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Qualitative Research Methods

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Corporate Social Responsibility in the Apparel Value Chain: A Theoretical Framework for the Congruence of Corporation-Employee-Consumer CSR Perspectives

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1. Overall Abstract

Corporate Social Responsibility (CSR) has become an integral component of business strategies for firms in the past decade. CSR policies and initiatives have the potential to underpin corporate identity and has a positive correlation with the increase in stakeholders' engagements and enhanced relationships, and thereby can be seen as a source of a firm's competitive advantage (CA). At the same the apparel sector has grown exponential in size with apparel firms benefitting from globalization, of expanded supplier base as well as extended market reach facilitated by the growth of international trade and the e-commerce boom. Apparel firms are able to utilize a large labour pool of low wages and access raw materials in significantly lower prices by relocating some of its supply chain facilities, and thereby extending their supplier research, to overseas locations, such as China, India, and South East Asia. Many of the apparel firms employ Cost Strategy in their business model to achieve high productivity and high capacity, and use bargaining power to negotiate the lowest possible prices for their production and raw material purchase, to maximize profit return.

The entry of fast fashion companies in the 1990s with their 'rapid response to market' supply chain strategy forces a seismic shift of business model for other apparel firms. To remain competitive apparel firms are required to gain more control of their supply chain and distribution network, and to adopt vertical integration by acquiring external partners with global sourcing networks to increase the speed of delivery of a product to the market. Monitoring working conditions, environmental responsibilities, are therefore becoming increasingly peripheral and difficult exercises.

In the 1990s with the proliferation of CSR, there are more focus put on corporate activities, with key concerns with a corporation's economic responsibility, legal responsibility, and ethical responsibility (Carroll, 1979). Apparel brands with wide market reach and household brand names such as Nike, Adidas, Uniqlo have all been accused of worker exploitations for their use of 'swearshops'. The Gap Inc.'s case of labour rights infringements and the use of child labour in their supplier factories in El Salvador, Saipan and Cambodia in the late 1990s and early 2000 brought about the monumental focus of change in organization's behaviour and responsibilities in maintaining high 'ethical performance' not only internally in the corporate but also externally in its suppliers.

There have since been numerous studies of Corporate Social Responsibility's correlations with organizational and business performance for apparel firms, with effective implementation of CSR from organizations' perspective as the key focus. The following article critique of 'Conceptual Framework Development. CSR Implementation in Fashion Supply Chains' by Patsy Perry and Neil Tower serves to validate and confirm one of the key considerations of CSR implementations for apparel firms: drivers and inhibitors of CSR implementation within a conceptual framework. In the subsequent research proposal, to broaden the scope of understanding of CSR implementation, the focus will be shifted to the human perspective of individual and collective experiences of CSR of the members of the value chain of apparel firms, which is often overlooked in other research studies, to facilitate a more comprehensive understanding of CSR experiences where different stakeholders is concern and the effect of their engagements to the apparel firm and its products.

For the past decades China has been the world's factory. But with the opening up of labour markets of increasingly maturing labour skills and lower wages in other countries such as India, Pakistan and the South East Asia region, China's production cost and vast labour pool have increasingly become less of a source of competitive advantage for Chinese apparel firms. With political tensions between the US, Europe and China as well as the changing dynamics of international trade, corporate governance, social capital, Corporate Social Responsibility have become the increasingly important factors for Chinese firms to consider for competitive advantage in a global business stage. To facilitate this, the following studies aim to enhance the discussions of CSR implementation in real business settings in apparel firms in Greater China and contribute to more effective approaches in promoting CSR in their business activities.

2. Critical Review of Article

Article Reviewed:

Perry, P. and Towers, N. (2012). CSR Implementation in Fashion Supply Chains. International Journal of Physical Distribution & Logistics Management, [online] Vol. 43(5/6), pp. 478-500. Available at www.emeraldinsight.com/0960-0035.htm

2.1 Introduction

Outsourcing of garment manufacturing has become prevalent among fashion companies to increase profit margins while maintaining distinctive competence and comparative advantages. Due to poor corporate social responsibility (CSR) performances, the effectiveness of traditional mechanisms and management tools remained controversial. Perry and Towers (2012) recognised CSR as a growing area of concern in the increasingly globalised fashion supply chain. In the article 'CSR implementation in fashion supply chains', Patsy Perry and Neil Towers, the authors, identified and analysed CSR inhibitors and drivers from academic research and qualitative information to give logical interpretations, suggesting the significance of supply chain management (SCM) principles to support CSR implementation. However, the article failed to generalise about the phenomenon due to sampling limitations.

2.2 Summary

The authors identified a lack of academic research related to global supply chain and social responsibility (Giunipero et al., 2008, as cited in Perry and Towers, 2012). The study was thereby conducted to address the research gap and discuss the phenomenon: how CSR implementation was influenced by CSR inhibitors and drivers according to variations in business size and model. A qualitative case study approach was adopted, with Sri Lanka as the case study location for it being 'a key global sourcing centre for fashion garments (KSA, 2009, as cited in Perry and Towers, 2012) and 'a country well known for its ethical garment manufacturing credentials (Ruwanpura and Wrigley, 2011, as cited in Perry and Towers, 2012). The case study comprised a sample group of seven export garment manufacturing companies, a senior manager at the Board of Investment, and the head of sustainable business at a large UK mid-market retailer.

According to the authors, CSR derives from the altruistic desire to do the right or good things, which can be a source of competitive advantages if managed strategically. Regarding the nature and complexity of the fashion industry, the effectiveness of SCM principles on CSR performance was evaluated by CSR inhibitors and drivers in fashion supply chains.

