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SCHOOL OF BUSINESS, ECONOMICS AND LAW

A Developing Country's Decision Making in Regards to Supplier Selection

A Multiple Case Study of the Hotel Industry in Bali

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Abstract

The importance of supply chain management as well as the incorporation of sustainability within supply chain management is agreed upon in existing literature. It is stated that "a company can only perform as well as it is allowed by its suppliers" (Rezaei et al., 2016, p.8165), which makes the supplier selection process evidently important. To achieve efficient as well as sustainably accepted supplier selection, companies are demanded to both make crucial decisions and to make sure to incorporate sustainability into every part and every partner of the process. This makes decision making very important and dependent on the person behind the decision as well as the organizational directives. Furthermore, it is known that developing countries are more likely to violate sustainability principles in their supply chains than developed countries. This thesis has therefore used the context of a developing country's hotel industry to explore supplier selection and thereby answer the research question: *What influences local hotels in Bali's supplier selection in the light of sustainable supply chain management?*

The theoretical framework of this study was created using two well established theories: *Triple Bottom Line* and *The Theory of Planned Behavior*. The framework presupposes that sustainable decision making is dependent on corporate sustainable directives and personal sustainability preferences. The study was conducted using a qualitative research strategy with semi-structured interviews as primary data collection. A multiple case study is approached, as the interviewed hotels built a case regarding the decision making within the supplier selection process in the light of sustainable supply chain management. The data was collected from nine hotels by conducting seven physical interviews and two interviews over email. The study concludes that sustainable decision making is evidently dependent on either corporate sustainable directives or personal sustainability preferences or a combination of both. Hence, the answer to the research question is that both corporate sustainable directives and personal sustainability preferences influence the local hotels in Bali's supplier selection in the light of sustainable supply chain management. The framework created is therefore accepted within this research and is recommended to be used in future research on supplier selection to be validated. Furthermore, a less restricted time frame could help improve the results of this study within future research and exploring the awareness of sustainability in Indonesia, and how this evidently affects the outcomes of sustainable actions within the country, could possibly enrich the findings of this study.

Keywords: Supplier selection, Sustainable supplier selection, Sustainable development goals, Reasoning behind decision making, Decision making, Triple Bottom Line, Theory of Planned Behavior.

Acknowledgements

Abbreviations

LCDI	Low Carbon Development Initiative
GSCM	Green Supply Chain Management
GSTC	Global Sustainable Tourism Council
MDG(s)	Millennium Development Goal(s)
NGO(s)	Non Governmental Organization(s)
SCM	Supply Chain Management
SDG(s)	Sustainable Development Goal(s)
SSCM	Sustainable Supply Chain Management
TBL	Triple Bottom Line
TPB	Theory of Planned Behavior
UN	United Nation
UNEP	United Nations Environment Programme
UNWTO	United Nations World Travel Organization

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1. Introduction

This chapter aims to introduce the thesis subject and identify the drivers behind the research as well as to present the research question and the delimitations of the study. The end of the chapter presents an overview of the thesis in the form of a disposition figure.

1.1 Background

Supply chain management (SCM) is today an important process in creating an effective business and enables an increase in both profits and market share at the same time as sustainability is incorporated into the business (Simchi-Levi et al., 2022). It is said that "a company can only perform as well as it is allowed by its suppliers" which can make the supplier selection process crucially important to the future performance of a company (Rezaei et al., 2016, p.8165). The choice of outsourcing operations to a third-party, which are costly or challenging to attain in-house, therefore need to be strategically assessed using an evaluation process (Espino-Rodíguez & Lai, 2014; Reza et al., 2020; Rezaei et al., 2016). The evaluation process includes factors such as assessing the performance of a company as well as factors such as environmental sustainability, social sustainability and economic performance (Rezaei et al., 2016). Finding a supplier who fulfills all criteria can therefore be a difficult process as the logistics behind a supply chain can be tough to navigate (Blue Ocean Academy, 2021).

The difficulty of navigating a supply chain lies within the complexity of making decisions in order for both internal and external parties, as well as customers, to get satisfied (Global Supply Chain Institute, 2022). Therefore, the decision making skill is of utmost importance when selecting suppliers (Global Supply Chain Institute, 2022). Another challenge concerning decision making is trying to look at your options rationally. Rationality implies that the decision maker has retrieved and processed all relevant information in relation to the specific decision. Complete rationality is unrealistic in real life decisions due to the human factor which drives us to incorporate personal values into our decision making (Global Supply Chain Institute, 2022; Kastner & Stern, 2015). The decision making within the supplier selection process is affected by numerous factors, both outside and inside your business, and some even out of your

control (Global Supply Chain Institute, 2022), which makes the decision making process complex and the decision maker's reasoning interesting.

The awareness of sustainability has continued to grow over the past years (Yuniati, 2021). At the same time, it is observed that tourism has an increasing environmental impact as it has become one of the fastest growing economic sectors in the world (Szpilko, 2017). A country that has, over the past 20 years, managed to cut their poverty rates in half and increase their GDP with tourism as a big contributing factor is Indonesia (World Bank, 2022: Oktadiana & Pearce, 2017). In Indonesia, Bali is the largest and most popular tourist destination and about 80% of the residents in Bali rely on the tourism industry (Sperling, 2020). The presence of about six million annual international and domestic tourists in Bali generates over 50% of Indonesia's revenue but has put an immense pressure on the limited resources on the island. The tourism industry thereby plays a key role in the contribution of climate change and environmental degradation (Preziosi et al., 2022).

Within the tourism sector the hotel industry is big in Bali, with more and more hotels entering the market it becomes a challenge to become profitable and stay relevant on the market (Szpilko, 2017). Incorporating a sustainable approach is observed to positively impact the foundation of a business through cost savings, increased market share, and a strong brand image (Martins & Pato, 2019). Keeping every part of the business in-house is expensive and it is therefore common to outsource one or multiple parts of the business (Jia et al., 2021). When companies outsource one or multiple parts of their organizations they get interconnected in a network which becomes their supply chain (Simchi-Levi et al., 2022). Indonesia, and especially Bali, therefore becomes an interesting case in relation to supplier selection and the reasoning behind it.

