Kaufmann, and Craig R. Carter. 2011. "Social Sustainability in Selecting Emerging Economy Suppliers." *Journal of Business Ethics* 98(1): 99–119.
- [25] Ellram, Lisa M. 1990. "The Supplier Selection Decision in Strategic Partnerships." *Journal of Purchasing and Materials Management* 26(4): 8–14.
- [26] Fink A. 2005. Conducting Research Literature Reviews: From the Internet to Paper. Sage: Thousand Oaks.
- [27] Garg, Neha. 2015. "Impact of Maggi Row in India." *International Journal of Management and Social Sciences Research (IJMSSR)* 4(7): 46–52.
- [28] Gimenez, Cristina, and Elcio M Tachizawa. 2012. "Extending Sustainability to Suppliers: A Systematic Literature Review." *Supply Chain Management: An International Journal* 17(5): 531–43.
- [29] Goering, G. E. (2012). Corporate social responsibility and marketing channel coordination. *Research in Economics*, 66(2), 142-148.

- [30] Gold, Stefan, Stefan Seuring, and Philip Beske. 2010. "Sustainable Supply Chain Management and Inter-Organizational Resources: A Literature Review." *Corporate Social Responsibility and Environmental Management* 17(4):230-45.
- [31] Griffis, Stanley E, Chad W Autry, LaDonna M Thornton, and Anis ben Brik. 2014. "Assessing Antecedents of Socially Responsible Supplier Selection in Three Global Supply Chain Contexts." *Decision Sciences* 45(6): 1187–1215.
- [32] Gupta, Megha, and Nancy Hodge. 2012. "Corporate Social Responsibility in the Apparel Industry."
- [33] Hakansson, Hakan, and Bjorn Wootz. 2012. "Supplier Selection in an Inter-national Environment an Experimental Study." *Biotechnology letters* 12(1):46–51.
- [34] Hsueh, Che-Fu, and Mei-Shiang Chang. 2008. "Equilibrium Analysis and Corporate Social Responsibility for Supply Chain Integration." European Journal of Operational Research 190(1).
- [35] Islam, Azizul Muhammad and Deegan, Craig. Motivations for an organisation within a developing country to report social responsibility information: Evidence from Bangladesh. Accounting, Auditing & Accountability Journal, 2008, 21.6: 850-874.
- [36] Idowu, S. O. and Towler, B. A. 2004. A Comparative Study Of The Contents Of Corporate Social Responsibility Reports Of UK Companies. *Management Of Environmental Quality: An International Journal*, 15, 420-437.
- [37] Jørgensen, Helle Bank, Peder Michael Pruzan-Jørgensen, Margaret Jungk, and Aron Cramer. 2003. Strengthening Imple-mentation of Corporate Social Respon-sibility in Global Supply Chains.
- [38] Katz, Wilber G. "Responsibility and the modern corporation." *The Journal of Law and Economics* 3 (1960): 75-85.
- [39] Kim, W. C., and R. A. Mauborgne. 1993. "Procedural Justice, Attitudes, and Subsidiary Top Management Compliance With Multinationals' Corporate Strategic Decisions." *Academy of Management Journal* 36(3): 502–26.
- [40] Knudsen, Jette Steen. 2013. "The Growth of Private Regulation of Labor Standards in Global Supply Chains: Mission Impossible for Western Small- and Medium-Sized Firms?" Journal of Business Ethics 117(2): 387–98.
- [41] Koontz, H. & Weihrich, H. 2006. *Essentials Of Management*, Tata Mcgraw-Hill Education.
- [42] Labuschagne, Carin, Alan C. Brent, and Ron PG Van Erck. "Assessing the sustainability

