# **Scaled Collaborations**

# The Future of Sustainability Within the Garment Industry

 $A\ Bachelor\ The sis\ in\ Corporate\ Sustainability,\ spring\ of\ 2017$ 



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**Title** Scaled Collaborations

- The Future of Sustainability Within the Garment Industry

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**Problem definition** The world is becoming more global, leading to supply chains

becoming complicated, and companies struggling to address

social and environmental issues within the garment industry.

Sustainability activities undertaken by clothing brands have shown marginal results, and the need for alternative solutions has been

realised. Therefore, a movement towards inter-firm collaborations

have been established and the challenge faced by clothing brands

today is how to scale up these collaborations in order to reach

permanent change.

**Purpose** The purpose of this research is to interpret and understand the

current actions of clothing brands' sustainability practices in

order to understand the important aspects influencing their

decisions regarding scaled up collaborations.

**Methodology** This is a qualitative study based on interviews in order to achieve

an in-depth analysis regarding the process of scaling up

collaborations within the garment industry. The empirical findings were connected with existing literature regarding organisational

behaviour, strategy and corporate sustainability, opening up for

more general conclusions.

**Conclusions** The two main factors affecting clothing brands' decisions to scale

up their collaborations are those that yield legitimacy

and a competitive advantage. To adjust to a future of

collaborations, clothing brands need to develop competencies and

strategies accordingly. If these collaborations do not

manage to be scaled up, clothing brands' ability to make a positive

sustainable change within the garment industry will be critiqued.

Sustainability, CSR, Garment Industry, Scaled Collaborations,

Legitimacy, Competitive advantage, Strategy

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# 1. Introduction

# 1.1 Background

The garment industry has grown rapidly during the twenty-first century. The growth is not solely described by the increased production volumes but also increased employment rates and consumer demands, hence, the impact on the economy, society and the environment is extensive (Amutha, 2016). Today, clothing brands outsource most of their production to low wage countries in order to keep prices low and quantities of orders high (Sjödin, 2017). By outsourcing the manufacturing process, the brands no longer own the production of the items they sell and therefore lose control of how the process is undertaken (Moulds, 2017). Numerous reports reveal poor standards of working conditions in the global supply chains, where low salaries, long working days and unsafe working conditions are not rare (Locke et al., 2007). These working conditions are highlighted by disasters such as, the Rana plaza accident, where 1138 garment workers were killed when a factory in Bangladesh collapsed in 2013. The accident drew global attention to the safety issues in garment factories, leading to brands taking more responsibility for the working conditions in the factories of their suppliers (Hoskins, 2015). Accidents such as these reflect the low standards in the garment factories, affecting not only the factory workers but also the reputation of the clothing brands, consumers' purchasing decisions as well as the environment. Additionally, the garment industry is the largest polluter in the world, second to the oil industry (Szokan, 2016). Consumers are becoming more aware of these kinds of social and environmental issues related to their clothing consumption and putting pressure on global brands to reform the standards of their global supply chain (Locke et al, 2009).

Brands' prioritisation of social and environmental sustainability<sup>1</sup> concerns vary. Some companies have increased their sustainability engagements by publishing sustainability reports and creating Corporate Social Responsibility<sup>2</sup> (CSR) departments. The incentive behind firm's

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<sup>&</sup>lt;sup>1</sup> The Brundtland Commission defines sustainability as "economic development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs" (UNECE, 2017).

<sup>&</sup>lt;sup>2</sup> The European Commission refers to CSR as corporations taking responsibility for the impact they have on society by integrating environmental and social concerns into their business (European Commission, 2017).

engagement in CSR occurs from demands from different stakeholders<sup>3</sup> and can be solely strategic or integrated in the core business (Kitzmueller and Shimshack, 2012). According to Epstein and Rejc Buhovac (2014) sustainability efforts lead to different outcomes for companies, for example achieving legitimacy through positive reputation or gaining a competitive advantage<sup>4</sup> through cost reduction. A negative outcome of engaging in CSR is when a company falls short in achieving its sustainability goals and is therefore critiqued by its stakeholders (Epstein and and Rejc Buhovac, 2014).

#### 1.2 Problem discussion

The shortcomings of national governments' ability to address the sustainability challenges within the garment industry, have led to clothing brands enforcing private and voluntary sustainability practices at their globally spread suppliers (Locke et al., 2007; Egels-Zandén and Lindholm, 2015). Clothing brands have therefore developed so-called codes of conduct<sup>5</sup> and auditing programs<sup>6</sup> aimed at controlling their suppliers (Sjödin, 2017), attempting to improve social and environmental conditions in their global supply chains. Despite multi-billion investments in codes and auditing, researches show that they only lead to marginal improvements (Locke et al., 2007; Egels-Zandén and Lindholm, 2015). Clothing brands have started to realise the limitations of codes and auditing and have therefore started to experiment

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<sup>&</sup>lt;sup>3</sup> According to Donaldson & Preston (1995) stakeholders are "persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity. Stakeholders are identified by their interests in the corporation, whether the corporation has any corresponding functional interest in them." (Donaldson & Preston, 1995, p. 67). Examples of stakeholders are customers, employees, suppliers, investors, political groups, governments and communities (Donaldson & Preston, 1995).

<sup>&</sup>lt;sup>4</sup> Barney (2004) states that a firm enjoys a competitive advantage when it is implementing a value creating strategy that is not simultaneously implemented by any competitors (Barney, 2004).

International Labour Organisation (ILO) defines the purpose of code of conduct as "guidance on the protection of workers' personal data. As an ILO code of practice, it has no binding force, but rather makes recommendations. The code does not replace national laws, regulations, international labour standards or other accepted standards. It can be used in the development of legislation, regulations, collective agreements, work rules, policies and practical measures at enterprise level." (ILO, 1997). According to Distelhorst et al. (2015), code of conduct may also include environmental aspects such as pollution control, air emissions and the management of hazardous substances (Distelhorst et al., 2015).

<sup>&</sup>lt;sup>6</sup> Vinten (1990) defines auditing as "a review to ensure that an organisation gives due consideration to its wider and social responsibilities to those both directly and indirectly affected by its decisions" (Vinten, 1990)

with alternative solutions to improve sustainability conditions at the production sites across the globe (Lund-Thomsen and Coe, 2013). One key alternative solution is collaborations between clothing brands and organisations that initiates solutions to environmental and social issues within the supply chain. The purpose of these collaborations is to improve the supplier's environmental and social conditions, yet still provide an attractive business case for the supplier to participate (i.e. it should be in the economic interest of the supplier to participate in the initiative of the organisations thanks to improved operational efficiency and effectiveness). Due to the focus on operational efficiency and effectiveness of suppliers, these organisations are labelled "business case initiatives" as to distinguish them from, for example, philanthropic initiatives or codes and auditing. As they are focused on social and environmental issues (as compared to more traditional efficiency initiatives such as lean manufacturing), they are further in this research more specifically referred to as "Sustainability Business Case Initiatives" (SBCI). While offering an alternative solution, these SBCIs face challenges in scaling up<sup>7</sup> to improve the conditions for many stakeholders such as suppliers, factories, factory workers and the brands themselves. If SBCIs fail to scale, their impact on sustainability conditions will be limited to a selected few factories and failing to offer a solution for improving conditions throughout global supply chains. The Global Manager at Swedish Water Textile Initiative (one example of a SBCI and an organisation working with environmental issues within the textile industry) identifies the challenges of scaling up sustainability collaborations:

"A key barrier to scalable international development is the lack of continuity and consistency.

There is no shortage of pilots, good ideas or good will, but there's definitely a massive shortage of pilots that end up driving change through replication and scale-up. To break free from silo thinking, visionary champions must partner together, and put in consistent personal efforts to create scalable model pilots and pursue long-term sustainable change."

(Filippa K Circle, 2017)

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<sup>&</sup>lt;sup>7</sup> To scale up is defined by Ingram et al. (2016) as the qualities of a system, network or process that enables changes in volume without causing radical changes to the system, network or process itself (Ingram et al., 2016). In this research, scalability is more specifically defined as to increase the number of suppliers participating in SBCIs, as well as increasing the number of SBCIs each supplier is undertaking in order to cause a positive change within the garment industry.

Approaching the scaling aspect from the perspective of a clothing brand, the central concern is how to increase the number of suppliers participating in SBCIs and how to increase the number of SBCIs each supplier is undertaking.

# 1.3 Purpose and Research Question

The purpose of this research is to interpret and understand the current actions of clothing company's sustainability practices. In order to do so, an investigation of the processes behind upscaling decisions of clothing brands' collaborations with SBCIs is necessary. Why they decide to invest in some collaborations instead of others is an important part of this investigation. The aim is to understand the aspects of importance behind these decisions, including the challenges that might occur. To study clothing brands' attempts to scale up SBCIs, we pose the following research question:

What aspects are of importance for clothing brands' decision to scale up their collaborations with Sustainability Business Case Initiatives?

Answering this question is not only of relevance for understanding clothing brand's CSR activities, but this report also aims to become an addition to existing research regarding sustainability within the clothing industry. Despite collaborations growing importance in practice, there is limited research into collaborations with SBCIs in general and, in particular, in relation to their scalability. An extensive literature review<sup>8</sup> reveal that there are few studies dealing with SBCIs (see Lund-Thomsen and Coe 2013 for an exception) and even fewer that deal with the scalability of SBCIs, compared to the extensive research into codes of conduct and auditing (e.g., Egels-Zandén and Lindholm, 2015; Locke et al., 2007).