In summary, supply chain management is a process which consists of choosing suppliers and is today an important process in order to keep a business effective. The difficulty within SCM lies within effective decision making (Global Supply Chain Institute, 2022). Since decision making is related to soft factors such as behavior and culture, the interest lies in investigating the reasoning behind decision making within the supplier selection process. As the tourism sector is stated to be the fastest growing economic sector in the world, where the tourism in Bali forms a great example and contributes to over 50% of Indonesia's revenue, it constitutes a suitable empirical context for investigating the supplier selection process. Within the tourism

sector the hotel industry is big in Bali (Szpilko, 2017), which is why this research investigates the reasoning behind decision making within the supplier selection process at hotels located in Bali.

1.2 Problem Discussion

In order for any business to become successful, supply chain management (SCM) is critical (Jia et al., 2021; Rezaei et al., 2016). SCM covers the movement from producing to delivering a product or service and includes every business that takes part in this process (Simchi-Levi et al., 2022). The great value of SCM lies within the ability to maximize customer value at the same time as you can make cost effective decisions for your business and achieve sustainable competitive advantages (Macchion & Fornasiero, 2020; Zimmer et al., 2016). Within SCM the supplier selection process is of great importance. To achieve efficient supplier selection, companies are thereby demanded to both make crucial decisions and to make sure to incorporate sustainability into every part and every partner of the process (Rezaei et al., 2014).

Firstly, decision making within the supply chain is complex (Macchion & Fornasiero, 2020; Zimmer et al., 2016). The process demands the decision maker to incorporate multiple views, both within their business and with partnering businesses, in order to develop an efficient and profitable supply chain (Macchion & Fornasiero, 2020; Zimmer et al., 2016). Businesses can choose to turn to manufacturers in other countries or local parties to outsource one or multiple parts of their business. Regardless of how the supply chain looks like, the emphasis lies within the need to have control over the whole supply chain. This is mainly in order to be able to provide requested products in a proper amount of time (Macchion & Fornasiero, 2020). Being in control over your supply chain requires you to develop good relationships with the partnering businesses within your supply chain. This is especially important within the hotel business as internal service functions are challenging to attain in-house and therefore outsourcing is common (Reza et al., 2020). As the hotel industry, especially in Bali, is facing issues regarding cost effectiveness and profitability, SCM can bring great value (Szpilko, 2017: Simchi-Levi et al., 2022). The difficulty lies within deciding which parties are good business partners to bring into your supply chain and who, at the same time, satisfies the needs of the business and has potential to make the business profitable. Kastner & Stern (2015) state that a decision maker must be fully rational in order to make the most profit maximizing decisions. In real life situations the entirely rational decision maker is unrealistic because of the situational

constraints, such as time limitation and limited cognitive capacities, but also because of the human factor. This makes the reasoning behind decision making interesting (Kastner & Stern, 2015).

Secondly, sustainability is a well-known and well used word within organizations and originated as a counter reaction due to the perception of the industrial society being unsustainable (Caradonna, 2014). The sustainability focus that has arisen during the previous years, as well as having been a part of the common global agenda from 1972, has made it clear that we need to prioritize our planet today in order for us to be able to live a good life tomorrow (Nightingale, 2019). Jia et al. (2021) have analyzed 84 articles on the subject of sustainable supply chain management (SSCM) and state that the incorporation of sustainability into supplier management is very important for any company in the current global context. Further, companies are more commonly adding a fifth measure, sustainability, to their traditional supplier management's four operational focus measures: cost, quality, flexibility, and delivery. This is believed to provide businesses with a competitive advantage and will impact organizational choices of where they are willing to locate their money (Macchion & Fornasiero, 2020). Developing countries are, though, stated to violate sustainability principles to a larger extent than developed countries (Kshetri, 2021).

Lastly, the tourism sector is the fastest growing economic sector in the world (Szpilko, 2017) and the developing country Indonesia has tourism as a priority sector for economic development (Antara & Sumarniasih, 2017). At the same time, hotels in Indonesia, especially in Bali, are facing issues (Sukawati et al., 2020). Effective SCM, which results in reducing costs and increasing competitiveness, is one way to combat their problems (Simchi-Levi et al., 2022) and at the same time incorporate sustainability into their businesses (Jia et al., 2021). Arifin et al. (2019) state that SCM and its integration with the tourism industry is a new dimension to existing literature and Rezaei et al. (2014) underline the supplier selection as the most important task within SCM. Managing supplier selection is a complex task which requires decision making that satisfies both external and internal views (Macchion & Fornasiero, 2020: Zimmer et al., 2016). A decision made in order to fully maximize profits is stated to be dependent on the decision maker being fully rational. In real life situations the entirely rational decision maker is unrealistic because of situational constraints and the human factor (Kastner & Stern, 2015). Which is why this research aims to focus on the reasoning behind supplier

selection, in the light of sustainable supply chain management, in the hotel industry at hotels located in Bali.

1.3 Purpose of Research & Research Question

The importance of supplier selection is widely agreed upon in existing literature (Rezaei et al., 2014; Rezaei et al., 2016; Zimmer et al., 2016 Macchion & Fornasiero, 2020; Jia et al., 2021; Simchi-Levi et al., 2022). The importance of integrating sustainability within the supplier selection (Jia et al., 2021; Hussain et al., 2019) as well as supplier selection being a key possibility to incorporate sustainability in a business is additionally agreed upon in existing literature (Simchi-Levi et al., 2022). It is, though, stated that developing countries are more likely to violate sustainability principles in their supply chains (Kshetri, 2021). The developing country Indonesia has tourism as a priority sector for economic development, with Bali as the largest and most popular tourist destination within the country (World Bank, 2022: Oktadiana & Pearce, 2017). Within the tourism sector, the hotel industry is big in Bali, with more and more hotels entering the market it becomes a challenge to become profitable and stay relevant (Szpilko, 2017). Indonesia, and especially Bali, therefore become an interesting case in relation to supplier selection and the reasoning behind it. Furthermore, supplier selection is a complex task since it consists of multiple choices and is supposed to satisfy multiple wills within a company (Macchion & Fornasiero, 2020: Zimmer et al., 2016). The purpose of our study is therefore to identify what influences decision making within the supplier selection process at hotels located in a developing country and thereby answer the following research question (RQ):

RQ: What influences local hotels in Bali's supplier selection in the light of sustainable supply chain management?