The inhibitors and drivers to CSR implementation identified by the authors:

CSR Inhibitors	CSR Drivers
▪ Downward Price Pressure ▪ Fashion Product Nature ▪ Labour Intensity of Manufacture ▪ Retail Buying Practices ▪ Supply Chain Complexity ▪ Supply Chain Power Distribution	▪ Consumer Desire for Guilt-free Fashion ▪ Trust in Buyer-supplier Trading Relationship ▪ SCM Philosophy: Long-term Orientation, Shared Goals ▪ Supply Chain Rationalisation ▪ Supply Chain Integration

Upon analysis and discussion, the authors argued a positive correlation between SCM and CSR performance in the global fashion supply chain. The establishment of a collaborative buyer-supplier relationship was interpreted as a powerful driver for sustainability and ethical sourcing. In other words, a compliance-based SCM approach forms the foundation of successful CSR implementation, in which buyers and suppliers move their focus on long-term benefits and prioritise the development of trust, commitment, and collaboration. Thus, the authors reinforced the importance of this academic study in terms of the industry information it provided, such that 'company performance should be measured by social, ethical and environmental parameters as well as traditional financial indicators' (Elkington, 1997, as cited in Perry and Towers, 2012).

2.3 Assessment and Opinions

2.3.1 Research Design

The authors opted for an inductive approach, which is also known as inductive reasoning. No hypothesis was made at the initial stage of the research study, allowing new ideas and trend predictions to be generated. According to Business Research Methodology (2020), an inductive approach interprets meanings from data collected to identify patterns and relationships to build a theory, which helps develop phenomenological interpretations. To put it in context, CSR inhibitors and drivers were identified as 'patterns', and the 'relationships' between the inhibitors, drivers, and SCM principles were discussed. Inductive reasoning is heavily based on observations and experiences to develop a theory (Business Research Methodology, 2020) in which personal biases can exist and lead to subjectivity in the

research study. Moreover, ‘a conclusion drawn on the basis of an inductive method can never be proven, but it can be invalidated’ (Streefkerk, 2019), indicating that the data collected can only be used to theorise, which may lead to subjective conclusions. For enhanced data validity, the inductive study can be followed by a deductive study to validate the conclusion, as a hypothesis therein, without compromising new ideas at the beginning.

Phenomenology and positivism are two significant sociological methods in research. On the one hand, ‘phenomenological approaches are based in a paradigm of personal knowledge and subjectivity, and emphasise the importance of personal perspective and interpretation’ (Lester, 1999). On the other, ‘positivism depends on quantifiable observations that lead to statistical analyses’ (Business Research Methodology, 2020). With nine interviews conducted, the authors used a qualitative case study method within the phenomenological research paradigm, which was comparatively an appropriate approach for the study. As in, many influences and relationships in the phenomenological discussion did not lend themselves to being quantified. Nonetheless, the approach might have contributed to subjective conclusions as phenomenology helped researchers learn from experiences. To balance objectivity and subjectivity in the research, the longitudinal research method can instead be used to explore a research topic based on data that describes what happened to a set of research units over a period of time, allowing intra-individual comparison across time (Taris, 2000). In the article, the authors mentioned the changing nature of the fashion industry, the dynamic relationship between suppliers and other stakeholders in the supply chain, and other institutional factors that potentially influence CSR implementation. Hence, contextually this research method could be a more suitable approach for the authors to observe changes that might occur over time and initiate in-depth investigations and analyses regarding the dynamic phenomenon.

Apart from the interviews, the researchers collected documentary evidence to obtain background information and definitions of terms for the study. In addition, observational data were collected during the researchers’ factory visit to compare ‘what is said’ and ‘what is experienced first-hand’ by the informants, contextually the stakeholders in the fashion supply chain. Data obtained from the observations had seen effectiveness in enhancing data validity and reducing data inaccuracy. Such an approach allowed researchers to ‘observe events that

informants may be unable or unwilling to share' (Kawulich, 2005). However, biases might have occurred as the researchers served 'as the instrument for data collection' when conducting participant observation. Thus, as mentioned by Kawulich (2005), the researchers can collect useful, unbiased data via several measures, such as learning to put aside preconceptions, being attentive in observations while reporting what has been seen, and keeping a running observation record.

The selection of case study location had left the study's generalisability in doubt. Although the authors provided rationales for the selection, for Sri Lanka being a key sourcing centre of garment manufacturing with an excellent reputation for its apparel industry ethics, the country-specific study failed to give clear implications in the research topic. A sampling unit with a global scale should be involved to enhance the study's generalisability, followed by a cross-country analysis to assess 'how the varying institutional context and the structure of the industry across different countries affect CSR implementation in the supply chain' (Perry and Towers, 2012).

2.3.2 Literature Review

A comprehensive literature review was conducted across topics relating to supply chain management, studies on apparel firms' private and public ownerships in relations to organisational decision making, logistic and retail strategic management of global apparel firms, performance matrix in the supply chain and buyer-supplier relationship, as well as various case studies of multinational apparel firms such as that of Marks and Spencer and Zara. The key areas of studies in Corporate Social Responsibility and qualitative research design methods are also investigated in depth with relevant, and authoritative literatures. However, since the article's central premise is to understand the drivers and inhibitors of Corporate Social Responsbility in the globalised supply chain of the apparel industry, the cultural dimension and its implications in organisational management have been overlooked. As such, further understanding of the multicultural environments that different members of the supply chain are in, the cultural drivers that influence decision makings in management level in multinational apparel firms, as well as further explorations on social theories from both personal and organisational perspectives, from additional literatures reviews would have been beneficial to help form a more robust and comprehensive analysis of the complex and

multi-layered phenomenon observed. Hofstede's cultural dimensions theory for instance would have help laid the foundation of analysis of Corporate Social Responsibility in a cross-cultural setting, allowing more effective comparisons of values and behaviours of individuals and organizations within multi-national, cross-cultural business environment of which the apparel industry is in.