#### 1.4 Delimitations

Sustainability is a phenomenon with a lot of different definitions that can be used in a wide scope of contexts. This report has been narrowed down to solely focus on economic, social and environmental corporate sustainability within the garment industry without further

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<sup>&</sup>lt;sup>8</sup> The extensive research for similar studies was conducted through searching for SBCIs in the online database of the University of Gothenburg and Google Scholar. The SBCIs used in the search engines in order to find any relevant studies were HER-project, Swedish Textile Water Initiative (STWI), QuizRR, Fair Wear Foundation Workplace Educational Programme (FWF WEP), Clean by Design, Better Mills, Personal Advancement and Career Enhancement (PACE), Partnership for Cleaner Textile (PaCT), Impactt and SWITCH-Asia. The information found regarding these SBCIs were self-assessed reports written by themselves. Therefore, the authors of this research concludes that there is a lack of similar studies.

consideration to other industries. The focus is on one clothing brand and the two SBCIs that this company has chosen to scale up and further collaborate with. Additionally, in order to understand the reasons for scaling up, it is crucial for the research to look at why the clothing brand has chosen not to scale up its collaboration with one specific SBCI.

# 2. Theoretical framework

The choice of theories contributes to answering the research question regarding the important aspects for clothing brands' decisions to scale up their collaborations with SBCIs. The framework is considered appropriate for the subject and consist of theories regarding legitimacy, organisational strategy and CSR within supply chains. This section is concluded with a summary of the key theories used further in the research.

# 2.1 The search for legitimacy

In order to understand how and why organisations act in certain ways, the theory of institutionalisation is key. Eriksson-Zetterquist (2009) describes the origin of institutions as a consequence of humans constructing their social reality. Formal organisations are carriers of the institutionalisation that is developed through repetitive actions, creating a normative pattern that is undertaken by several actors (Eriksson-Zetterquist, 2009). The survival and success of an organisation is dependent on its ability to adjust and become legitimised by its surroundings (Eriksson-Zetterquist, 2009; Meyer and Rowan, 1977). According to Suchman (1995) the definition of legitimacy is "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions." (Suchman, 1995, p.574). By wanting to achieve legitimacy, corporations feel the need to meet institutional requirements (Epstein and Rejc Buhovac, 2014). Meyer and Rowan (1977) claim that rationalised institutional rules are myths that companies incorporate in order to gain resources, stability and legitimacy and create many formal organisational structures (Meyer and Rowan, 1977). Suchman (1995) states that legitimate organisations are perceived by their constituents as meaningful and trustworthy. Rather than being an organisational possession, legitimacy is a reflection of an organisation's relationship with its social context and is created subjectively yet acquired objectively. An organisation can achieve legitimacy either through responding to the interest of its constituents, by performance and accomplishments or undertaking socially accepted activities and procedures that are simply viewed as morally right (Suchman, 1995).

Engaging in CSR is a way for organisations to respond to institutionalised pressures. Issues regarding safety and environmental problems create new professions and programs that become institutionalised through regulations, unions and the general opinion of the members of society (Eriksson-Zetterquist, 2009). Organisations face frequent and numerous demands from several kinds of external actors (Oliver, 1991). Demands from stakeholders create incitements for companies to act more responsibly. Different stakeholders affect a company in different ways (Epstein and Rejc Buhovac, 2014), for example by demanding companies to be as transparent as possible regarding their sustainability practices within their supply chain (Locke et al., 2009). By communicating and interacting with its social surroundings, managers can achieve legitimacy (Suchman, 1995) and by meeting institutional demands from external constituents, organisations could develop structures leading to a competitive advantage (Meyer and Rowan, 1977).

Deegan (2002) develops the concept of legitimacy as an explanation of why managers choose to engage in, and disclose information about the company's CSR activities. The author describes, similar to Meyer and Rowan (1977), the lack of legitimacy as a threat to companies since their existence depends on society's view of whether the company is legitimate or not (Deegan, 2002). By recognising the reactions of constituents and foreseeing challenges, the organisation can perceive future changes and protect earlier accomplishments and therefore maintain legitimacy (Suchman, 1995). CSR could, according to Deegan (2002), therefore be a solution to legitimacy threats when facing issues, such as negative publicity in media or environmental or social accidents (Deegan 2002). Locke et al. (2009) describes companies' vulnerability to negative publicity as "the Achilles' heel of these all-powerful global corporations is their reputation" (Locke et al. 2009, p.323).

# 2.2 Strategic responses to external pressures

There are multiple ways to answer the earlier discussed stakeholder and institutional pressures leading to the development of different strategies (Oliver, 1991). According to Deephouse (1999), firms are confronted with the question of whether they should develop similar or different strategies than other companies. By being similar, firms avoid the costly and time-consuming challenge of proving their legitimacy (Deephouse, 1999). Similarly, Meyer and Rowan (1977) have realised the importance for organisations to comply to institutional pressures in order to be viewed as legitimate and are therefore becoming more and more similar to each other (Meyer and Rowan, 1977). Legitimate organisations will more likely be supplied

with valuable resources (Suchman, 1995). By being similar, organisations will therefore be successful and survive (Meyer and Rowan, 1977). Yet, by being different, Deephouse (1999) states that a company faces less competition for resources and therefore increases their profitability. A negative aspect with this strategy is that businesses have to deal with the legitimacy challenges that are avoided when being similar to their organisational surroundings. Deephouse (1999) points out that, in high competitive and institutional markets, companies should develop a strategy in which they find a balance of being both different and similar. By having a moderate level of strategic similarity, firms will perform higher than businesses with high or low strategic similarity (Deephouse, 1999).

DiMaggio and Powell (1983) address the question of why companies are developing similar strategies. The increasing homogeneity of organisational structures in institutional environments is a consequence of the institutional pressures earlier described by Meyer and Rowan (1977) and Eriksson-Zetterquist (2009). The concept of isomorphism explains why firms tend to develop similar structures (DiMaggio and Powell, 1983). Isomorphism comes from the Greek word for similar, "iso" and shape, "morph" (Eriksson-Zetterquist, 2009). There are three types of isomorphic processes. One that occurs from political pressures of laws and regulations, one that arises from imitation of other companies due to uncertainty and one that is associated with professionalization; meaning individuals within the same social network or with the same educational background adopt a similar way of thinking (DiMaggio and Powell, 1983).

On the contrary, there are some explanations of why firms facing similar stakeholder demands respond differently to institutional pressures (Oliver, 1991; Delmas and Toffel, 2008). In addition to Donaldson and Preston's (1995) theory of stakeholders affecting companies' operations (Donaldson and Preston, 1995), Delmas and Toffel (2008) explain that companies consist of multiple departments with different goals that interact with different stakeholders. This implies that there are power struggles within companies regarding what stakeholder demands to obey, affecting the decision making of the organisation. The influence and relative power of a department is an outcome of the organisational structure, the ability to provide important resources for the company, as well as availability to social networks (Delmas and Toffel, 2008).

Jensen (2002) shares the belief that all managerial decisions should account for the interest of all stakeholders of a firm, as well as increasing the total long-run market value of the company (Jensen, 2002). Porter and Kramer (2011) explain that shared value is generated when companies create economic value by creating societal value. This is achieved by addressing the needs and challenges of society and reconnecting the success of a company with the progress of society (Porter and Kramer, 2011). Jensen (2002) states, similar to Porter and Kramer (2011) that when all businesses in an economy maximise their value, social value is maximised (Jensen, 2002). Porter and Kramer (2011) further describes shared value as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in, which it operates" (Porter and Kramer, 2011, p.9). The three key ways to create shared value are by reconceiving products and markets, by redefining productivity in the value chain and by enabling local cluster development. When companies understand the connection between social and economic progress and see social responsibility as their core value, they and their stakeholders will benefit (Porter and Kramer, 2011).

Lastly, Epstein and Rejc Buhovac (2014) identifies the key to a successful sustainability strategy as "integrating sustainability into business decisions, identifying, measuring, and reporting (both internally and externally) the present and future impacts of products, services, processes, and activities" (Epstein and Rejc Buhovac, 2014, p.21). The author explains that the integration of sustainability leads to CSR issues being a part of the company's core values influencing all activities undertaken.

#### 2.3 CSR in supply chains

One way for companies to respond to the external pressures of their stakeholders is to develop CSR policies addressing social and environmental issues within the supply chain (Locke et al, 2009). A central part of clothing brands' sustainability activities is to develop codes of conduct and implement auditing programs in order to gain control of their supply chains (Sjödin, 2017). However, research shows that the improvements are marginal (Locke et al., 2007; Egels-Zandén and Lindholm, 2015), leading to a movement towards alternative solutions (Lund-Thomsen and Coe, 2013). A way to solve current sustainability issues could be through interfirm collaboration, instead of a few companies working with their own CSR projects (Peattie, 2001). Locke et al. (2009) identifies co-operation within the garment industry as a complement to traditional compliance programs of codes of conducts and factory audits (Locke et al., 2009).

Similarly, Epstein and Rejc Buhovac (2014) explains companies' collaborations with non-governmental organisations (NGOs) as an addition to already existing sustainability practices, in order to improve financial, social and environmental performance (Epstein and Rejc Buhovac, 2014). Locke et al. (2009) stresses the importance of collaborations for improving labour rights and conditions for factory workers, encouraging information exchange and joint problem solving (Locke et al., 2009). Peattie (2001) identifies the necessity of organisational collaboration by stating that many sustainability problems could only be solved by activities across an entire industry, instead of solutions solely initiated by one or few companies (Peattie, 2001).

According to Locke et al. (2009), successful collaborations are based upon the mutual selfinterest of both suppliers and clothing brands. Improving sustainability standards in factories favours clothing brands simultaneously as factory managers gain valuable assistance in order to achieve a competitive advantage (Locke et al., 2009). Epstein and Rejc Buhovac (2014) claims that cooperation is required in order to pursue social goals and achieve public benefits and supports the idea of firms' developing long-term collaborations with their suppliers where the mutual interest of both parties are considered. Hwang and Seruga (2011) further discuss the concept of collaborations within the supply chain, when two or more corporations create a competitive advantage together that could not have been achieved alone. Supply chain collaborations requires trust, communication, mutually developed performance measures, knowledge and information sharing (Hwang and Seruga, 2011). Epstein and Rejc Buhovac (2014) explains that long-term collaborations might lead to the company generating quality, performance and competitiveness in return. Organisations that cooperate within the same industry could improve its relationship and reputation, build a strong brand, enable scarce information flows, and affect local communities as well as the entire industry (Epstein and Rejc Buhovac, 2014). Hwang and Seruga (2011) continue to emphasise the importance of wellstructured collaborations for the future of the garment industry by stating: "The success of textile supply chains will depend upon the choice of the specific partners in the supply chain and on the way in which they co-operate efficiently and effectively with each other." (Hwang and Seruga, 2011, p.60).