1.4 Delimitations

The study is delimited to exploring the reasoning behind decision making within the supplier selection at hotels located in Bali, which in other words is a geographical limitation. The interviews have been delimited to hotels which have a classification of at least four stars and with international reach through search engines, which enables comparability and encompasses hotels of a certain size and thereby an extended chance of the hotel being part of a bigger supply

system. There on, the study has been delimited in the amount of time spent at the studied location and therefore limits the time on gathering primary data.

1.5 Disposition

The disposition of the study can be seen in Figure 1 below. There are in total seven chapters: Introduction, Empirical Setting, Literature Review, Methodology, Empirical Findings, Data Analysis and finally, Conclusions.
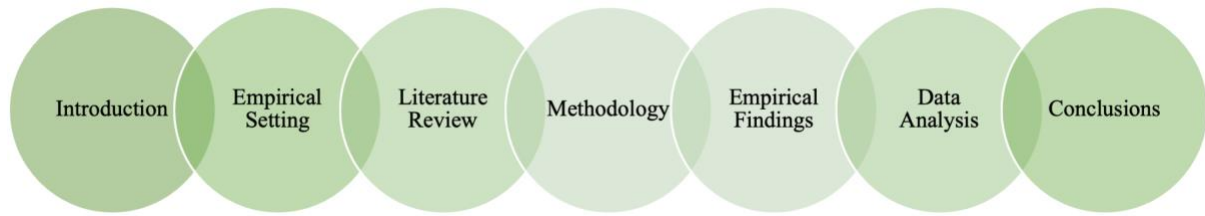
Figure 1. Disposition

The *Introduction* chapter aims to introduce the thesis subject and identify the drivers behind the research as well as to present the research question and the delimitations of the study.

The *Empirical Setting* chapter aims to introduce the empirical setting, meaning the country in which the case study is conducted. Further, this chapter aims to present the regulations and policies provided by the national government as well as the country's overall conditions and circumstances.

The *Literature Review* chapter aims to provide a deeper understanding of the topic as well as serve as a theoretical background for the discussion in the following sections. The theoretical background will firstly present supplier selection along with sustainable supplier selection as well as the triple bottom line (TBL). Secondly, important reasons to work sustainably as well as policies and regulations that are found internationally will be introduced. Thirdly, literature on decision making in terms of the theory of planned behavior (TPB) is presented. Finally, the framework used to analyze the collected data is introduced in the form of a combination of TBL and TPB.

The *Methodology* chapter aims to provide an overview of the process of the study. The chapter starts with introducing the qualitative form of research strategy and the choice of using a multiple case study as the research design. It continues by presenting how previous literature was reviewed, how online sources were used to collect the secondary data and semi-structured

interviews were used to collect the primary data as well as motivates the choice of respondents. Further, the chapter explores the analysis method used to discuss the collected material and ends with presenting the ethical considerations that were taken into account as well as criticisms of the steps in this process.

The *Empirical Findings* chapter aims to present the primary data collection, which is based on the nine conducted interviews with managers at nine different hotels in Bali. The purpose of this chapter is to synthesize the data based on thematic coding. Firstly, the respondents are presented in a table showing the respondents position, hotel services and hotel size. Secondly, the identified themes and codes are presented in a figure acting as an overview of what will be presented in the following section which presents a reminder of the framework as well as the core of the empirical findings from the collected data. Lastly, a table is presented to summarize the findings in the chapter.

The *Data Analysis* chapter aims to compare the information that the interviews provided with the theoretical framework created in the literature review. Firstly, the chapter shortly introduces the framework again. Secondly, the chapter explores the organizational impact on decision making and thirdly, the personal impact on decision making. The chapter fourthly summarizes the analysis in the sustainable decision making part and finally ends with adjusting the framework in accordance with the empirical findings and the analysis provided.

The *Conclusions* chapter aims to present the main findings of this study and with that, an answer to the research question. This is followed by the contributions and practical implications of the study. Finally, limitations and suggestions for future research are presented.

2. Empirical Setting

This chapter aims to introduce the empirical setting, meaning the country in which the case study is conducted. Further, this chapter aims to present the regulations and policies provided by the national government as well as the country's overall conditions and circumstances.

Indonesia is considered a developing country and has a population of 262 million where the majority are Muslims (Russel, 2020). Over the past 20 years, Indonesia has managed to cut their poverty rates in half as well as had a GDP growth rate of 5.2% in 2018 (World Bank, 2022). The tourism industry has played a great role in increasing the growth rate as it contributed to approximately 11% of the total GDP in 2016, this makes it a considerable part of the Indonesian economy (Oktadiana & Pearce, 2017). In addition, it contributed to employment for 11.7 million people. The beneficial path for Indonesia would, according to LCDI (2019), be to have an average annual GDP growth rate of 6% until 2045. Reaching this goal in 2045 would entail being able to compare Indonesia to countries such as Denmark, the Netherlands and Germany (LCDI, 2019). However, the recent COVID-19 pandemic hit Indonesia hard and the country fell from being an upper-middle income country to a lower-middle income country by mid-2021 (World Bank, 2022). The country is governed by a president together with its 38 ministers and was the third largest democracy in the world in 2020 and additionally the largest Muslim democracy (Russel, 2020). Nevertheless, non-Muslims who have openly spoken against Muslim traditions, such as solely complaining about the mosque noise level, have faced charges such as jail time (Russel, 2020). Surveys show increasing but low levels of trust in the institutions as for example vote buying is common (Russel, 2020).