2.3.3 Methodology

A systematic but non-probabilistic theoretical sampling method was adopted, with a sampling unit of seven garment manufacturing companies in Sri Lanka, and two relevant parties – to be discussed later in the critique. The seven companies were a balanced mix of four full-package suppliers (FPS) and three contract manufacturers (CM), providing comprehensive theoretical insights derived from companies of various business sizes and models. However, all companies supplied basic fashion items only. Given that 'fashion product nature' is one of the key CSR inhibitors that influences CSR implementation, the challenges that mid-market fashion suppliers may differ, i.e., they are required to reduce the lead times and adapt to changes in style to satisfy the demanding market. With none of the companies offering insights into the SCM of mid-market fashion products (characterised by shorter life-cycle, more style changes, and a less predictable demand profile), the research results had seen limited generalisability. Alternatively, involving mid-market fashion manufacturers as part of the sampling unit would help figure out how 'product nature' affects CSR performance from the SCM perspective, resulting in an increased generalisability of the research findings.

On top of the seven companies, two further interviews were conducted with a senior manager at the Board of Investment (BOI) and the head of sustainable business at a large UK mid-market retailer. The interviews successfully obtained insights from other stakeholders, apart from 'supplier' - represented by the seven garment manufacturing companies, in a fashion supply chain, providing arguments that support or validate the hypotheses and conclusions. However, the authors did not specify how they define and select potential study subjects in the research protocol. It is critical to consider a list of inclusion criteria and exclusion criteria: the former 'defines the type of subjects that fulfill the needs of the researcher for the study,' and the latter 'helps to predict and/or to eliminate potential study problems' (Panacek and Thompson, 2007). Alongside inclusion and exclusion criteria, the authors should mention the

sampling procedure in more detail, including but not limited to the ethical practices, sampling quota, and maximum variation, to show thorough considerations that ensure data accuracy.

Types of Data & Data Collection Method

Regarding the research questionnaire, the authors demonstrated considerations for data adequacy, which optimised the data's ability to answer the research questions. With a comprehensive set of 26 questions, the questionnaire was designed to gain insights from the stakeholders in the global fashion supply chain, covering the nature of the products manufactured, the intensity of manufacture, competitive advantages (e.g., short lead time and value-added pre-production services), buyer-supplier relationship, nature of the relationship, point of view on CSR, the market overview of Sri Lanka's export manufacturing industry, buyers' CSR efforts, existing CSR practices and performances.

Some biased questions and study limitations might have led to misinterpretations, despite the questionnaire's comprehensiveness. To evaluate the nature of a buyer-supplier relationship, the authors took the following information into account:

- the duration of the trading relationship;
- the verbal description of the relationship from the supplier's perspective;
- the commitment between the supplier and its buyers (i.e., the use of written contracts or verbal agreements); and
- the level of integration of operations in the supply chain.

Subjectivity might exist as some of the information like the level of trust could be influenced by, or based on, personal beliefs and feelings. Moreover, the authors attempted to obtain data regarding the supplier's existing CSR initiatives in question 26, with a list of KPIs to facilitate analysis on CSR implementation. The question's effectiveness was debatable. To illustrate, participants of higher levels of seniority and responsibility (i.e., managing directors, operations managers and HR managers) might be reluctant to share, or lie to impress, about the working conditions and workers' satisfaction, which could reduce data validity. To

enhance data validity and reliability, the authors strategically triangulated the data with other information sources, including documentary evidence and observational data.

One more point to add is that questions 20, 21, and 22 addressed the social and governmental influences in relation to the research topic, such as how Sri Lanka's labour laws affect social compliance. Nevertheless, it is observed that there were little to no relevant discussions and conclusions, which hinted at a direction for further research and development.

2.3.3 Discussion and Implications

Overall, the article was structured in an organised way with CSR inhibitors and drivers identified in the theoretical background section, then echoed by the research findings using the same set of CSR inhibitors and drivers for analyses. The structure was effective for data analysis, comparison, and the formation of new ideas, which enabled primary and secondary data to validate, support, or oppose each other as counter-arguments.

The research findings had, to a large extent, filled a gap in the knowledge base as ‘global supply chain and social responsibility were areas lacking in academic SCM research (Giunipero et al., 2008, as cited in Perry and Towers, 2012). As such, many publications and case studies have highlighted CSR as a critical driver to business success and branding (i.e., being reputed for being socially responsible), hence suggesting a close and positive relationship between CSR and marketing. Instead, the authors offered insights and implications from a different perspective, with a specific focus on the fashion industry, investigating CSR implementation and factors that influence its performance from the SCM perspective.

The discussion and implications were predictable, with the research findings supporting the authors’ assumptions and hypotheses. The findings were highly relevant to practice and policy in this area, but the study’s generalisability was low due to sampling limitations. With Sri Lanka being recognised as a key sourcing centre for garment manufacturing, the research findings derived from a country-specific study were not entirely new in terms of its

contribution to practice and policy in this topic area. At all means, the findings are of great significance for all stakeholders in the fashion industry to be aware of the industrial phenomenon and have a deeper understanding behind the scenes in the global fashion supply chain, creating the foundation to modify CSR implementation and drive mutual benefits.

Directions for Further Research

The authors highlighted two directions for future research, development, and testing:

1) examining the influence of the institutional context on the industry drivers and inhibitors of CSR implementation; and

2) including cross-country analysis to assess how the varying institutional context and the structure of the industry across different countries affect CSR implementation in the supply chain.

The directions look reasonable, rational, and viable. The first direction explores other factors that influence CSR performance, and the second direction fills the research gap that this study has not covered due to its sampling limitations. All of which possibly contribute to improving or moving the field forward. Contextually, exploring how CSR can be implemented in the global fashion supply chain, based on a cross-country analysis with more breadth and depth, and with other influencing factors being considered. Also foresaw by the authors, varying dialogues and implications may exist as cases vary, for instance, among different countries, policies, product natures, demand profiles, etc.. Researchers who continue to explore this SCM topic must be aware of study validity, reliability, and generalisability. For example, involving suppliers who manufacture fast-fashion items in the sampling unit may offer insights that exhibit how ‘fashion product nature’, a CSR inhibitor, brings variable impacts to CSR implementation in different supply chains.