- performances of indust-ries." *Journal of cleaner production* 13.4 (2005): 373-385.
- [43] Lantos, Geoffrey P. (1997) "Business as a Calling: Work and the Examined Life . *Journal of Consumer Marketing* 14.2-3.
- [44] Lim, Suk Jun, and Joe Phillips. 2008. "Embedding CSR Values: The Global Footwear Industry's Evolving Governance Structure." *Journal of Business Ethics* 81(1): 143–56.
- [45] Manning, L., R. N. Baines, and S. A. T. Chadd. "Ethical modelling of the food supply chain." *British Food Journal* 108.5 (2006): 358-370.
- [46] Matten, Dirk; Crane, Andrew; Chapple, Wendy. Behind the mask: Revealing the true face of corporate citizenship. *Journal of Business Ethics*, 2003, 45.1-2: 109-120.
- [47] Mellahi, Kamel, Kevin Morrell, and Geoffrey Wood. 2010. *The Ethical Business: Challenges and Controversies*. Palgrave Macmillan.
- [48] Mont, Oksana, and Charlotte Leire. 2009. "Socially Responsible Purchasing in Supply Chains: Drivers and Barriers in Sweden." *Social Responsibility Journal* 5(3): 388–407.
- [49] Okafor, E., Hassan, A. & Doyin-Hassan, A. 2008. Environmental Issues And Corporate Social Responsibility: The Nigeria Experience. *Journal Of Human Ecology*, 23, 101-107.
- [50] Park-Poaps, Haesun, and Kathleen Rees. 2010. "Stakeholder Forces of Socially Responsible Supply Chain Management Orientation." *Journal of Business Ethics* 92(2): 305–22.
- [51] Perrini, Francesco. "SMEs and CSR theory: Evidence and implications from an Italian perspective." *Journal of business ethics*67.3 (2006): 305-316.
- [52] Perrini, Francesco, Stefano Pogutz, and Antonio Tencati (2006). "Corporate social responsibility in Italy: State of the art." *Journal of Business Strategies* 23:1.
- [53] Pedersen, Esben Rahbek, and Mette Andersen. 2006. "Safeguarding Corporate Social Responsibility (CSR) in Global Supply Chains: How Codes of Conduct Are Managed in Buyer-Supplier Relationships." *Journal of Public Affairs* 6(3–4): 228–40.
- [54] Pretious, Mike, and Mary Love. 2006. "Sourcing Ethics and the Global Market: The Case of the UK Retail Clothing Sector." *International Journal of Retail & Distribution Management* 34(12):892-903.
- [55] Porter, Michael E. and Claus van der Linde (1995), "Green and Competitive: Ending the

- Stalemate," Harvard Business Review, Vol. 73, No. 5, pp. 120-134.
- [56] Pratten, John D., and Adel Abdulhamid Mashat. (2009)"Corporate social disclo-sure in Libya." *Social Respon- sibility Journal* 5.3: 311-327.
- [57] Rotter, Julia Patrizia, Peppi Emilia Airike, and Cecilia Mark-Herbert. 2013. "Exploring Political Corporate Social Responsibility in Global Supply Chains." *Journal of Business Ethics*: 1–19.
- [58] Ruamsook, Kusumal, Dawn Russell, and Evelyn Thomchick. 2007. "U.S. Sourcing from Low-Cost Countries: A Comparative Analysis of Supplier Performance." *Journal of Supply Chain Management* 43(4): 16–30.
- [59] Salam, Mohammad Asif. 2008. "Corporate Social Responsibility in Purchasing and Supply Chain." *Journal of Business Ethics* 85(S2): 355–70.
- [60] Spence, Laura, and Michael Bourlakis. 2009. "The Evolution from Corporate Social Responsibility to Supply Chain Responsibility: The Case of Waitrose." Supply Chain Management: An International Journal 14(4): 291–302.
- [61] Studer, Sonja, Stephen Tsang, Richard Welford, and Peter Hills. 2008. "SMEs and Voluntary Environmental Initiatives: A Study of Stakeholders' Perspectives in Hong Kong." *Journal of Environmental Planning and Management* 51(2):285-301.
- [62] Tranfield, D., D. Denyer and P. Smart: 2003, 'Towards a Methodology for Developing Evidence-Informed Manage-ment-Knowledge by Means of Systematic Review', British Journal of Management 14(3), 207–222.
- [63] Tureac, Cornelia Elena, et al. "Corporate Social Responsibility and Sustainable Development." *Acta Universitatis Danub-ius. Œconomica*5.1 (2010).
- [64] Virakul, Busaya, Kalayanee Koonmee, and Gary N. McLean. "CSR activities in awardwinning Thai companies." *Social Responsibility Journal* 5.2 (2009):178-99.
- [65] Welford, Richard (2005). "Corporate Social Responsibility in Europe and Asia."
- [66] Schwartz, Mark S., and Archie B. Carroll. "Integrating and unifying competing and complementary frameworks: The search for a common core in the business and society field." *Business & Society*47.2 (2008): 148-186.
- [67] Wottrich, V. H. & Sastararuji, D. 2008. Exploring Csr In Sweden, Thailand And Brazil: Insights From The Construction In.