The religion acts as a core for Indonesian identity and has an extensive influence on the culture (Lee et al., 2020). Indonesian people are expected to follow some Islamic rules regardless of their own religion. In business contexts, religion has an impact and Islamic values are followed in advertising, as one example, where use of sexual appeal, deceptive promotions, or advertisement that exploit or provoke the basic instincts of consumers is strongly discouraged (Lee et al., 2020). In a more general business context, religion is believed to influence business ethics and may thereby influence an individual's attitudes, views, decision, and even behaviors (Gallego-Alvarez et al., 2019). Furthermore, consumers are influenced to consume and spend

moderately and ethically, which has led consumers to primarily choose local brands to protect the local economy (Lee et al., 2020).

Although Indonesia's GDP has had an impressive growth until 2018, it has come at the cost of using unsustainable alternatives such as coal burning (WRI, 2020). The OECD (2021) provides statistics showing Indonesia's current air pollution is more than double the amount of the World Health Organizations (WHO) guidelines. Due to this, Indonesia introduced green growth of low carbon development into its development strategy for the very first time in 2017 and as a result created the very first sustainable development plan in January 2020 (WRI, 2020). Being declared in 2017, the Low Carbon Development Initiative (LCDI, 2019) aimed to integrate climate action into Indonesian development strategy in the form of reducing greenhouse gas emissions. The LCDI initiative was implemented with the goal of being integrated into the National Medium-Term Development Plan for 2020-2024 (2020), which in turn aims to manifest Indonesia's independence in becoming a developed country in the form of being self-reliant, democratic, peaceful, just and united.

Indonesia is struggling with five main environmental related issues (LCDI, 2019). The first issue is related to air and water pollution, in larger cities specifically. The second issue is related to the decreasing forests as a consequence of unsustainable agriculture. The third issue is related to urban sprawl and congestion as a consequence of an unsystematic process of urbanization. The fourth issue is related to depletion of fisheries, rich biodiversity and water resources. The fifth main issue is related to the overall harmful effects on global climate change (LCDI, 2019). Due to tourism being a large part of the Indonesian economy, it also plays a large part in contributing to the environmental related issues they are struggling with (Youssef & Zeqiri, 2022). Tourism has the largest impact on the fifth main issue as it contributes to approximately 5% of carbon emissions globally (Youssef & Zeqiri, 2022). Tourism and the hospitality industry encompasses hotels, restaurants, airlines, casinos, and tourist attractions where 75% of the carbon emissions are due to transport, 21% are due to accommodation and the final 4% are due to other tourism activities (Youssef & Zeqiri, 2022). On top of contributing to the overall harmful effects on global climate change, tourism, specifically hotels and accommodations, has a high water consumption which additionally contributes to carbon emissions (Youssef & Zeqiri, 2022).

The Indonesian OECD report of 2021 stresses that *"...government and business actions carry the potential to accelerate the green transition"* (OECD, 2021, p.11). Meaning the government needs to take action in the form of producing sustainable and strong policies that regulate the corporate behaviors and operations. Businesses need to take actions as well, both to follow the regulations produced by the governments and to implement their own sustainable strategies. As Indonesia is one of the world's largest greenhouse gas emitters, and more specifically the second largest plastic polluter, the government has in mid-2020 decided to reduce the plastic waste by 70% by the year 2025. Further, the government has decided to eliminate the plastic waste entirely by the year 2040. It is apparent that they are aware of the strong need for ambitious policies to reach their national goals as well as the SDGs as this is globally the most ambitious national plan (OECD, 2021).

The United Nations is today working together with Indonesia to reach the SDGs, although they have had a difficult history (UN Indonesia, 2023). In 1965, Indonesia decided to withdraw from the UN, becoming the first country to do so, due to their hostility towards Malaysia joining. However, just a year later in 1966, Indonesia joined the UN once again, resuming all activities to reach the SDGs (UN Indonesia, 2023).

3. Literature Review

This chapter aims to provide a deeper understanding of the topic as well as serve as a theoretical background for the discussion in the following sections. The theoretical background will firstly present supplier selection along with sustainable supplier selection as well as the triple bottom line (TBL). Secondly, important reasons to work sustainably as well as policies and regulations that are found internationally will be introduced. Thirdly, literature on decision making in terms of the theory of planned behavior (TPB) is presented. Finally, the framework used to analyze the collected data is introduced in the form of a combination of TBL and TPB.

3.1 Supplier Selection

Supply chain management (SCM) is a process that evolved and became greatly prioritized after the discovery of manufacturing technologies in the 1980s that allowed businesses to reduce costs and increase their competitiveness in different markets (lean, kanban, just-in-time, etc.) (Simchi-Levi et al., 2022). SCM is today an important process in creating an effective business which enables businesses to increase both profit and market share. A supply chain entails the logistical network of a business and consist of both coordination upstream, meaning coordinating with suppliers and previous participants of the supply chain, and coordination downstream, meaning coordinating with customers and later participants of the supply chain (Simchi-Levi et al., 2022). Companies in the current global context are today spending large amounts of money on purchasing goods and/or services from external parties which makes an effective SCM process valuable (Jia et al., 2021). This is common within the hotel industry as many activities that are challenging or costly to attain in-house can be outsourced to a third-party, which is a feasible option (Espino-Rodríguez & Lai, 2014; Reza et al., 2020).

Outsourcing to a third-party is dependent on the supplier selection process within SCM and this process is considered to be one of the most important tasks (Rezaei et al., 2014). Rezaei et al. (2014, p.8165) state that "a company can only perform as well as it is allowed by its suppliers" and therefore the supplier selection process has a crucial impact on the future performance of a company (Rezaei et al., 2016). The process thereby consists of assessing the performance of available suppliers and, as the supplier selection decision has come to be a

strategic decision, additional factors such as environmental sustainability, social sustainability, and economic performance are included in the evaluation process (Rezaei et al., 2016). There are several definitions given for the supplier selection. The one taken for this study is based on the research of Rezaei (2019) which discusses supplier selection based on the process of evaluating and choosing suppliers. The definition of supplier selection for this research is thereby: A process by which suppliers are reviewed, evaluated, and chosen to become part of a company's supply chain.