On top of the two directions, the authors intended to continue the research work focusing on Southeast Asia due to its specific moral and ethical dimension. However, the narrow scope might again lead to a limited generalisability of the study regardless of the prevalence of

offshore supply chains based in Southeast Asia. According to TexPro's statistics about the top ten exporting countries of the Textile and Apparel Industry, five in the ten are, with little surprises, from Southeast Asia, comprising China, Bangladesh, Vietnam, India, and Hong Kong. The other five are from the rest of the world, including Germany, Italy, Turkey, the United States of America, and Spain (Fibre2Fashion, 2019), indicating that the export garment manufacturing industry is on the rise in geographic areas apart from Southeast Asia. Hence, other regions may give useful insights that add values to academic research in this field. Correspondingly, a non-nationalistic, multi-case studies can be adopted to give a broader perspective of the global fashion supply chain.

The authors also claimed the questionable effectiveness of traditional mechanisms and management tools to guide socially responsible practices in supply chains. With little evidence provided in the article, the statement seemed weak to be an opposing viewpoint as it failed to support the authors' implications: adopting a SCM philosophy to overcome the negative impact of CSR inhibitors, i.e., establishing a collaborative relationship between suppliers and buyers, focusing on the long-term mutual benefits, and developing trust, commitment, and collaboration. To build a vigorous counter-argument, case studies can be conducted with a broader range of suppliers who use the traditional mechanisms and the SCM philosophy for effective control of CSR implementation, respectively. By doing so, the effectiveness of the two approaches can be measured and compared, which potentially supports the theoretical implication.

2.4 Conclusions

The article has demonstrated valuable industry information that is useful for different stakeholders in the fashion industry and the academic field, including 'Businesses and Marketers', 'Consumers', 'Suppliers', and 'Other Researchers', which are elaborated as follows:

1. To Businesses and Marketers

The findings and implications may help fashion businesses and marketers comprehend CSR implementation in the supply chains. With a comprehensive understanding of CSR drivers

and inhibitors, fashion businesses may rethink their current business models, addressing what has been driving their CSR activities and what has been hindering CSR performances. Then, overcoming CSR inhibitors strategically to achieve better CSR results, and potentially business success.

2. To Consumers

The insights and findings have showcased how fashion brands have been working behind the scenes with enhanced visibility. Fashion consumers may get a more in-depth understanding from the suppliers instead of the positive images that the brands portray as a marketing strategy. This enables the evaluation of whether the fashion brand(s) they buy from conduct(s) CSR well. As fashion consumers may get the urge to purchase from socially responsible brands, their purchasing behaviours can be a CSR driver for business success from the retailers' perspective, which may indirectly improve CSR performances.

3. To Suppliers

The entire research study can be a significant reference for all suppliers in the global fashion supply chain regarding the global phenomenon and the country-specific (i.e., Sri Lanka) situation. All of these can be reflected upon their conditions, modifying their SCM strategies and CSR practices to put themselves in a favourable position, e.g., to have a higher bargaining power to negotiate terms with the buyers and increase competitiveness with a trustworthy, collaborative buyer-supplier relationship.

4. To Other Researchers

With a CSR framework highlighted and a country-specific case study included, the research study may form a foundation for future developments and research on relevant topics, hinting at directions that other researchers can explore and validate the previous findings and implications.

3. Research Proposal

3.1 Introduction

Corporate Social Responsibility (CSR) has been the crucial element in the formulation of Corporate Image (CI) and Brand Equity (BE) in consumer facing businesses. As strategic assets Corporate Image and Brand Equity can not only heavily influence consumer behaviour and the perception of a company and the products or services it offers and therefore assert positive effects on business performance, but also bring about positive influences with other stakeholders such as enhanced reputation and relations among investors, increased employee engagement and motivation. As such, it has been considered as a source of Competitive Advantage (CA) for businesses that interact directly or indirectly with the consumers. In the apparel industry, firms often engaged in multitudinous functions in manufacturing, distribution, promotion and sales of apparel products. In general CSR initiatives in the apparel sector are primarily focused on the consumer dimension and methods of production. But with the effect of globalized supply chain with which apparel firms benefit a great deal from the economies of scale, through outsourcing or relocating specific functions of the supply chain to different geographical locations, complexity has increased considerably in the implementations of CSR policies and initiatives and in turn the formulation of Corporate Image and Brand Equity (see Figure 1). And as more and more apparel firms engaged in supply chain activities that put emphasis on low cost and rapid production to maximize profits, supply chain operations are increasing fragmented across the world. As such, it is safe to conclude that supply chain practices have real impact on sustainability around the globe. Consequently, the visibility and effectiveness of the implementation of Corporate Social Responsibility (CSR) in apparel supply chain has received much attention in recent years.

At the same time, the labour market started shifting from the Baby Boomers to Generation X and Generation Y, also known as the Millennials. Comparatively to the previous generations, the Millennials workforce, being more connected into a wired world, shows more awareness of events happening around the world, and a stronger sense of morality in their personal belief and value system. Compounding to the aforementioned employee characteristics, the fact that employees of large multinational companies (MNCs) apparel firms are also the consumers of apparel products plays an increasing important factor in companies' organizational performance and business performance. In addition to critical factors (CFs)

influencing purchase decisions such as aesthetics, quality and service, this group of consumers are more emotionally connected to brands that display and exert moral responsibilities through corporate policies on Intellectual Property (IP) rights, Corporate Social Responsibility (CSR) and sustainability. As such, the notion of engaging employees and consumers in Corporate Social Responsibility (CSR) and sustainability is a congruence strategy for apparel firms to adopt.

Consumer's purchase intentions and brand loyalty have been much researched to date. And corporations' adoptions of Corporate Social Responsibility (CSR) are often in instrumental perspective, in which CSR activities are in-line with consumer expectations, as firms' primary objectives are to gain sales through consumer engagement and brand loyalty. However, the value congruence between employees, consumers and corporations in the dimension of CSR polices are less researched. In this study, an investigative approach will be applied to see if, and what happens when employees and consumers experience different level of values in relations to CSR and sustainability within this corporation-employee-consumer relationship.