According to Marcus (2005), participation in on-going organisational networks and alliances could generate important social capital and contribute to a company's discovery of new opportunities (Marcus, 2005). Schilling and Phelps (2007) state that researchers have long

identified the importance of inter-firm collaborations and networks, particularly when it comes to firm innovation. Networking and collaborations enables sparse and globally spread organisations to, at little cost, achieve a great extent of information exchange and knowledge spill-overs in order to build important firm capacities (Schilling and Phelps, 2007). Building collaborative relations is also important for improving the management of environments and natural resources. This can be achieved by integration of activities, knowledge and perspectives of companies, governments and societies, enabling all actors to ensure that their participation is tailored to the context, scales and goals of the collaboration (Lane and Robinson, 2009). Notwithstanding the positive outcomes of collaborations, Locke et al. (2009) identifies challenges to be overcome in order to achieve successful collaborations. To commit to collaborations requires time and frequent interactions between clothing brands and their suppliers in order to develop a long-term relationship. Challenges for the clothing brands are the difficulties of measuring the benefits of the new collaborations as well as intra-company power structures reflecting the organisational behaviour (Locke et al., 2009). Similarly, Epstein and Rejc Buhovac (2014) identifies the challenges with organisational collaborations of being risks due to lack of trust and communication. It is therefore essential for successful collaboration to manage these challenges in an effective way, and to integrate the collaborative strategy into the entire sustainability structure (Epstein and Rejc Buhovac, 2014). Hwang and Seruga states that collaborations within the supply chain are threatened by opportunism if decisions are based on the interest of individual companies rather than the interest of the supply chain as a whole. (Hwang and Seruga, 2011) Further, Cetindamar et al. (2005) identifies lack of trust and common goals as barriers that could stand in the way for successful collaborations (Cetindamar et al., 2005).

#### 2.4 Summary of key theories

The theoretical framework allows insights into companies' search for legitimacy and different ways of how they respond to external pressures. The responses opens up for the development of strategies, as well as the identified need to create value for all stakeholders by undertaking CSR practices within the value chain. This leads to an understanding of the current sustainability practices of clothing brands, when moving towards collaborative collaborations. The theoretical framework contributes to the understanding of what aspects are of importance for clothing brands' decision to scale up their collaborations with SBCIs.

The survival and success of organisations are dependent on the organisation's ability to become legitimised by its surroundings and be viewed as trustworthy. Legitimacy is achieved through responding to stakeholder interests, by accomplishing good results and by undertaking socially accepted and moral activities, such as CSR. By meeting external demands from stakeholders, organisations could also gain a competitive advantage. Companies can address these demands in different ways, leading to the development of either similar or different strategies. By developing a moderate level of similarity compared to its competitors, firms avoid the need of proving their legitimacy yet still face less competition for resources. A way for firms to respond to external pressures from stakeholders is to engage in CSR and several studies have identified the need for collaborations within the garment industry in order to address social and environmental sustainability issues.

# 3. Methodology

In the following section, the method used in the research is presented. Firstly, the research orientation explains the design and research approach of choice. Secondly, the choice of clothing brand and SBCIs is presented, followed by a motivation of the primary and secondary data collection. The methodology section is concluded with a discussion regarding the reliability and validity of the research, together with an analysis of its limitations.

# 3.1 Research orientation

A qualitative study with an inductive approach was conducted in order to gain a deeper understanding and to make generalised conclusions from the specific observations. The scalability of clothing brands' collaborations with SBCIs is a relatively new phenomenon. Based on the experienced need of an in-depth research addressing this issue, the choice of a qualitative study with a few yet informative interviews were more relevant than a quantitative study with many non-informative observations. According to Bryman and Bell (2013), a qualitative research orientation is suitable for a research that intends to move away from scientific models and norms to focus more on how individuals interpret their social reality. The ontological orientation of this research is constructivism, the view of reality as constructed by humans, rather than objectivism. The qualitative approach opens up for a reflection of the everchanging and dynamic reality that we live in (Bryman and Bell, 2013), and that companies operate in. An inductive method is the most common approach to use in the context of a qualitative study. The purpose of an inductive approach is to make sense of the observations in order to draw conclusions, and the emphasis is on generating rather than evaluating theory

(Bryman and Bell, 2013). These observations were collected from interviews that reflect the scalability of clothing brands' collaborations with SBCIs.

According to Bryman and Bell (2013), it is of importance to define a theoretical framework showing the connection between the choice of method, theory and the empirical evidence (Bryman and Bell, 2013). Theories related to the research topic are summarised in the section of theoretical framework. The results of the interviews are presented in the empirical section, where three main topics were interpreted from the material and used as headlines. These topics are the process of scaling up collaborations with SBCIs, the decision-making behind it and the challenges that might occur, and are vital for understanding clothing brand's current sustainability practices as well as the complexity behind the scaling up process. In the discussion section, the theories chosen were applied to the empirical data in order to analyse the results of the business case and to get a broader perspective of the subject. Firstly, an understanding of the movement towards collaborations with SBCIs is analysed, followed by the identified aspects of importance behind the decision to scale up the collaborations. Lastly, strategies for overcoming the challenges of scaling up are suggested. The discussion opens up for a more holistic conclusion in the final section of the research where an interpretation of the analysis together with suggestions for future research is presented.

The study was conducted based on six interviews, representing one anonymous clothing brand and two SBCIs. The purpose of the research is to give a concrete business example of the current sustainability practices of the clothing brand and its decisions regarding scaling up collaborations with SBCIs. The data is supported with relevant theories, in order to give a more generalised conclusion of what aspects that could be of importance for other clothing brands to scale up their potential collaborations with SBCIs.

#### 3.2 Choice of clothing brand and SBCIs

The research explains how a large Swedish clothing brand works with alternative methods complementing code of conduct and auditing. The company has had a yearly turnover of between 600 and 700 million euros during the period of 2011-2015. The clothing brand does not own the factories producing the clothes it sells, and their biggest outsourcing markets are China, Bangladesh, Hong Kong, Turkey, India and Pakistan (Company Website of the Clothing Brand, 2017). The choice of clothing brand was relevant for this study due to its long history of working with sustainability and it has recently started working with collaboration and scaling

up SBCIs. After deliberation it has decided to scale up one social initiative, HER-project and one environmental initiative, Swedish Textile Water Initiative (STWI) and neglected a scaled up collaboration with other SBCIs, such as the digital training platform QuizRR. These three initiatives are therefore of importance for this research, and have been studied further.

HER-project is a social SBCI, established by the non-profit organisation Business for Social Responsibility (BSR). The mission of HER is to empower low-income women through workplace programs promoting health and financial issues, economic empowerment and women's' rights (BSR, 2011). HER-project is 50% financed by the clothing brand and 50% by the factories (Social Compliance Manager, 2017-05-03). The clothing brand has also decided to scale up its collaboration with an environmental SBCI, STWI. It was founded in 2010 when a number of leading Swedish textile and leather companies together with Stockholm International Water Institute (SIWI), a policy institute that informs decision-makers on how they can make better decisions addressing water issues. The organisation is a public-private collaboration between Swedish International Development Cooperation Agency (SIDA), SIWI, 32 member companies of STWI, as well as their suppliers and sub-suppliers (STWI, 2017). The clothing brand has previously divided the cost of the program with the factories but has after great results decided to transfer the total cost to the factories (Production Support Manager, 2017-05-04).

By analysing the clothing brands' scaled collaboration with these two SBCIs creates a width in the research since it covers both the social and the environmental issues within the supply chain. The clothing brand has decided not to scale up their collaborations with several SBCIs. One of them is the organisation QuizRR, founded in 2014 and working with digital training services measuring and monitoring their suppliers in order to meet the requirements and regulations regarding working conditions, health and safety issues and human rights (QuizRR, 2015). The vision of QuizRR is to educate millions of workers at all levels to create good working conditions in emerging countries (CSES, 2014). The reason why the clothing brand has chosen not to scale up its collaborations with QuizRR has been investigated in the research.

#### 3.3 Data collection

The collected information consists of a composition of primary and secondary data.

#### 3.3.1 Primary data

The primary data of this research consists of seven interviews (see table below). Five interviews were with three relevant employees at the studied clothing brand: the Social Compliance Manager, the Production Support Manager and the Global Sustainability Manager. These interviewees will hereinafter be referred to as their titles. One interview with a Manager at BSR, later referred to as the BSR representative, was conducted. Additionally, one interview with a Project Officer at QuizRR, referred to as the QuizRR representative, was executed. After the three initial interviews with the clothing brand, the authors of this research found the need for two additional interviews in order to further connect the theoretical framework with the empirical findings. Three of the interviews were set up over Skype due to the geographical distance, and four of the interviews were executed in person. This interview structure was set up in order to, together with the theoretical framework, gain deeper knowledge of the critical aspects affecting the decisions behind the scaling up process of these kinds of collaborations. The interview questions were defined in collaboration with the supervisor, Professor Niklas Egels-Zandén, in a way that enabled the interviewees to talk about their personal knowledge and experiences.

	Interview 1	Interview 2	Interview 3	Interview 4	Interview 5	Interview 6	Interview 7
Date	2016-09-19	2016-11-30	2017-03-01	2017-03-14	2017-03-20	2017-05-03	2017-05-04
Time (min)	60	60	70	45	55	20	25
Company	Clothing brand	BSR	Clothing brand	Clothing brand	QuizRR	Clothing brand	Clothing brand
Title	Social Compliance Manager	Manager	Production Support Manager	Global Sustainabilit y Manager	Project Officer	Social Compliance Manager	Production Support Manager

Interview structure

The interviews conducted have all been semi-structured, meaning predefined questions were prepared yet the interviewees were given a great amount of liberty in their answers. Follow up questions were spontaneously given in order to develop relevant subjects for the study and to clarify some answers. The choice of interviews was goal-oriented, meaning the choice of interviewees was based on their relevance for the research question (Bryman and Bell, 2013). Despite the semi-structured and flexible interviews, the interview questions followed themes regarding social and environmental CSR within the garment industry, collaborations with SBCIs, the scaling up process and potential challenges. All interviews have been transcribed by the authors and used as a basis for answering the research question.