3.1.1 Sustainable Supplier Selection

The need to integrate sustainability into the supply chain was identified in the mid-1980s but the urgency was historically marked when the "Report of the World Commission on Environment and Development: Our Common Future" on the matter was published in 1987 (Khan et al., 2017; Hussain et al., 2019). The report stresses the definition of sustainability being: the ability of future generations to use the same natural resources that are being used today. Fast-forwarding three years, sustainability was integrated in the literature concerning supply chains in the form of green supply chain management (GSCM). GSCM had a focus on implementation through various Rs (for example: Reduce, Re-use, Recycle) which was viewed as inadequate in addressing other aspects such as economic and social (Khan et al., 2017; Hussain et al., 2019). Therefore, a new name was introduced in the form of replacing "green" with "sustainable" resulting in sustainable supply chain management (SSCM) (Khan et al., 2017). The triple bottom line (TBL) is a concept that is frequently associated with sustainability in the supply chain, this concept will be further elaborated on in section 3.1.2 below (Khan et al., 2017).

Achieving sustainability is, though, up to each firm individually and not solely the firm choosing their supplier (Jia et al., 2021). However, the media, activists and NGOs often hold the focal firms responsible when violating sustainability and choosing unsustainable choices of suppliers. Nevertheless, rather than dismissing the organizations current suppliers that are performing poorly, they can work together with them to improve their performance with the incentive of achieving SDGs (Jia et al., 2021). A supply chain entails outsourcing a part of the business's operations which in turn can entail the loss of controlling the quality of the work that the outsourced supplier does (Khan et al., 2017). Considering the fact that it is easier to follow up how various organizations are operating globally today, there is an increased pressure

on the organizations to pursue sustainable alternatives. If they do not, they face the potential consequences of negative coverage from media, activists and NGOs which in turn can have a negative impact on, for example, the company brand (Khan et al., 2017).

Furthermore, considering businesses today, it is increasingly uncommon for a product lifecycle to be solely located in a single country (Khan et al., 2017). Again, considering the various policies, it is therefore difficult to apply a single country's policy to an organization. The organization may have outsourced a part of their production to another country which in turn has other laws and regulations regarding sustainability than the focal firms (Khan et al., 2017). The current solutions such as policies produced by international organizations (for example the World Trade Organization) are lacking the sustainability factor as well as are mostly encouraging businesses to operate in a certain way rather than regulating them (Khan et al., 2017). In addition to this, Kshetri (2021) states that in developing countries there are more violations of sustainability principles in supply chains than there are in developed countries. This can consequently result in developed countries outsourcing emissions to developing countries (Baumert et al., 2019). The inevitable consequences of globalized supply chains are increasing greenhouse gas emissions (Khan et al., 2017). With insufficient policies to regulate such challenges, and corporate leaders' ignoring the bigger picture concerning the impact on the global environment that their supply chains have, consequently allows organizations to keep their cost-reducing focus rather than minding the environment in the decision-making (Khan et al., 2017).

Incorporating an environmental criterion within the supplier selection process adds to the complexity of the decision making process (Rezaei et al., 2016). The literature regarding green supplier evaluation is less extensive than more established supplier criteria, though it is stated that the compatibility of environmental supplier criteria with more established business criteria is not seamless. This encompasses for tradeoff scenarios when the environmental criteria is supposed to be incorporated. Therefore, environmental criteria are stated to be less specific. As a consequence, turning these criteria into measurable variables are challenging, both for the purchaser and the supplier. In order to address this concern, Rezaei et al. (2016) recommends a structured approach which, for example, can be done through using company specific categorization.

Within different industries there might be individual standards and industry specific criteria that are pinpointed as crucial, as for example cost, quality, and delivery time. Within the hotel industry it is found that the sustainability criteria is considered as the least important supplier selection criteria (Önder & Kabadayi, 2015). Which suggests that sustainability is a neglected issue in the hotel supplier selection process. As the pressure from both stakeholders and consumers of pursuing sustainable alternatives is increasing (Khan et al., 2017), the importance of incorporating environmental criteria in the supplier selection process becomes crucial (Rezaei et al., 2016). This situation calls for a multi-criteria decision making that can incorporate environmental, social, and economical business factors (Rezaei et al., 2016).

3.1.2 Triple Bottom Line as a Conceptual Guide

The phrase of the *Triple bottom line* (TBL) was firstly introduced by Elkington (1997) and is referring to the three dimensions: environmental performance, social performance & economic performance in a business context. The TBL model has acted as a key framework for companies to develop long-term strategies in order to make a transition towards sustainability (Khan et al., 2017). The model is usually portrayed as a Venn diagram (Figure 2) where the interaction of all three dimensions will lead to a sustainable business approach.
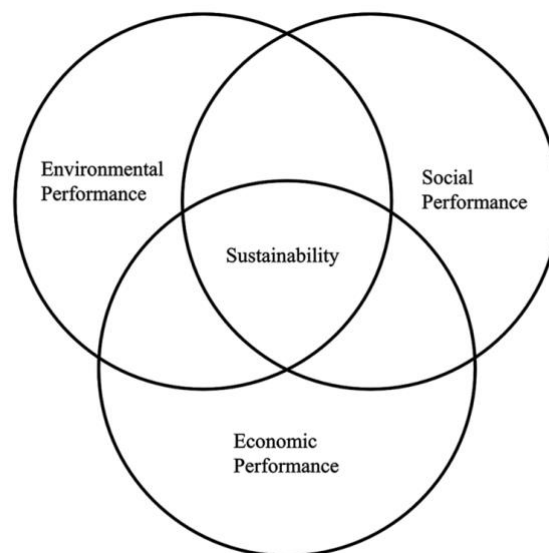
Figure 2. Triple Bottom Line. (Khan et al., 2017).