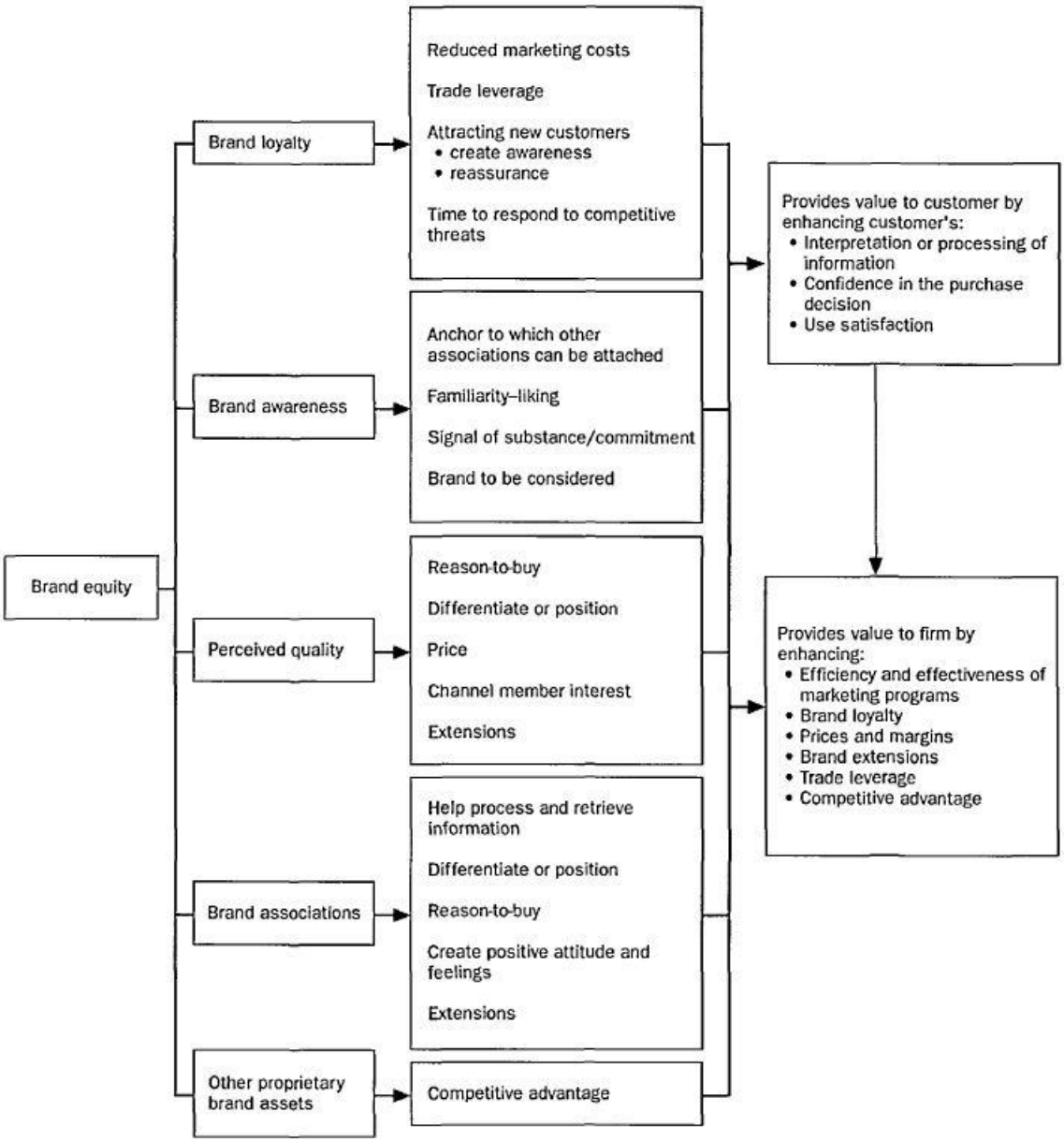

Figure 1. How Brand Equity Generate Value

Source: Aaker, 1992

3.2 Theoretical Background

The majority of academic studies conducted in the past decade in relation of Corporate Social Responsibility have been largely focused on its impact on marketing and firms' economic performance. Although the apparel sector has experienced exponential growth in the past decades and Corporate Social Responsibility has been gaining attention in the sector through regulatory compliances in the supply chain level, few studies have conducted specifically in

the apparel industry in relation to CSR, in particular from the consumer and employee perspectives.