# 3.3.2 Secondary data

In addition to the primary data, theories have been used and selected with care. Relevant material from websites have been collected due to the need of background information regarding the clothing brand and the SBCIs studied, as well as information about the issues within the garment industry. *Making Sustainability Work* written by Epstein and Rejc Buhovac (2014) has been used in the theoretical framework due to its relevance for the topic. *Business Research Methods* by Bryman and Bell's (2013) and *Kvalitativ Forskning I Praktiken* by Widerberg (2002) have been used to a great extent when planning and creating the methodological structure as well as creating transparency by revealing the limitations of the research.

#### 3.4 Quality of results

Four measures are provided in order to classify the quality of the results and the credibility of the research: validity, reliability, criticism of sources and limitations.

#### 3.4.1 Validity

Validity can be divided into internal and external; internal validity clarifies whether the researcher's observations align with the theoretical ideas and external validity explains to what extent the findings can be generalised outside of its context. Therefore, the external validity is usually lower in a qualitative study compared to a quantitative one (Bryman and Bell, 2013). This research can be viewed as having a high internal validity due to the long and qualitative interviews that gave the authors the ability to observe the linkage between the theoretical framework and the observations. The interviewees had different organisational backgrounds and titles, yet answered the questions fairly similar. The answers agreed to a great extent with

the theories used in the research. Another aspect of internal validity is the anonymity of the interviewees, leading to the possibility of more transparent answers aligning with the theoretical framework. This research could be experienced as having a low external validity since the amount of business cases studied and interviews conducted are limited meaning that the conclusions are not necessarily applicable outside of its context.

#### 3.4.2 Reliability

Reliability concerns questions regarding whether the measurements of a concept are trustworthy, authentic and stable. To measure the reliability of a study, one could evaluate to what extent a research can be duplicated. Therefore, the reliability is generally low in qualitative studies since it is nearly impossible to copy the social context in which the interviews takes place (Bryman and Bell, 2013). In this research, the reliability could be increased by using the same questionnaire when doing the interviews. However, it leads to overlooking the background and expertise of the interviewees in a way that is not preferred for in this particular research.

#### 3.4.3 Criticism of sources

Keeping the clothing brand anonymous was a choice enabling an independent and trustworthy research. The interview objects could therefore talk freely about their experiences and the writers could create a research independent from the company. The secondary data is considered relevant and trustworthy. In order to ensure that the theories used in the research are reliable, literature was collected from the online database of the University of Gothenburg and Google Scholar. When collecting information from the clothing brand and the SBCIs websites, the subjectivity of the organisations was accounted for since the data published on the websites could be angled for marketing purposes. However, the aim was to solely find information about their history and activities and further information about the organisations was collected from interviews. Articles extracted from online newspapers were considered valid if the newspaper itself was well known and the articles was up-to-date, meaning they were no older than 2015.

#### 3.4.4 Limitations

Conducting a qualitative study based on interviews is challenging in terms of objectivity. According to Widerberg (2002), data from qualitative interviews are based on the reality of the interviewees instead of an objective truth. Ensuring that the quality of the results align with the

expectations of the interviewer is an additional challenge due to the time limit (Widerberg, 2002). Another limitation is the fact that the research is based on the current sustainability practices of one clothing brand. Consequently, the objectivity of the report is being challenged due to the lack of inputs from other clothing brands. However, the choice was conscious due to the ability to create an in-depth analysis. The availability of similar research is a further limitation due the lack of relevant theories that are applicable, in order to understand the scaling process of clothing brands and their collaborations with SBCIs. However, this opens up for the opportunity to create an interesting scientific addition to the topic.

# 4. Empirical Findings

In order to explain important aspects for clothing brands' decisions to scale up their collaborations with SBCIs, five interviews with three sustainability employees at the clothing brand were conducted together with one interview with a BSR representative and one with the QuizRR representative. The following chapter provides the results of these interviews. It also investigates why the clothing brand has decided to scale up their collaborations with STWI and HER-project but not with QuizRR. Further, it discusses the difficulties and challenges that may occur with the scaling process. This section is concluded with a summary of the key findings used further in the analysis.

# 4.1 The process of scaling up

The initial need for collaborations with SBCIs is related to the limited results achieved through years of auditing and defining codes of conduct. The interviewed clothing brand stresses that these previous sustainability practices have not achieved the intended improvements on the factory floor, leading to the shift of priorities to alternative forms of CSR activities. Yet, the Social Compliance Manager argues that some level of auditing is still needed but will probably be performed differently in the future. Factory audits could then be interchangeable to SBCIs and codes of conduct could be substituted with self-assessments in the factories (Social Compliance Manager, 2016-09-19; 2017-05-03; Production Support Manager, 2017-05-04). Despite the fact that audits do not drive change, it is a way of ensuring progress in a factory. This measurement is important in order to communicate reliability (Production Support Manager, 2017-05-04). The BSR representative similarly believes that auditing will not disappear and explains that the organisation is working to integrate gender issues in their codes of conduct. HER-project is a great way of investing in the business partners of clothing brands

and develop a business relationship with the factories that is beyond just an auditing relationship (BSR representative, 2016-11-30).

Stakeholders' demands for supply-chain transparency as well as brands recognising the limitations of auditing are drivers for scaling up collaborations with SBCIs, according to the BSR representative. These drivers have led to brands creating more of a long-term relationship with their suppliers through capacity building and collaborations (BSR representative, 2016-11-30). The Production Support Manager identifies the importance of scalability for driving real systemic change, affecting a great amount of workers (Production Support Manager, 2017-05-04). The Social Compliance Manager states that committing to a long-term collaboration is key to successful sustainability collaboration. Scaling up collaborations with SBCIs is important for the legitimacy of the clothing brand, making it more trustworthy towards customers and employees (Social Compliance Manager, 2017-05-03). The BSR representative believes that companies will never reach scaled up collaborations if everyone is competing against each other despite similar missions. Accordingly, there need to be more collaborations among the brands in order to reach systemic change. When global brands are sourcing from the same suppliers, they should align their strategies to get an understanding of what workers need in order to create longer lasting programs (BSR representative, 2016-11-30).

#### 4.2 The decision of what SBCIs to scale up

Many aspects are important when the clothing brand decides what SBCIs to engage in. Three contributing variables are provided in order to identify why the clothing brand decides to scale up their collaborations with SBCIs: results, fundamental beliefs and stakeholders.

#### 4.2.1 Results

The Production Support Manager stresses the importance of SBCIs generating positive results. When collaborating with STWI, the factories achieved such improvements (Production Support Manager, 2017-05-04), leading to greater amount of saved water, energy and money (Production Support Manager, 2017-03-01). The information about the positive results spread, leading to more factories wanting to join the collaboration with STWI, and the Production Support Managers emphasises the importance of factories seeing the advantages of the collaborations (Production Support Manager, 2017-05-04). The business case of the project itself needs to be interesting in order to motivate the factories to extend their collaborations into a long-term relationship with the SBCI (Production Support Manager, 2017-05-04). When

identifying that factories are pleased with the results of a certain collaboration, it is easier for the clothing brand to invest additional time and money into the programme (Production Support Manager, 2017-03-01; Social Compliance Manager, 2017-05-03).

The same logic lies behind the decision to scale up their collaboration with HER-project (Global Sustainability Manager, 2017-03-14). The Production Support Manager explains that it is easier to achieve results when working with environmental SBCIs in comparison to social ones. Working with environmental issues usually evolves into more measurable and concrete numbers regarding saved resources (Production Support Manager, 2017-05-04) and social improvements are not as accountable due to the difficulties of measuring wellbeing (Social Compliance Manager, 2017-05-03). However, the clothing brand has seen positive results from HER-project in some factories, and the Global Sustainability Manager shares stories of improvements from relatively simple changes causing great impact. For example, educating the workforce about the menstrual cycle and personal hygiene has increased the amount of working days per month for female workers, leading to a better output for the factories (Global Sustainability Manager, 2017-03-14). The Social Compliance Manager explains the success of HER-project as workers educating workers leading to spill-over effects on other factories and knowledge spreading to the local society: "The workers gain knowledge, and knowledge is power". (Social Compliance Manager, 2017-05-03).

The clothing brand has not seen these kinds of results from QuizRR (Production Support Manager, 2017-03-01; Social Compliance Manager, 2017-05-03). The importance of concrete results was one of the reasons for deciding to scale up the collaboration with HER-project and STWI, but not with QuizRR: "The question arises every time: What does it actually give us? What will the results on the factories be? [...] Will the results from auditing improve? Did the workers become stronger? Do they stay longer? Do they demand their rights?" (Production Support Manager, 2017-03-01). The QuizRR representative understands the importance of being able to see the results in the factories before and after collaborating with SBCIs. The organisation has only been operating for a few years and have therefore conducted few impact assessments due to the fact that their programs have previously been in the introduction phase. The QuizRR representative identifies the lack of results as troubling for them when convincing brands and factories to join their sustainability activities (QuizRR representative, 2017-03-20). The BSR representative stresses how important it is for the initiative to have a strong business case demonstrating a great impact on workers' wellbeing leading to a positive impact on the

business. However, impact assessments of women empowerment are challenging (BSR representative, 2016-11-30), making it unclear for the clothing brand to know how to follow up the improvements. Empowerment of women is often vaguely defined and conceptualized (Social Compliance Manager, 2016-09-19; Global Sustainability Manager, 2017-03-14), making it more difficult to measure the impact of social SBCIs such as HER-project, compared to environmental SBCIs such as STWI (Social Compliance Manager, 2017-05-03).