The environmental pillar concerns activities that would imply work that does not impact our planet, such as green engineering, resource integrity and working for better air and water quality (Khan et al., 2017). Within the hotel business, this encounters actions such as considering the environmental consequences by reducing their emissions, water consumption, and energy as well as managing waste (Kim et al., 2018). The social pillar is focusing on the

people living on the planet and how to create, for example, environmental justice, improve human health, education and sustainable communities (Khan et al., 2017). Social consequences within the hotel business are, for example, donating to charity, participating or instigating local initiatives and reducing poverty (Kim et al., 2018). The economic pillar consists of the work put into incentives, jobs, supply and demand, costs and prices and so on (Khan et al., 2017). To consider economic consequences, a hotel can for example influence their suppliers to work sustainably by using less packaging material and ordering bigger volumes to decrease the quantities of transportation. (Kim et al., 2018). The combination of the three pillars would imply that organizations operate to sustain long term economic benefits. In relation to SCM, the TBL implies that there is a linkage between sustainability and manufacturing and in order for a business to act sustainably, the other parties of the supply chain have to do the same (Khan et al., 2017).

Furthermore, Chen & Kitsis (2017) explains how TBL is incorporated into SSCM:

> Besides economic performance, firms today are increasingly held responsible for the environmental and social impacts of not only their own operations but also entire supply chains, including second, third, or higher tier suppliers. Consequently, an integrated approach to managing supply chain processes, from the extraction of raw materials all the way to the recycling of products, necessitates the development and fostering of relational capabilities among supply chain partners. (Chen & Kitsis, 2017, p.1469)

Sarkis & Dhavale (2015) explain that there has been an increased focus towards linking the supplier selection process with all three factors of TBL, and not solely the economic pillar which has been the main focus previously. Within research on supplier selection, it is though the economic and environmental pillars that have been taking precedence (Rezaei, 2019). For this research, the definition of supplier selection will incorporate sustainability through focusing on two relevant circles, the environmental performance and the economic performance, of the TBL within supplier selection. The definition of sustainable supplier selection within this research is therefore: A process by which suppliers are reviewed, evaluated, and chosen to become part of a company's supply chain, where the selection process incorporates both economic and environmental criteria.

3.2 Sustainable Operations & Directives

Due to the importance of sustainable supplier selection, section 3.2.1 introduces four reasons why corporate sustainability is important along with the consequential greenwashing. The

following section, 3.2.2, introduces the global directives from the United Nations (UN) 17 sustainable development goals (SDGs) which countries have started applying to their own policies and regulations. The policies and regulations are important for the study due to the impact they are believed to have on the decision making within supplier selection.

3.2.1 Corporate Sustainability & Greenwashing

Epstein et al. (2014) present four reasons why it is important with corporate sustainability: government regulations, community relations, cost and revenue imperatives and societal and moral obligations. Government regulations are important for corporations to follow because there are consequences if they do not. Consequences such as legal costs, fines and penalties, potential operations closure, loss of productivity due to inspections as well as the effects on the corporation's reputation and brand. Further, the importance of community relations is due to the fact that non-governmental organizations (NGOs) can have a powerful impact on the corporation's brand and reputation if they find that the corporation is not working sustainably and decide to actively and openly communicate this to the general public. NGOs can pursue acts such as boycotts and influence others to follow in their lead. Due to the implications of government regulations and community relations, this can have a negative impact on the corporation's profits and as previously mentioned, harm their brand. Finally, the importance of pursuing sustainable corporate operations is due to the societal and moral obligations. Not only is society becoming more aware of the failing environmental health, but executives and the corporate personnel are starting to have personal concerns for the environment leading them to take action and include sustainability in their corporate strategies. (Epstein et al., 2014)

However, due to the pressure of operating sustainably, greenwashing has inevitably become a marketing instrument (Pimonenko et al., 2020). Organizations will use greenwashing, meaning they imply they are pursuing sustainable operations even though they are not, or at least not to the extent they say they are. If it is discovered that they are not operating sustainably, the company brand will lose trust among their customers and as a consequence - lose revenue (Pimonenko et al., 2020). Pimonenko et al. (2020) elaborate on an example from the hotel industry where they stress their customers into using towels more than once in the light of being more sustainably aware. However, the underlying reason for the hotel wanting to do this was because they wanted to save money. As a consequence of the concept of greenwashing, statistics from Google Trends showed an increase in the google search for greenwashing in the

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2000s and Google Ngram Viewer showed an increase in the practical usage of greenwashing around 2012 which, in addition, was during the time when the SDGs were extended (Pimonenko et al., 2020).

In recent years, the hotel industry has started to make environmental initiatives due to the spotlight and pressure from the environmental, social and governance (ESG) movement that has a collaboration with the United Nations Principles for Responsible Investment (UNPRI) (Chua & Han, 2022). The work of ESG concerns the accountability taken by corporations towards these three issues of the environment, society and corporate governance (Chua & Han, 2022). Due to these issues being brought into the light, Chua & Han (2022, p.465) emphasize that "…various forces such as business ethics, public concern, social responsibilities, and government regulations have prompted hoteliers to deal with green issues in decision-making".

Additionally, some green practices that hotels have started to embrace and integrate into their daily operations is tracking energy consumption, water consumption, checking heating, ventilation and air conditioning filters and recycling (Chua & Han, 2022). By taking these forms of climate actions it has been shown that hotels have at the same time been able to stay economically sustainable (Chua & Han, 2022).

3.2.2 United Nations Sustainable Development Goals

In the light of corporate sustainability and the deepening need of integrating sustainability into global agendas and policies, the United Nation (UN) developed 17 sustainable development goals (SDGs) in 2015 with the aim of setting a standard for sustainable operations and as a result, having a better world by 2030 (UN, 2022). The 17 SDGs can be seen in Figure 3 below.

Figure 3. United Nations Sustainable Development Goals (SDGs) (UN, 2022).

The 17 SDGs originated from the 8 millennium development goals (MDGs) that was an initiative between 2000 and 2015 (UN, 2015). The MDGs were initiated by world leaders in order to primarily reduce poverty and hunger in the poorest countries. As a result, the MDGs have helped the poorest countries make great progress. In developing countries, extreme poverty was reduced from 47% in 1990 to 14% in 2015 (UN, 2015). The MDG report of 2015 additionally provides evidence of the progress developing countries have made in all of the 8 MDG categories. This proves that with combined forces, solely in terms of stating common goals and strategies as well as implementing policies, it is possible to help even the poorest countries evolve and significantly have an impact on the national policy standards. This was seen as countries began to merge parts of the MDGs, and later SDGs, into their own policies that were aligned with areas they were lacking in development. This visualization proves that development is a shared responsibility and through collaboration in developing sufficient policies and standards, countries are able to replicate these operations which accelerates the global growth towards a better world (UN, 2015).