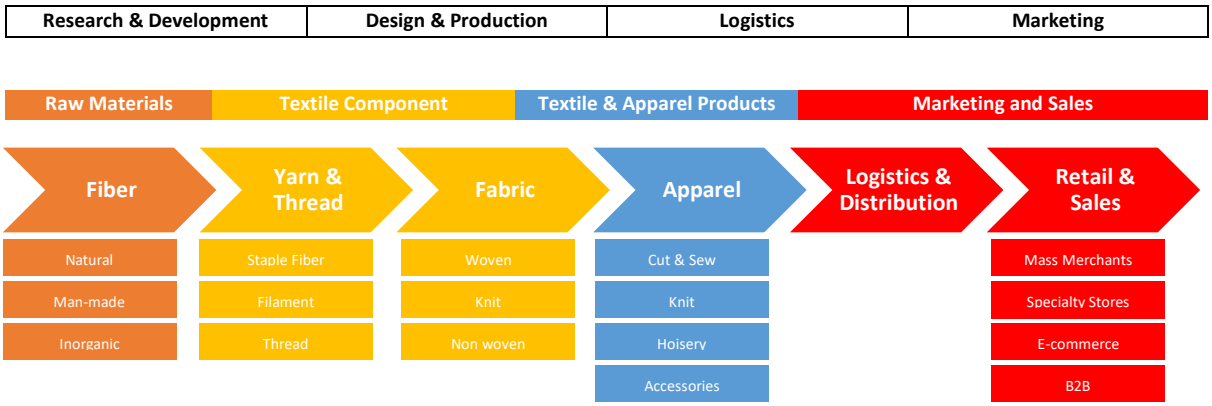

Figure 2. Textile and Apparel Value Chain Model

Source: adapted from Frederick, 2010

The complexity of the manufacturing, distribution and promotion and sales of apparel products means that stakeholders have different visibilities of the CSR initiatives and activities conducted by the firms (see Figure 2). Unless the apparel firm is vertically integrated from the raw material production to apparel product design and production, to distribution and retail sales, most of these functions are undertaken by different companies or organizations separately, primarily basing on economic decisions, through vendors and suppliers relationships. It is also therefore legitimate to assume that there are different levels of CSR implementations across these functions, and that firms at a corporate organization level, employees, and consumers might have different experiences concerning CSR initiatives and policies deployed by the firms. The above considerations form the grounds of an exploratory study on the experiences of Corporate Social Responsibility of individual stakeholders in the value chain of an apparel firm, to identify the values and perceived benefits of CSR, as well as pitfalls, to these individual stakeholders, with the aim of developing a theory or a framework in describing the phenomenon of misalignments and discrepancies or gaps of CSR experiences between various stakeholders and the firms. And in the case of discrepancies and gaps, this study also aims to recommend practical strategies to

manage the gaps to increase the effectiveness of CSR implementations in real world business settings.

3.3 Literature Review and Research Questions

Substantial literature in relations to keywords such as Corporate Social Responsibility, sustainability, corporate identity, brand equity, employee, consumer, supply chain, apparel industry, will be reviewed. Based on the literature review, the arguments and dimensions of Corporate Social Responsibility will be defined as constructs and the experiences of Corporate Social Responsibility by stakeholders, namely the employee, consumer, and corporate, will be the unit of analysis in this research study. Major themes will be developed, and a conceptual framework will be proposed where specific hypothesis will be developed to examine the relationships of constructs, variables and mediators within each themes.

3.3.1 Arguments and dimensions of Corporate Social Responsibility

Previous literatures suggest that there are three core arguments in different dimensions of Corporate Social Responsibilities and their impacts on stakeholder perceptions: the CSR activities credibility, the visibility of the CSR activities to different stakeholders, and the 'fit' of CSR activities with the corporate strategy and the needs and values of stakeholder groups (Menon and Kahn, 2003).

In the perspective of CSR activities, six dimensions of Corporate Social Responsibilities are also proposed in previous literature, such as environmental, product-related, diversity, corporate governance, employee-related and community (Yang and Basile, 2019). Each of the aforementioned dimensions engage different groups of stakeholders in different ways. It is therefore critical for corporations to investigate the different perceptions of CSR in these six dimensions to generate CSR strategies that provide the best fits to their businesses.

3.3.2 Apparel Firms' Perspective in relations to CSR

In corporations' perspective CSR activities can be considered mostly instrumental. As Olsen stated in his study, 'this perspective assumes that CSR initiatives should be considered

in light of their effect on typical marketing outcomes such as brand value and company reputation – and implicitly suggests that all CSR initiatives should ultimately be measured against traditional measures of business success.' (Olsen and Peretz, 2011) As such, the instrumental perspective posts profits and social responsibility in a dichotomy.

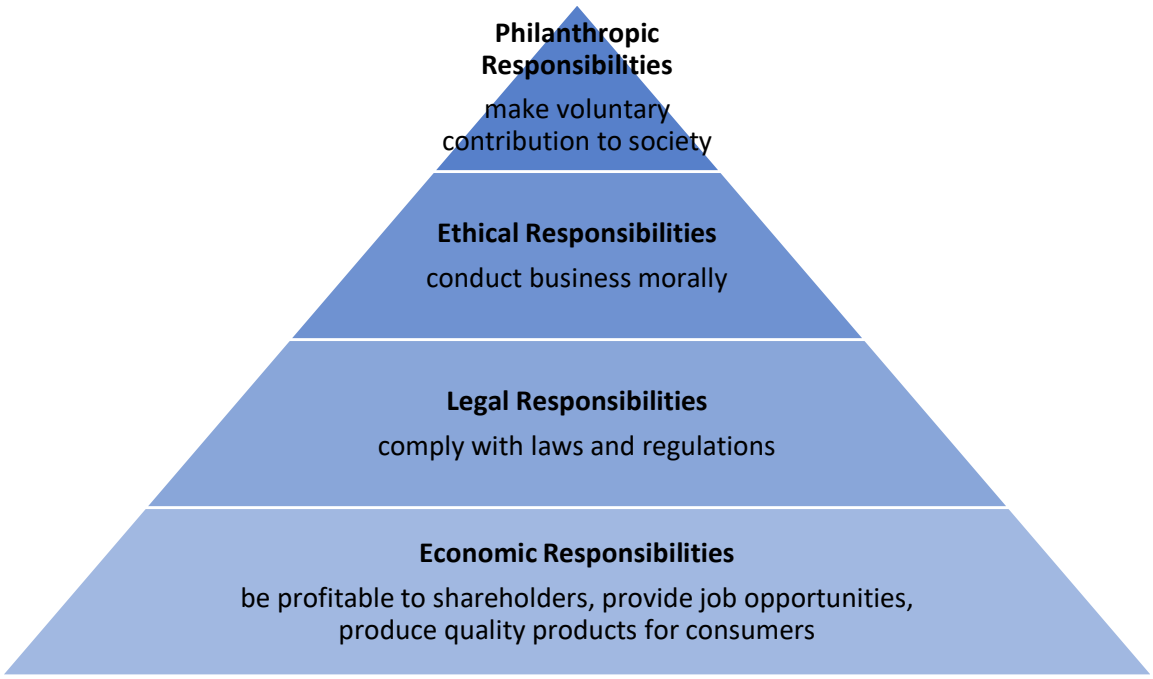

Figure 3. The Pyramid of Social Responsibility

Source: Carroll, 1991

Carroll (1991) proposed four definition of CSR (see Figure 3): economic responsibility, legal responsibilities, ethical responsibilities and philanthropic responsibilities, which was later challenged by Friedman (1996) that 'a corporation's only social responsibility is its fiduciary duty to maximize shareholder wealth, while obeying the law and basic canons of ethics (Friedman 1996, as cited in Lantos, 2003).