# 4.2.2 Fundamental beliefs

The clothing brand puts great emphasis on finding SBCIs that align with the brand's fundamental beliefs, i.e. sustainability issues that the organisation feels strongly about. The Production Support Manager clarifies that the clothing brand produces clothes for women and has mostly female employees in the supply chain, in stores and in the head office, leading to women empowerment being a vital question as well as a strategic area for the company (Production Support Manager, 2017-03-01). When having production in a patriotic environment such as Bangladesh, the relevance for engaging in a SBCI that works with questions regarding women empowerment increases, the Production Support Manager continues. This was a vital aspect when choosing to scale up their collaborations with HER-project, that focuses on women empowerment and not with QuizRR, that focuses on general worker empowerment. The choice of not scaling up their collaborations with SBCIs that fail to emphasise women empowerment is recurrent in the history of the clothing brand's sustainability practices (Production Support Manager, 2017-03-01).

The BSR representative explains that addressing women empowerment and gender equality is a central part of the clothing industry. It is crucial for brands to see women empowerment as part of the core business program and to integrate it in the way they do business. One of the biggest challenges for HER-project has been to get brands to make scaling commitments because it has been seen more as a philanthropic investment than as a management strategy or a priority (BSR representative, 2016-11-30). Regarding STWI, the issues of water usage is an industry specific topic, having a great impact on the production of clothing. Therefore, scaling up their collaborations with STWI seemed relevant for the clothing brand, according to the Production Support Manager (Production Support Manager, 2017-05-04).

#### 4.2.3 Stakeholders

Communication with stakeholders is one aspect of importance when choosing what SBCIs to scale up. The Production Support Manager states that their most important stakeholders are their customers, yet media and NGOs have a powerful influence. Their stakeholders put pressure on the clothing brand regarding what sustainability issues to address. Whenever the clothing brand aims to be early adopters regarding a certain sustainability issue, it seeks information from its stakeholders (Production Support Manager, 2017-05-04). However, it is not only customers, media and NGOs that are of importance for the clothing brand. In order to create successful collaborations, networking with other brands is key (Production Support Manager, 2017-03-01). The BSR representative stresses the importance of networking in order for HER-project to recruit more brands into their programs, and relies heavily on the number of companies that is included in the BSR network (BSR representative, 2016-11-30). Accordingly, if all brands would collaborate and encourage their suppliers to implement the same SBCIs, the programs could cover more factories and therefore affecting more workers (Social Compliance Manager, 2017-05-03). By not collaborating, brands often replicate each other's work by undertaking similar sustainability practices (BSR representative, 2016-11-30).

One aspect of importance for the clothing brand when deciding what SBCI to scale up its collaborations with is to analyse existing members. It aims to collaborate with SBCIs that have a good balance of global brands of similar size, opening up for equal opportunities to affect the contents of the programs (Production Support Manager, 2017-05-04). When collaborating with other brands, the clothing brand recognises the issue of having to compromise the content of the developed SBCI programmes, making the content less applicable for one specific brand. The Social Compliance Manager explains that the clothing brand is still somewhat hesitant to collaborate with other brands, which is partly related to the ability to customise the content and format of the developed programs (Social Compliance Manager, 2016-09-19). The BSR representative identifies this challenge by stating that brands always want to do their own thing (BSR representative, 2016-11-30). The hesitation to collaborate is also related to the perceived reduced speed of developing new programs when collaborating with other brands. The possibility to develop their own HER-program is a rare possibility for the clothing brand (Social Compliance Manager, 2016-09-19).

Yet, the Global Sustainability Manager states that in order to reach sustainable change within the garment industry, brands need to collaborate. One brand can put pressure on its suppliers for a while but to get over the tipping point more brands need to join forces. Despite the alignment, the clothing brand would still have a competitive advantage of being the first mover compared to the later adopters (Global Sustainability Manager, 2017-03-14). It is vital for the clothing brands to avoid being late adopters when it comes to sustainability practices. The Production Support Manager expresses concerns that on one hand, they are hesitant to scale up collaborations with QuizRR while competitors are initiating further collaborations with the SBCI: "Are we doing the wrong thing? Is it stupid not to focus on this [QuizRR] now?" (Production Support Manager, 2017-03-01). The clothing brand seeks to be industry leaders when it comes to sustainability, yet are limited by their size (Production Support Manager, 2017-05-04).

#### 4.3 Challenges with scaling up collaborations with SBCIs

There are different kinds of challenges when scaling up collaborations with SBCIs. Scope and content of programme, funding and factory ownership are three variables explaining the difficulties clothing brands are facing.

## 4.3.1 Scope and content of programme

In order to align the clothing brand's sustainability focus and core values with the SBCI, and to reach factories at a larger scale, the scope and content of the program is central. In addition to the initial projects, the clothing brand has realised the need to develop a new version of HER-project after engaging with the program for several years. The clothing brand aims to expand the new version of the programme to cover finance, gender equality and health and safety for women since most of the previous focus was on health. It is also important for the clothing brand to initially be the owner of the program, in order to decide the content without compromises (Social Compliance Manager, 2016-09-19). In comparison to HER-project, STWI is owned by clothing brands and by being one of the key actors, the clothing brand has the ability to influence the initiative. Simultaneously, the clothing brand finds it challenging to broaden the scope of the factories included in the SBCI (Production Support Manager, 2017-03-01).

According to the Social Compliance Manager, it takes too long to implement the initial HER-projects at each factory: "You have to take one factory at a time and it takes at least 1,5 years before the project is over. We might have 30-35 factories in Bangladesh that we would like to cover. If you want a sustainable change that lasts, then it has to take time". Due to the time

invested into implementation, the clothing brand feels a need to develop their own version of the programme. (Social Compliance Manager, 2016-09-19). The BSR representative further describes the clothing brand's customised version of the program as more focused on building the eternal capacity of the factories themselves to run these programs. It is therefore interesting to see how the changes are happening in the processes and policies at a systemic level (BSR representative, 2016-11-30).

#### 4.3.2 Funding

A central challenge for scaling up mentioned by both the clothing brand and the SBCI respondents is the financial aspect (Social Compliance Manager, 2016-09-19). Scaling up requires a more extensive budget, which might not be possible for the CSR department at the moment. The demand when applying for donor fundings from SIDA and the German Federal Enterprise for International Cooperation (GIZ) is that the project needs to be able to scale up and affect more factories (Social Compliance Manager, 2016-09-19). The grants are intended to work as catalysts in order for the SBCIs to start showing results of their business cases leading to the ability to continuously grow by themselves and cover more factories (Production Support Manager, 2017-03-01).

The clothing brand that is co-funding their suppliers' participation in the HER-program explains that, as total costs increased significantly (as a consequence of scaling), the focus of the program had to be more accurate in relation to the brand's ambition. Therefore, the Social Compliance Manager explains that the clothing brand wants to decide the content of the programme if it is going to scale up (Social Compliance Manager, 2016-09-19). The Production Support Manager also emphasises the need for collaborating with other brands when it comes to scaling up the programmes of STWI. In order to reach economy of scale benefits leading to a decreased programme cost for the factories, the Production Support Manager stresses the need for collaborating with other clothing brands that can include their suppliers in the programme of STWI (Production Support Manager, 2017-03-01). However, the Global Sustainability Manager states that cost is not a problem if the suppliers see the value they get for the money (Global Sustainability Manager, 2017-03-14).

There are cases where several clothing brands have been involved in the same SBCI programs in different factories for the same supplier. For example, the clothing brand engaged in a HER-project in one factory in Bangladesh meanwhile another brand engaged the same project in

another factory. The factories were owned by the same supplier. Still, there was no collaboration or sharing of costs between the brands in the process (Social Compliance Manager, 2016-09-19). BSR have reached economies of scale in terms of management cost for some countries with enough scalability. Other departments of the clothing brands rather than solely the sustainability department are starting to understand the importance of CSR. If scaling up is going to be possible, BSR needs the financial support of the other departments of the clothing brands such as the marketing and PR department (BSR representative, 2016-11-30).

#### 4.3.3 Factory ownership

The interviewed clothing brand and SBCI representatives stresses the importance of factories owning the program. The Social Compliance Manager explains that it is vital to make factory managers understand that it is in their interest to engage in the program because of the attractive business case. The importance of ownership was explained as central in order for the program to continue to make a difference in the factory even if the clothing brand decides to move its business elsewhere (Social Compliance Manager, 2016-09-19). A good example of a successful factory ownership transformation is the situation with STWI. Due to good and concrete results of the program, where the factories have saved money by reducing water consumption, the clothing brand has decided that the total program cost should be financed by the factories. The Production Support Manager describes this as the best possible situation for all parties since the program will then be owned by the factories and therefore long-lasting. This is the key to scalability (Production Support Manager, 2017-05-04).

The Global Sustainability Manager discusses the challenges with the programs of HER-project not being factory owned: "These projects are fantastic but [...] we don't see any systematic change in the factory. If all of these people would leave, at the end, the knowledge is with the people. It is not in the organization." (Global Sustainability Manager, 2017-03-14) Moreover, owning the program decreases the clothing brand's responsibility of auditing the project, leading to a more independent sustainability programme (Social Compliance Manager, 2016-09-19). The QuizRR representative addresses the importance of factory ownership within the supply chain since it affects the factory workers and favors the factory (QuizRR representative, 2017-03-20). The BSR representative claims that since suppliers experience and enjoy the benefits of investing in programs, it is crucial to move some of the ownership to the suppliers. If wanting to scale up a SBCI, there needs to be a focus on local engagement. One example of BSR's successful local is from their operations in East Africa where the SBCI has undertaken

projects within the tea industry in Kenya and the flower industry in Ethiopia. The BSR representative continues: "In those industries we have been extremely successful in scaling through local business associations and we really do see this as a key to continue our ability to scale. And right now what we are trying to do is how do we do this successfully in the apparel sector" (BSR representative, 2016-11-30).