The United Nations World Travel Organization (UNWTO) created a platform promoting "Tourism for SDGs" with the idea of introducing how the tourism industry can work sustainably and aligned with the SDGs (Rubio-Mozos et al., 2020). Ultimately, UNWTO developed, in collaboration with the United Nations Environment Programme (UNEP), universal criteria and a standardization of norms in order to reach sustainable tourism (Rubio-Mozos et al., 2020). This collaboration formed the Global Sustainable Tourism Council

(GSTC) which is now responsible for the criteria development for implementing sustainability in the tourism industry. In order to implement SDGs and sustainability as a strategic vision in the organizational business model, it is necessary to add the stakeholder view as well and not solely rely on pleasing the shareholders (Rubio-Mozos et al., 2020).

Further, applying SDGs into supply chain management (SCM) can enhance and improve benefits such as those included in the TBL (Agrawal et al., 2022). Hsu et al. (2014) emphasize that:

> The World Business Council for Sustainable Development and the World Resources Institute indicate that at least 80% of carbon emissions are produced in the total supply chain. (Hsu et al., 2014, p.2659)

Therefore, this opts for as well as opens up the idea and implementation of SDGs in the supply chain (Agrawal et al., 2022). Additionally, the direction of which SDG fits with which aspect, allows sustainability to be adopted in a facilitated manner (Agrawal et al., 2022). Agrawal et al. (2022) show that it is, practically, possible to integrate all of the SDGs, except for SDG 16 and 17, into the supply chain when using TBL. All industries and organizations which have any form of supply chain should apply the SDGs, especially SDG 8 of decent work and economic growth, SDG 11 of sustainable cities and communities, and finally SDG 12 of responsible consumption and production (Agrawal et al., 2022). Within the hotel industry, studies find that SDG number 6 of clean water and sanitation, 7 of affordable and clean energy, 12 of responsible consumption and production and 13 of climate action can be particularly applied (Abdou et al., 2020). Therefore, combining these six SDGs (6, 7, 8, 11, 12 and 13) should make a hotel's operations (including the inhouse and outsourced operations) sustainable. Nevertheless, even though the work lies on the individual organizations to operate sustainably, it is increasingly important for governments to promote and incentivize sustainable business practices (Agrawal et al., 2022).

Focusing on supplier selection, SDG 8 of decent work and economic growth, SDG 12 of responsible consumption and production as well as SDG 13 of climate action, are applicable (Chuong et al., 2022). Considering SDG number 8 of decent work and economic growth, it can be particularly applied to the supplier selection within the hotel sector due to the profound financial benefits of going green. The Hilton Hotel Corporation, for example, saved 2.5 million US dollars in 2000 simply by adopting green electricity practices (Chuong et al., 2022). In

addition to financial benefits which benefit economic growth, there are additional non-financial benefits for hotels when choosing to work with sustainable suppliers, such as improved brand and reputation, loyalty and satisfaction from customers (Chuong et al., 2022).

Further, Morales-Contreras et al. (2019) found that:

> Top management appears to be one of the most relevant drivers of the implementation of the purchasing function… As research has found that cost is the main barrier, these behaviors can simply be a sign of the low priority given to the role of responsible purchasing by senior management. (Morales-Contreras et al., 2019, p.2)

Morales-Contreras et al. (2019) elaborate that as the managers may send the message to the organization to act sustainably by motivating purchasing responsibly, they may on the contrary not authorize the requests of expenditures when it comes down to it. Additionally, as a large portion of the hotel greenhouse gas emissions is due to transportation of consumed products, or outsourced material:

> …selecting a supplier that adopts energy conservation and carbon reduction, working with local farmers or vendors to reduce food miles, and purchasing local or seasonal food and products/materials can facilitate low-carbon hotel operations. (Hsu et al., 2014, p.2659)

As a result, hotels can achieve SDG 12 of responsible consumption and production. Additionally, waste management is a large portion of this SDG 12 and hotel operations (Dube, 2021). Corporations need to manage their waste in the consumption of products as well as purchase from corporations that mind their waste management. Since plastic is of huge concern, hotels can further work towards achieving SDG 12 by participating in campaigns for clean-ups or by choosing suppliers that adopt environmentally friendly packing material (Dube, 2021).

SDG number 13 of climate action can particularly be applied to the hotel sector due to the various initiatives they take and decisions they make to work more sustainably (Dube, 2021). Taking action and pressuring their supplier relations into working sustainably by implementing certain sustainable criteria in the contracts they have, Accor Hotels managed to get 2000 of their suppliers (which is 60% of their total suppliers) to sign and thereby integrate sustainable

development criteria into their operations (Hsu et al., 2014). Further, Hsu et al. (2014) found that:

> Reflecting these trends, companies in the hotel industry must therefore require their suppliers to oversee their GHG emissions and energy management for a long-term collaborative partnership in the low-carbon supply chain. (Hsu et al., 2014, p. 2659)

The studies above connect the SDGs to SCM and vaguely the reasoning in the decision making. Hotel managers and supply chain managers already have many aspects to consider in supplier selection, and with an increasing pressure from society, the decisions they make can have a crucial impact on the company economy, environment and the company brand (Khan et al., 2017).