As such, Lantos (2003) proposed that the instrumental perspective of an apparel firm's CSR initiatives can be better concluded in three descriptions: ethical, altruistic, and strategic. (Lantos, 2003)

Ethical CSR

In Ethical CSR dimension, apparel firms assume the minimum level of responsibilities in meeting compliance requirements.

Altruistic CSR

In Altruistic CSR dimension, CSR activities contribute to the positive effects on company's stakeholders even if there is sacrificed to be made in terms of profit.

Strategic CSR

In Strategic CSR dimension, firms core objective is to improve brand image through CSR activities.

As such, basing on these three CSR archetypes, we can categorize CSR practices employed by apparel firms in different segment of the industry, such as that of high-end fashion brands and fast fashion companies, and their respective levels of effects and influences on consumer and employee relations in relations to organizational and business performance to formulate the corporations perspective on Corporate Social Responsibility.

3.3.3 Employees' Perspective in relations to CSR

In employee dimension in relations to Corporate Social Responsibility, apart from involuntary aspect of rules and regulations employed by firms to adhere to industry standards under Corporate Social Responsibility guidelines and compliance, which sometimes employees see as rigid regulations imposed on them by firms, there are also participatory CSR activities established by firms. Organizational CSR programs often involve internal activities in which employees participate. These participatory CSR activities include corporate volunteering (CV) actions (Koch, Bögel and Adam, 2019). In the management of corporate sustainability, CSR activities are purposed to "enable the company to contribute to sustainable development of the economy and the society as a whole" (Schaltegger and Burritt, 2018, p. 242). Employees' involvement in sustainable corporate behaviours in the workplace and private involvement in sustainability are therefore key aspects of considerations in the employee perspective.

It is then paramount to understand what motivating factors and attitudes of employee towards different increased levels of participation in CSR activities in the two aforementioned aspects as well as employees' perceived benefits from participating in CSR activities. Koch et al conclude in their studies of the perceived benefits of CSR in employees' perspective as 3 main self-oriented benefits: functional benefits, emotional benefits and meaning and morality benefits (Koch, Bögel and Adam, 2019).

Functional Benefits

Functional benefit is defined as the 'acquisition and development of different skills, such as interpersonal skills, or as opportunities for career profiling or a better work-life integration' (Koch, Bögel and Adam, 2019). In addition to tangible benefits such as skills, there are intangible benefits such as the reduction of barriers to sustainable behaviour in the workplace (Koch, Bögel and Adam, 2019).

Emotional Benefits

Emotional benefits can be categorized by pleasure and pride felt by employees elicit from CSR activities they participated in. Tangible aspects of this benefit could be strengthened team spirit, and increased contributions in company's CSR initiatives. In this context, employees are also more likely refer to themselves both as members of the organization and as private individuals.

Meaning and Morality Benefits

Meaning and Morality Benefits are associated with intangible, abstract meanings and moral values at an individual meta-level (Koch, Bögel and Adam, 2019). Koch at el further describe in their studies that 'meaning and morality benefits were often mentioned in responses to questions dealing with a meaningful life in general and valuing congruence in the company in particular' (Koch, Bögel and Adam, 2019). The perceived benefits are therefore more likely tie to personal and individual aspects and from a private viewpoint rather than that as a member in an organization.

3.3.3 Consumer Perspective in relations to CSR

At present, substantial research has been done on the buying intentions of consumers in relations to sustainable products. Extensive literature and studies of corporate sustainability has been focused on the study of consumers' willingness to pay (WTP) for sustainable products which often incur a premium compared to non-sustainable products. In this study we will argue in addition to critical factors that influence buying decisions, such as price, quality, service and style, value congruence between consumers and corporations may also affect consumers' perception of the brand and in turn their consumption practices to sustainable products.

As Karaosman et al pointed out, when consumer identify with the corporations that satisfy their self-interest, the strongest consumer-corporation occurs (Karaosman et al, 2015). Consumer in this instance are more likely to garner loyalty to the brand, more willing to try new products from the company, and tolerance negative aspects of the products or services. As such, it is important to understand with regards to the consumers' experiences when and how these individual satisfactions are archived, through apparel firms acting responsibly in conducting their commercial activities prior to the final act of consumption by the consumer.

3.3.4 Research Questions

With the above observations and literature review, three key research questions are formulated as follows,

> RC1. What are the values and perceived benefits of Corporate Social Responsibility for individuals, who are both employees and consumers, of apparel firms?
>
> RC2. What are the values and perceived benefits of Corporate Social Responsibility for apparel firms on a corporate level?
>
> RC3. What are the gaps and discrepancies, if any, between the values of employees, consumers, and apparel firms towards Corporate Social Responsibility?

In response to the above research questions, assumptions and hypothesis are developed for further investigation and analysis.

H1. A consumer's positive evaluations of CSR activities attribute to an increase of brand equity for apparel firm.

H2. An employee's positive evaluations of CSR activities attribute to an increase of organizational performance for apparel firm.

H3. Discrepancies between consumer's and employee's evaluations of CSR activities attribute to corporate hypocrisy, and the decrease of brand equity for apparel firm.

As businesses in the apparel sector are often constitute of various organizations or firms across different geographic locations, and on the other hand, as expected individuals as employee-consumers might express varied experiences both as individual and as a member of the organization concurrently, the moderating effect of culture, as well as the cultural dimension of Hofstede's cultural values of Individualism, Collectivism, Long-term and Short-term, and Orientation will be examined in conjunction with different variations of Corporate Social Responsibility in the apparel sector for a more holistic view for analysis.