# 4.4 Summary of key findings

The empirical findings allow insights into the current sustainability practices of the clothing brand. Interpreting the experiences and opinions of the interviewees is contributing to understand what aspects that are of importance for clothing brands' decision to scale up their collaborations with SBCIs. The initial need for alternative solutions has occurred due to codes of conduct and auditing only achieving marginal results. In the empirical research, it was distinct that companies need to collaborate in order to reach a sustainable change.

In the interviews, it was evident that vital aspects when deciding what SBCIs to scale up were concrete results, alignment with the brand's core values and its stakeholders' expectations. In order to show a strong business case for the factories, concrete results were needed. It appeared to be easier to measure results when working with the environmental rather than with the social SBCI. However, the success of HER-project was the spill-over effects on other factories and knowledge spreading to the local society. The clothing brand stressed the importance to find a SBCI that aligns with the brand's core values, which in particular case was easier for HER-project compared to STWI. When choosing what SBCIs to scale up, it was identified that the clothing brand communicates with its stakeholders in order to address their interests. Additionally, the existing members of SBCIs were relevant due to the clothing brand's strive to engage in initiatives with a good balance of similar sized brands. However, when collaborating with others, the clothing brand recognised the issue of compromising the content of the SBCI programmes.

The challenges with the scaling up process were identified as the scope and content of the programme, funding and factory ownership. A central challenge is to include more factories into the programs in order to increase the scope of the SBCIs. When investing time and money into the collaborations, it is important for the programs to align with the values of the clothing brand. The challenge of funding is relevant due to sustainability departments' limited budget. The importance of factory ownership was evident in order for the program to scale up and

continue to make a difference at the factory even if the clothing brand decides to move its production somewhere else.

# 5. Analysis

In this section, a connection of the theoretical framework and the results of the study is provided in order to answer the research question of what aspects are of importance for clothing brands' decision to scale up their collaborations with SBCIs. The underlying aspects for the scaling up processes are to be investigated. Further, strategies to overcome the challenges related to scaling up collaborations with SBCIs are discussed.

#### 5.1 The movement towards collaborations

Corporations have started to experiment with alternative solutions in order to improve sustainability conditions in the production countries (Lund-Thomsen and Coe, 2013; Social Compliance Manager, 2016-09-19), since studies have showed that codes of conduct and auditing programs lead to marginal improvements (Locke et al., 2007; Egels-Zandén and Lindholm, 2015). Researchers have identified collaborations as vital for the success and survival of organisations (Eriksson-Zetterquist, 2009) and for developing firm capacities through information exchange and spill-over effects (Schilling and Phelps, 2007).

Drivers of scaling up collaborations with SBCIs are the demand of supply-chain transparency from stakeholders and brands' recognition of the limits of auditing (BSR representative, 2016-11-30) and codes of conduct (Production Support Manager, 2017-05-04). Improving labour rights and conditions for factory workers are two important factors for collaborations between organisations (Locke et al., 2009). Many sustainability problems could be solved by collaborative activities in an industry instead of a few companies working with their own solutions (Peattie, 2001). The collaborations between clothing brands and suppliers work as a complement to codes of conduct and factory audits (Locke et al., 2009). Companies' and NGOs' collaborations can be described as an addition to already existing sustainability practices (Epstein and Rejc Buhovac, 2014). The clothing brand and the BSR representative believe that some level of auditing is still needed and will probably not disappear (Social Compliance Manager, 2017-05-03). It is stated that organisations are dependent on their ability to be legitimised by their surroundings in order to survive and be successful. Companies realisation of codes of conduct and auditing's lack of

improvements have led to a movement towards alternative solutions in order to still be viewed as legitimate by their stakeholders. Interesting enough, codes of conduct and auditing are still undertaken within the industry, despite external and internal stakeholders' disbelief of their impact.

#### **5.2** Aspects of importance

Companies develop different strategies due to intra-firm power struggles between departments. The relative power of a department and its influence on decision making is dependent on its resources and the organisational structure (Delmas and Toffel, 2008). Sustainability departments usually have a small budget (Social Compliance Manager, 2016-09-19), making the amount of collaborations clothing brands decides to scale up limited. This makes them carefully evaluate what sustainability collaborations to invest in. Following, the aspects behind these scaling up decisions are presented as external pressures, value creation, core values, the importance of collaboration and impact assessments.

#### 5.2.1 External pressures

Organisations strive to be viewed as legitimate (Meyer and Rowan, 1977), making them appear as meaningful and trustworthy in the eyes of their stakeholders (Suchman, 1995), such as customers and employees. According to the clothing brand, scaling up collaborations with SBCIs could be important for gaining legitimacy (Social Compliance Manager, 2017-05-03). Stakeholders' demands for information are incentives for companies to act responsible (Donaldson and Preston, 1995; Locke et al., 2009). The BSR representative agrees by explaining that one of the drivers of scaling up collaborations with SBCIs are stakeholders' demand for transparency in the supply chain (BSR representative, 2016-11-30). Organisations strategically respond to stakeholder pressures leading to the development of different strategies (Oliver, 1991). Managers can achieve legitimacy by communicating and interacting with its social surroundings (Suchman, 1995). This is one of the incentives for why they choose to engage in, and disclose information about the company's CSR activities (Deegan, 2002). When reviewing the existing literature, it is evident that the lack of legitimacy can be seen as a threat to companies since their existence depends on society's view of whether the company is legitimate or not (Deegan, 2002). Therefore, a company can achieve and maintain legitimacy as well as foreseeing challenges if recognising the demands and actions of its constituents (Suchman, 1995). This recognition is achieved through the clothing brand communicating with their most important stakeholder, the customer (Production Support Manager, 2017-05-04).

Clothing brands are disclosing information regarding under what conditions their products are made in due to an increased customer demand for responsibility within the garment industry (Epstein and Rejc Buhovac, 2014). However, the clothing brand admits, that NGOs and media have a great impact as well. The communication is a way for the clothing brand to investigate what sustainability issues are of importance for their stakeholders. Consequently, the external opinions are transferred into pressures regarding what SBCIs to scale up their collaborations with (Production Support Manager, 2017-05-04). Companies feel a need to respond to the interests of its constituents in order to achieve legitimacy (Suchman 1995; Epstein and Rejc Buhovac, 2014). Therefore, the clothing brand is more likely to scale up its collaborations with SBCIs that address the certain issues that is of relevance for the stakeholders (Production Support Manager, 2017-05-04). By complying to these pressures, a competitive advantage can be achieved (Meyer and Rowan, 1977) and by not obeying to these pressures, the company faces legitimacy challenges threatening the existence of the firm (Deegan, 2002). It is therefore evident that stakeholder's external pressures, no matter if they are distinct or not, is an aspect of importance for the scaling up process.

Additionally, competitors are vital stakeholders for the clothing brand, affecting the choice of what SBCIs to scale up its collaborations with (Production Support Manager, 2017-05-04). The brand identifies the importance of clothing brands engaging in the same SBCIs, enabling scaled up collaborations covering a high amount of factories, affecting a high number of workers (Social Compliance Manager, 2017-05-03; Production Support Manager, 2017-05-04). A large amount of factory inclusion is also vital in order to respond to the demands of funders, such as SIDA and GIZ, regarding scaled up collaborations (Social Compliance Manager, 2016-09-19). These responds leads to clothing brands developing similar sustainability strategies. DiMaggio and Powell (1983) explains the development of homogeneous strategies among brands as isomorphism (DiMaggio and Powell, 1983). The shared belief of collaborations being the most sustainable solution could be described by similar ways of thinking developed through networking and professionalization. Additionally, there seems to be more reasons for developing similar strategies than solely isomorphic forces. The clothing brand's strategy of engaging in the same SBCIs as other brands also seem to be based on a will to create longlasting, sustainable and scaled up results. In the future, the movement away from how codes of conduct and auditing is performed today could lead to an increased flexibility and clothing brands being able to undertake different sustainability actions. Due to the fact that

collaborations with SBCIs are a relatively new phenomenon, trial-and-error is necessary in order to find a successful strategy.

When screening the market on potential SBCIs to engage in, the clothing brand looks at the member-list of other brands that already take part in the activities of the initiatives. A good balance of similar sized global brands is vital for the scaling up process due to the potential of influencing the content of the programs (Production Support Manager, 2017-05-04). Further, the clothing brand does not seem to be threatened by the scaling up decisions of their competitors (Social Compliance Manager, 2017-05-03). However, it is vital for the clothing brand to not be a late adopter. When choosing not to scale up their collaborations with QuizRR even though other clothing brand does, this concern is obvious (Production Support Manager, 2017-03-01). Wanting to undertake similar strategies as competitors is based on organisations' fundamental need of avoiding the time-consuming and costly challenge of proving their legitimacy (Deephouse, 1999; Meyer and Rowan, 1977). Despite the fact that the clothing brand sees advantages of adopting similar strategies as its competitors, there is also a strive towards differentiation. The brand was early to identify the need to move from codes of conduct and factory audits towards collaborations and aims to be an industry leader when it comes to sustainability (Production Support Manager, 2017-05-04). By being different from its competitors, a company increases its profitability by facing less competition. The challenge is to maintain its legitimacy when undertaking actions that are not adopted by others (Deephouse, 1999). However, a company can maintain its legitimacy by identifying future industry changes and addressing the challenges at an early stage (Suchman, 1995). The clothing brand aims to be a pioneer and simultaneously encourages inter-firm collaborations (Global Sustainability Manager, 2017-03-14). Firms that develop a moderate level of strategic similarity will perform higher than businesses with high or low strategic similarity (Deephouse, 1999). It appears that the clothing brand has a vision of finding a balance between being similar to their competitors and being unique.

#### 5.2.2 Value creation

The theoretical framework supports the idea that organisations and their stakeholders can benefit from firm's developed understanding of the connection between social and economic progress (Porter and Kramer, 2011). All managerial decisions should therefore strive towards accounting the interest of all stakeholders in a firm (Jensen, 2002). To create social welfare is a way for an organisation to gain legitimacy by being viewed by their constituents as

undertaking morally right actions (Suchman, 1995). Scaling up SBCIs in the production countries is a way to create systemic change and increase well-being for the workers and their local environment (Production Support Manager, 2017-05-04), instead of just being a philanthropic add-on to the daily business (Social Compliance Manager, 2016-09-19). Organisations can create economic and societal value by redefining productivity (Porter and Kramer, 2011). By scaling up their collaborations with HER-project, the amount of working days per month for female workers have increased in some factories (Global Sustainability Manager, 2017-03-14). This could increase not only the productivity of the factories, but also the monthly salary of the working women and therefore the prosperity of their families.

It should be in the interest of the factories to engage in a SBCI program due to the attractive business case (Social Compliance Manager, 2016-09-19). STWI's strategy is to help factories save water and therefore decrease their production costs (Production Support Manager, 2017-05-04). This is another example of value creation for the factories and society due to increased efficiency. Additionally, shared value can be created by enabling local cluster development and addressing the needs and challenges of society (Porter and Kramer, 2011). The BSR representative stresses the need for engagement in local business associations in order to scale up the effects of a SBCI (BSR representative, 2016-11-30). In order for local cluster development and progress to take place, the interviewed clothing brand stresses the importance of factory managers owning the program and therefore being liable for the cost (Production Support Manager, 2017-05-04). It appears that factory ownership is of great importance for the scaling up process since it enables the clothing brand to decrease its control of the daily project implementation, yet being a co-founder of the program. Paradoxically enough, when discussing the contents of the new HER-project that the clothing brand is co-developing with BSR, it is important for the clothing brand to be the owners of the program, in order to decide the content. It is contradictory when the clothing brand wants to influence the program content when simultaneously aiming for the factories to fully finance the cost. However, it is logic to transfer the costs to where the improvements occur, and in this case, the improvements of the programs are benefiting the factories.

The SBCI representatives are in unison with the clothing brand regarding the importance of developing a factory ownership after establishing a program at a factory (QuizRR representative, 2017-03-20; BSR representative, 2016-11-30; Social Compliance Manager, 2016-09-19). Regarding HER-project and STWI, this kind of ownership structure enables

knowledge about women empowerment and water usage to stay in the factory even if the clothing brand decides to move their production somewhere else (Social Compliance Manager, 2016-09-19). This is how a SBCI program can become scaled up and long lasting (Production Support Manager, 2017-05-04), and for systemic change to occur within the industry (BSR representative, 2016-11-30). Not being factory owned, the knowledge is solely staying with the workers and not in the organisation. This is problematic since factories tend to have a high turnover of employees (Global Sustainability Manager, 2017-03-14). However, improving worker knowledge causes positive spill-over effects on other factories and the local society (Social Compliance Manager, 2017-05-03). By not having to cover the cost of the program implementation in the factories, more factories could join the collaboration without stretching the CSR budget of the clothing brand. Without an extensive budget, it seems vital to transfer the costs to the factories in order for the collaborations with the SBCIs to scale. If not managing to extend the scope of the program to many factories, the clothing brand's legitimacy will be critiqued similarly to the disbelief of codes of conduct and auditing. Stakeholders will question if the sustainability practices of the clothing brand are really making an environmental and societal difference. This is a central concern for the clothing brand, facing the challenges of scaling up when experimenting with alternative CSR solutions.

Lastly, shared value can be created by reconceiving products and markets (Porter and Kramer, 2011). The mutual aim of the clothing brand and the SBCIs is to create long-term relationships with the suppliers (Social Compliance Manager, 2017-05-03) through capacity building and collaborations (BSR representative, 2016-11-30). In order to maximise value, organisations need to think long-term (Jensen, 2002), regarding collaborations which can lead to improved performance and competitiveness (Epstein and Rejc Buhovac, 2014). To think long-term and ensure SBCI program longevity in the factories is radical in an industry based on a high supplier turnover for the brands and a high employee turnover for the factories.

#### 5.2.3 Core Values

Innovators who are developing new strategies and therefore depart their future actions from prior practice, must often intervene with their surroundings in order for the strategies to be specifically tailored to the needs of their constituents (Suchman, 1995). It is clear that the clothing brand listens to the needs and demands of their stakeholders (Production Support Manager, 2017-05-04), and that women empowerment is an important aspect to address due to the clear majority of female stakeholders working at the company, buying their clothes and

producing their products (Production Support Manager, 2017-03-01). Responding to the demands is a way to achieve legitimacy (Suchman, 1995) when organisations embed institutionalised pressures and canalise them into their CSR activities (Eriksson-Zetterquist, 2009). By having stakeholders' interest at heart and integrating them into policy making, an organisation gains support and legitimacy from its surroundings (Suchman, 1995). It is evident that legitimacy is externally oriented, creating a paradox when core values are connected to the clothing brands' internal beliefs and therefore being internally oriented. It is questionable whether the core values are created through the will to gain legitimacy or if legitimacy occurs when the interest of stakeholders happens to align with the core values of the company.

Today, there seems to be a lack of consensus between brands regarding what SBCIs to scale up their collaborations with. A SBCI that aligns with one clothing brand's core values does not have to align with other clothing brand's core values. The clothing brand has a recurrent history of not scaling up their collaborations with SBCIs that fail to emphasise women empowerment (Production Support Manager, 2017-03-01). Women empowerment is a central part of the clothing industry (BSR representative, 2016-11-30), and so is the issue of water consumption in production (Production Support Manager, 2017-05-04). It is therefore clear that the choice of scaling up their collaborations with a certain SBCI is not only based on the core values of the clothing brand, but also for addressing industry-specific issues.

It is important that companies integrate their CSR issues into their core values and how they do business, influencing decision-making (Epstein and Rejc Buhovac, 2014) and benefitting themselves and their stakeholders (Porter and Kramer, 2011). SBCIs struggle to scale up their activities when brands solely see their work as a philanthropic investment rather than integrating it into their core strategy (BSR representative, 2016-11-30). In order for the clothing brand to scale up their collaborations with an SBCI, investing the time and money needed, it is vital that the content of the program aligns with the vision of the company. Therefore, the clothing brand wants to decide the content of the new HER-project covering the issues that the clothing brand feels strongly about. The fact that the program is developed and owned by them could be an advantage from a marketing perspective (Social Compliance Manager, 2016-09-19). By being co-creators of a SBCI program, the clothing brand could be viewed as first-movers and trustworthy by integrating their core values into their sustainability strategies instead of the collaboration being solely a philanthropic investment.

#### 5.2.4 Collaborations

It was found in the literature that cooperation is needed, if wanting to pursue social goals, public benefits and firm competitiveness (Epstein and Rejc Buhovac, 2014). The clothing brand agrees that brands need to collaborate to achieve sustainable change within the garment industry (Global Sustainability Manager, 2017-03-14). By collaborating, two or more companies can create a competitive advantage together and (Hwang and Seruga, 2011) many sustainability problems could be solved by activities across an entire industry, instead of solutions solely initiated by one company (Peattie, 2001). Creating long-term collaborations with their suppliers, clothing brands have managed to build firm capacities (BSR representative, 2016-11-30) through information exchange and knowledge spill-overs (Social Compliance Manager, 2017-05-03; Schilling and Phelps, 2007).

The BSR representative believes that companies will never reach scale if everyone is competing against each other, and there needs to be more collaboration among the brands in order to reach systemic change. (BSR representative, 2016-11-30). Despite the emphasised importance of inter-brand collaborations, there are several cases where brands that have outsourced their production to the same factory still don't collaborate or share the costs of implementing SBCI programs (Social Compliance Manager, 2016-09-19). By not joining forces, clothing brands miss out on the possibility of creating a competitive advantage and mutually solve issues within the supply chain. However, when facing the decision of collaboration or not, clothing brands need to evaluate the advantages and disadvantages of a collaboration. In order for collaborations to be successful for all brands involved, the gained competitive advantages need to exceed the disadvantages of joining forces with competitors.

Furthermore, HER-project is dependent on the amount of brands already included in the BSR network. (BSR representative, 2016-11-30). Network resources could contribute to new opportunities (Marcus, 2005), such as recruiting more brands to SBCIs. Collaborating and networking could be an opportunity for clothing brands to meet and discuss innovative solutions to the garment industry's sustainability issues that they are all facing. When reviewing the existing literature, it is clear that collaborations are based on the mutual self-interest of both the suppliers and the clothing brands (Locke et al., 2009). It is important to build collaborative relationships, which can be achieved by integrating activities, knowledge and perspectives of companies, governments and societies (Lane and Robinson, 2009). When interviewing the clothing brand, it was evident that the key to successful sustainability collaborations is long-

term collaborations (Social Compliance Manager, 2017-05-03). By creating these lasting collaborations, the clothing brand and its suppliers can develop reciprocal trust and mutual goals enabling sustainable improvements in the supply-chain.

In order to improve sustainability performance, companies need to include collaboration in their sustainability strategies and integrate sustainability throughout the organisation (Epstein and Rejc Buhovac, 2014). The BSR representative strengthens this by explaining that other departments than solely the sustainability department are starting to understand the importance of CSR. If scaling up is going to be possible, BSR needs the financial support of the other departments of the clothing brands such as the marketing and PR department (BSR representative, 2016-11-30). Delmas and Toffel (2008) state that intra-company power struggles affect the strategies developed by an organisation. The influence of a department is dependent on its ability to provide resources and important social networks in order for their activities to be a vital part of the organisational success and core business (Delmas and Toffel, 2008). It is important to create successful collaborations and overcoming the intra-company power struggles within the company in order for more resources to be invested into scaling up collaborations, since the power and resources of the CSR department is limited at the moment. A challenge for the clothing brand is to still develop a strong voice within the industry. In order to achieve the positive change that the clothing brand aims for, brands have to join forces and collaborate at a greater scale. Successful scaled up collaborations are likely to be viewed as trustworthy and legitimate, indicating that the clothing brand is undertaking sustainability actions that actually makes a difference.