3.4 Methodology

This study aims to produce a grounded theory study, a qualitative methodology in generating theory from research of empirical data, within the interpretivism research paradigm, around the phenomenon of individual varied experiences on CSR and CSR's moderating effect on Brand Equity or Corporate Image in apparel firms, from the perspective of consumers' and employees' experiences of firms' CSR activities. The research focus will be on understanding the experiences of the individual group of stakeholders to different CSR activities. This is considered to be an appropriate approach for research aiming to address real-world issues concerning human behaviour and actions.

Research will be exploratory in nature and in-depth, semi-structured interviews will be conducted, to allow researcher a better understanding of the inter-relationships between specific groups of stakeholders to form a more complete picture or theory around the implementation of CSR initiatives by apparel firms. Due to the sensitive nature of individual values concerning morality, responsibility often associated with sustainability, an open-ended

conversational practise will be adopted by interviewers as well as confidentiality will be ensured to put participants out of unease which could potentially hinder participants expressing true value descriptions. Consent will be obtained from participants prior to interviewing and confidentiality will be ensured by the usage of pseudonyms in the study. In the recruitment and prior to the interview sessions, interviewer will inform participant of the nature and scope of the study to ensure that participant understand there are no right or wrong to the questions being asked.

Further to this, the 10 apparel firms' sustainability and CSR initiatives at different levels of the value chain with special focus on supply chain activities and promotion and sales of products, will also be examined. Corporate websites, and publicly available information such as annual reports and sustainability reports will be collated and reviewed in detail, to reflect on the CSR objectives, and the current sustainability practices of apparel firms.

3.4.1 Selection of Participant

Non-probability sampling approach of criterion sampling will be employed to ensure the aim of research is addressed. Participants identified are employees in apparel firms with high market share, and individual consumers of apparel products, age between 25-29, as categorised generally as the Millennials. Approximately 10 apparel firms in the Greater China area will be identified through researcher's professional network and from industry associations. Consumers who are not employees in apparel firms will also be interviewed as a control group. In order to gain a diverse and comprehensive picture of consumer and employee perceptions, participants with various genders and geographic locations within the Greater China region are included. Participants in various job roles from merchandising, design, compliance, product development, production to marketing and retail operations, within these apparel firms will be recruited. Participants will also be recruited through referral, by individual in researcher's professional network for appropriate participants. Interviews will be conducted at the premises of the companies, shop floors or by telephone. For participants who are not comfortable with exposing their identities to the researcher, recruitment materials and interview questions are sent to the participants for completion before returning them to the researcher.

Recruitment materials include a consent form to participate in the research, brief overview and purpose of the research and an interview scheduling form, in both English and Chinese, to ensure would-be participants have full understanding of the research and interview process and that each eventual participant meets the criteria of the study.

Total sample size will be determined when theoretical saturations of major themes occurred. Key themes will be developed in relations to nature of CSR initiatives, levels and durations of participation in CSR and sustainability, skills and knowledge development and the related supply chain activities and the precepted benefits and pitfalls of Corporate Social Responsibility in individual, and organizational perspectives.

For data analysis, Constant Comparative Method (Strauss & Corbin, 1990) will be used to analyze interview data to inductively generate themes and emerging local concepts, before establishing categories and subcategories that are representative of the themes and concepts. A coding guide will be developed from the categories and subcategories and subsequently applied to all of the data collected. Meanings and concepts will also be reviewed, compared and contrast during the process to help eliminate researcher bias.

3.5 Implications

This research aims to address the little studied phenomenon of the perceptions and experiences of CSR of individuals who are simultaneously the employees and consumers of the apparel firms. The perceptions of employees and consumers towards moral responsibility for Corporate Social Responsibility within the apparel sector will be explored. The findings of this research are intended to be utilized to formulae strategies to draw up better social contract between multinational companies (MNCs) and their employees, through better understanding of the value systems of the different stakeholders in the questioning. As Harter et al pointed out, strong correlations exist between employee engagement, customer satisfaction, profitability and productivity' (Harter et al., 2002, cited in Ha-Brookshire, 2015). Through the findings of this research we will attempt to explain the varying degree of firms' accomplishments in sustainability and CSR implementations, and in turn, provide suggestions of a better framework around new proposed concepts of CSR value and experience.

Constructs will then be set up and concepts tested by creation of new scales of measuring and operationalizing the predicted relationships in other further studies.

3.6 Significance

Since this qualitative research study is explorative in nature, the fundamental limitation it has is that information may not be applicable to generalization. The study is also confined by the relatively small sample size, specific inclusion criteria, such as the population location (of Greater China) and the specific focus on the Millennials which sets the parameter of demographic basing on age, and relatively narrow sampling frame. As such, it is recognized that for future studies sampling could be extended to non-industry individual and a wider population of different age groups, as well as in more geographic locations to gain a more comprehensive picture of the effects of CSR from business's and individual's perspectives.

Through this study the information could be used to form a better understanding on the value systems in relations to Corporate Social Responsibility, in the dimensions of individual identities and corporate identities. The analysis from the information revealed through the interviews will contribute to the conceptualizing of the experiences, perceptions and change of values in any given situation of business activities involving Corporate Social Responsibility. From the individual perspective, the research findings can provide individuals and supply chain members better knowledge of the environment they are in, and they can be more aware of their personal values concerning sustainability responsibilities to help them to identify companies and organizations with which their values are best aligned for personal and professional fulfilment. From the corporate stand point, the resultant framework will help firms to better understand the drivers and inhibitors of CSR, and to prioritize areas of the value chain activities to focus in implementing CSR initiatives, and identify the best-fit strategies for CSR implementation in increasing organizational performance in human resources management through training schemes, mentoring directives and sustainable recruitment practises, balancing profit maximizing models in supply chain management and enhancing Corporate Image and Brand Equity at the same time. Further to this, by gaining more insights into the area of CSR implementations and sustainable behaviours, individuals and corporations can work in partner together to derive more innovative and holistic solutions to tackle problems relating to sustainability in the apparel industry.

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