#### 5.2.5 Impact assessments

Organisations can maintain legitimacy by perceiving future changes (Suchman, 1995), through experimenting with alternative solutions in order to improve sustainability conditions in the production countries (Lund-Thomsen and Coe, 2013; Social Compliance Manager, 2016-09-19). The success of the garment industry is therefore dependent on effective collaborations requiring developed performance measures (Hwang and Seruga, 2011). Legitimacy can also be maintained by protecting earlier accomplishments (Suchman, 1995), such as believing that auditing is still needed (Social Compliance Manager, 2016-09-19; 2017-05-03) even though research has shown marginal improvements (Locke et al., 2007; Egels-Zandén and Lindholm, 2015). The decision to still undertake factory audits is a way of communicating reliability, despite the fact that they do not drive change (Production Support Manager, 2017-05-04). This

shows that some decisions are purely based on the strive towards legitimacy, instead of the positive outcomes they provide. However, there is still a strong disbelief towards codes of conduct and audits from both the clothing brand and researches. The new and alternative solutions towards collaborations are still in the introduction phase and have therefore not been scaled up, leading to the difficulty of not yet being viewed as a legitimate sustainability practice. Therefore, still developing codes of conduct and implementing factory audits without positive impacts is a solution undertaken by the clothing brand due to the lack of legitimate alternatives.

Another legitimation strategy is for companies to produce and communicate concrete results (Suchman, 1995) and collaborations with SBCIs are scaled up after showing positive outcomes and a strong business case for the factories (BSR representative, 2016-11-30). It is therefore important for the collaborations to show positive results (Production Support Manager, 2017-05-04, QuizRR representative, 2017-03-20) and for factories to see the advantages with the collaborations. This is distinct when it comes to the clothing brand's collaboration with STWI, where they have seen concrete and measurable numbers depicting the improvements in the factories (Production Support Manager, 2017-05-04). These improvements have led to saved water and decreased production costs (Production Support Manager, 2017-03-01), leading to more factories wanting to join the collaboration with STWI and creating long-term and scaled up collaborations (Production Support Manager, 2017-05-04). It appears that positive and distinct results lead to SBCIs becoming more attractive in the eyes of the suppliers and a broader scope of factory involvement is key when wanting to scale up a SBCI.

Unfortunately, concrete outcomes are often complex to attain and document (Suchman, 1995), and a big challenge for clothing brands is to measure the benefits of a new collaboration (Locke et al., 2009). The importance of impact assessments is clear when not deciding to scale up their collaborations with QuizRR yet (Production Support Manager, 2017-03-01; Social Compliance Manager, 2017-05-03). Environmental results such as water use are easier to identify and account for (Production Support Manager, 2017-05-04) compared to social results such as wellbeing, worker-rights and women empowerment (Social Compliance Manager, 2017-05-03; Global Sustainability Manager, 2017-03-14). Nonetheless, positive results have been identified in some factories due to the HER-projects leading to decreased costs for the factories and an increased wellbeing for the workers (Global Sustainability Manager, 2017-03-14; BSR representative 2016-11-30). In the absence of clear outcomes, organisations can gain legitimacy by undertaking socially accepted and good-faith procedures (Suchman, 1995). Such procedures

could be to increase women empowerment regardless of the difficulties to measure the results. Despite the fact that social results are less accountable than environmental results, both are equally important in order to create a sustainable supply chain and need to be taken in consideration. No matter how important more quantitative measures are for proving a strong business case, it seems that more qualitative results, such as the increased well-being of factory workers, are just as vital.

# **5.3** Overcoming the challenges

The challenges with scaling up the clothing brand's collaborations with SBCIs were from the interviews identified as the scope and content of the programmes, funding and factory ownership. Further, it was found in the literature that the recognised barriers to successful collaboration are lack of trust, communication (Epstein and Rejc Buhovac, 2014), common goals (Cetindamar, 2005) time and performance measures (Locke et al., 2009). Based on the need to overcome these challenges and risks with scaling up collaborations, managerial strategies are identified. It is vital to integrate the collaboration into the company's sustainability strategy, share value with all parties and fully commit to the collaboration.

#### 5.3.1 Integrate

Just as with any other sustainability activity, the clothing brand has to integrate their collaborations into the company's sustainability strategies, core business and decision-making (Epstein and Rejc Buhovac, 2014). When deciding to design their own HER-project, the clothing brand aims to align the collaboration with the core values of the company (Social Compliance Manager, 2016-09-01). The BSR representative stresses the importance of clothing brands integrating women empowerment into how they do business, instead of it being solely a philanthropic investment. This is one of BSR's biggest challenges when it comes to scaling up the commitments of the clothing brands (BSR representative, 2016-11-30). When developing sustainability practices that are voluntary, clothing brands need to decide on a strategy that aligns with their core business. In return, by having values that permeates the company's sustainability strategy, a company could be viewed as more trustworthy by its stakeholders.

#### 5.3.2 Share value

A vital aspect for a successful collaborative relationship is to ensure value creation for all parties involved, including society (Epstein and Rejc Buhovac, 2014; Porter and Kramer, 2011; Jensen,

2002). However, measuring the value creation and benefits of a collaboration is challenging (Locke et al., 2009). Collaborations are threatened by opportunism, if one company undertakes actions based on its own interests rather than the interest of all parties included (Hwang and Seruga, 2011). Therefore, it is crucial that the clothing brand makes sure that the factory itself gains efficiency due to the SBCI programs, and that the ownership of the projects is transferred to the suppliers. SBCIs also need to scale their collaborations through local business associations, creating value for the local society. Epstein and Rejc Buhovac (2014) suggests that a written statement of collaboration could establish the base of the collaboration, helping the organisations to stay focused on their common goals, and stating how each party can contribute to creating value (Epstein and Rejc Buhovac, 2014). In order to ensure the creation of shared value for all parts of the collaboration, the clothing brands, the factories and the SBCIs need to be clear about their vision, goals and mutual interests regarding their collaboration. However, ensuring equal value creation for all parties in the garment supply chain is challenging, since global clothing brands might have a clear vision of how value is created for them whilst local factories have another view.

#### 5.3.3 Commit

Collaborations should be seen as long-term investments. Therefore, all parties must show commitment and willingness to dedicate resources and time into the collaboration (Epstein and Rejc Buhovac, 2014). Time as well as frequent interactions between clothing brands and their suppliers are important factors for creating committed long-term relationships (Locke et al., 2009). The clothing brand similarly states that working with a SBCI for a longer period of time is the key to a successful collaboration, and that committing to it is vital for both parties (Social Compliance Manager, 2017-05-03). Paradoxically, there is a complaint regarding how time consuming it is to implement the initial HER-projects at each factory. Collaborations with other brands seem to make the implementation time of the projects longer due to the need to compromise the content of the programs (Social Compliance Manager, 2016-09-19). However, trust is one of the main barriers for collaborations (Cetindamar, 2005) and trust takes time to develop. There is also necessary to create teams within the company dedicated to these specific collaborations and issues of concern (Epstein and Rejc Buhovac, 2014). This can open up for personal, consistent, frequent and effective communication between the parties.

# 6. Conclusion

The globalisation of the world has led to supply chains becoming more complicated. The complex issues of the garment industry are vital to understand since they affect economic, social as well as environmental conditions. These concerns have an impact on companies and their global operations, yet affecting all parts of society. Therefore, integration of sustainability into organisations' operations are starting to increase its importance.

## 6.1 Interpretation of analysis

Researches have shown that codes of conduct and auditing have reached marginal results and have therefore lost credibility, making legitimacy an important factor when looking for alternative CSR practices, in order to survive and be successful. Companies are therefore starting to collaborate and work in collaborations to achieve sustainable success within their supply chain. The most prominent way to undertake sustainability collaborations within the garment industry is not yet discovered, making clothing brands examine and investigate what strategies that are most successful. Organisations can strive towards reaching long-lasting sustainability improvements and work to tackle issues at scale by having shared goals and standards. However, if these alternative sustainability activities fail to scale up and do not reach a large amount of factories, the clothing brands face a reality where stakeholders could question their credibility as a responsible company. The purpose of this research has therefore been to interpret and understand the current actions of clothing brands' sustainability practices. An investigation of the processes behind upscaling decisions of clothing brands' collaborations with SBCIs has been conducted, in order to understand the aspects of importance behind these decisions.

A conclusion from the research is that there are two main factors affecting clothing brands' decisions to scale up their collaborations with SBCIs. The identified aspects of importance are those that yield legitimacy and a competitive advantage. Based on the empirical findings and the theoretical framework, external pressures, value creation, core values, collaborations and impact assessments are factors that allow clothing brands to be viewed as trustworthy and strengthens their competitiveness within the industry. These aspects are of importance when clothing brands carefully decide what SBCIs to scale up their collaborations with, since their CSR budget is limited. In order to reach systemic change within the garment industry, clothing brands need to join forces and share resources, leading to the development of similar strategies.

Simultaneously, there is a strive towards being industry leaders, making companies find themselves in a position of being as different as legitimately possible.

If clothing brands do not manage to scale up their collaborations with SBCIs, their ability to make a positive change to the environmental and social issues within the garment industry will be critiqued. To avoid this destiny, clothing brands need to overcome several challenges that are identified from this research. Scaling up collaborations require new resources, competences and inter-company strategies that are tailored to maintain successful collaborations. To adjust to a future of scaled up collaborations with SBCIs, clothing brands need to develop strategies that integrates the collaboration into the company's sustainability strategy, share value with all parties and fully commit to the collaboration. It is vital for all actors within the garment industry to start thinking long-term in the high-paced context that they operate in.

#### **6.2 Future research**

While this is one of few studies into SBCIs in general (see Lund-Thomsen and Coe 2013 for an exception) and to our knowledge the first into the scalability of SBCIs in particular, the study also has limitations that should be addressed in future research. Conducting a qualitative study based on one business case opened up for an in-depth analysis of the topic despite the time limit. However, future research could focus on creating more of a quantitative study, covering a wider range of clothing brands and SBCIs in order to gain a more generalised perspective of the aspects of importance for scaling up processes. An interesting scientific addition to the topic would be to investigate if these aspects are similar in other industries. Further, impact assessments of scaled up and well-established collaborations with SBCIs could be assessed in the future in order to analyse the actual sustainability progress within the supply chains.

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