3.3 Decision Making & The Theory of Planned Behavior

SCM is, as previously stated, a way of approaching an effective integration of parties within the supply chain in order for your business to both minimize cost and satisfy service requirements (Simchi-Levi et al., 2022). Making decisions in relation to costs is a central part of economic science (Kastner & Stern, 2015). In early approaches, humans were assumed to be rational in their decision making, which implies that decision makers would retrieve and process all information that was relevant in relation to the decision. There on, the most profit maximizing decisions were to be made. In real life situations, the entirely rational decision maker is unrealistic because of the situational constraints, such as time limitation and limited cognitive capacities, but also because of the human factor (Kastner & Stern, 2015). In today's society the availability of data and processes for automation within decision making allows for rationality, but it is also stated to jeopardize the quality of information (Gonçalves et al., 2022). This challenges the decision making to include a correct combination of human and machine (Möller et al., 2020). Kastner & Stern (2015) explain that most decision makers are using limited rational sense when making a decision and the concentration is seemingly on the aspects that the decision maker finds most relevant.

In relation to behavioral effects on decision making, the theory of planned behavior (TPB) is commonly used (Kastner & Stern, 2015). The theory is developed by Ajzen (1991) and has been widely tested in the area of behavioral sciences (Kastner & Stern, 2015). TPB implies that the intention of behaving in a certain way is dependent on three predictors: attitude toward the

behavior, subjective norms and perceived behavioral control (Figure 4). Attitudes toward the behavior are based on whether or not the decision maker has a favorable or unfavorable perception of the specific behavior. Subjective norm is a social factor and refers to the decision makers perceived social pressure of performing in a specific way. Perceived behavioral control is based on the decision maker's perception of the ease or difficulty of performing the specific behavior (Ajzen, 1991). Thereby, the TPB conceptualizes both the human factor and the effect that the business context may have on the decision maker.
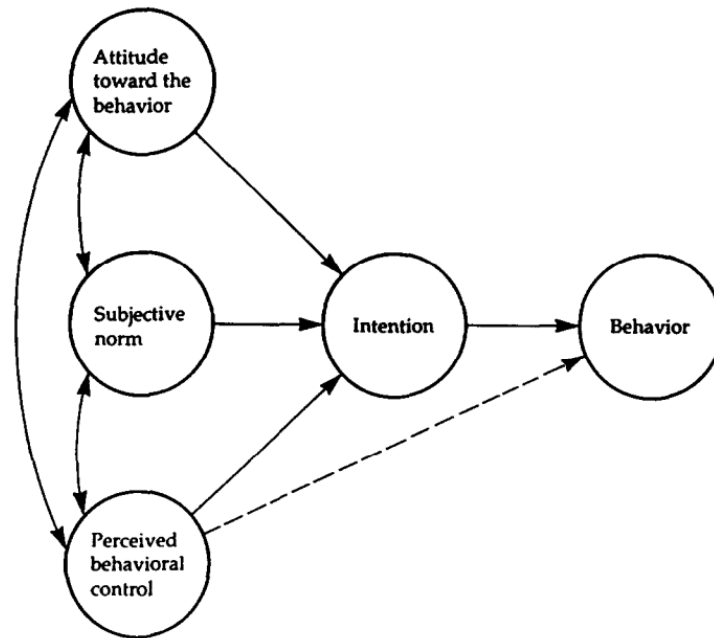
Figure 4. The Theory of Planned Behavior (Ajzen, 1991).

TPB has been used by numerous scholars when researching decision making behavior of enterprises, which implies that TPB is applicable within this type of research (Yang et al., 2019). Swaim et al. (2016) has studied how TPB can be applied within the decision making in the supply chain and states that managers, within supply chain management, commonly lack clear organizational directives on how to incorporate environmental goals into decision making. The application of organizational environmental objectives therefore becomes highly subjective to the decision maker. In contrast, it is more common for organizations to have specific sourcing goals related to costs, which can limit influence of personal behavior (Swaim et al., 2016). Decision making at work is stated to be influenced by the behavioral preferences of managers (Vagnani et al., 2019). Therefore, supply chain managers who value the opinions of people they respect, such as top management, suppliers, and consumers, will face difficulty within sustainable decision making if there are no clear directives on how to incorporate environmental goals. Even though it is possible to access plenty of data to analyze prior to

making a decision (Gonçalves et al., 2022), without any distinct corporate guidelines, personal influences will have to navigate the decision making (Swaim et al., 2016).

3.4 Summary of Literature Review & Theoretical Framework

The supplier selection process within SCM consists of complex decision making since environmental criteria is added to the selection (Rezaei et al., 2016). An extended pressure from stakeholders as well as consumers on the incorporation of sustainability into business processes (Khan et al., 2017) makes sustainability, within SCM, a long-term success factor for companies (Simchi-Levi et al., 2022). The UN has set the grounds with their 17 SDGs and it is now a responsibility of the governments as well as companies within member countries to make sure these are followed. Within supplier selection in the hotel industry there are mainly three SDGs that are applicable, these are: SDG number 8 of decent work and economic growth, 12 of responsible consumption and production and 13 of climate action. They capture both the economic as well as the environmental pillar of the triple bottom line and are therefore important within this research.

Further, as the decision making within supplier selection is complex, supply chain managers have a difficult task when evaluating and choosing new suppliers (Rezaei et al., 2016). Decision making within businesses is commonly directed by economics (Kastner & Stern, 2015). The most profit maximizing decisions are to be pursued, but most decision makers are using a limited rational sense when making a decision and the concentration is seemingly on the aspects that the decision maker finds most relevant (Kastner & Stern, 2015). The human factor within decision making is dependent on the behavior of the decision maker. The theory of planned behavior is a commonly used theory within behavioral effects on decision making and takes attitudes towards the behavior, subjective norms, and perceived behavioral control of the decision maker into consideration (Kastner & Stern, 2015). Within supply chain management the decision maker commonly lacks clear organizational directives on how to incorporate environmental goals into the decision making (Swaim et al., 2016). This encounters personal aspects to affect the decision making process when evaluating and choosing new suppliers (Swaim et al., 2016).

Finally, looking at one specific company, a combination of the organizational factors that TBL provides and the reasoning of the people behind decision-making, found within TPB, is

believed to set the ground for true sustainable decision making. Clear corporate sustainability directives (subjective norm) in combination with a personal *attitude,* in favor of sustainability, makes it easier to prioritize sustainability in decision-making (perceived behavioral control). Clear corporate sustainability directives, within the supplier selection process, are, in line with previous research (Rezaei, 2019), driven by two out of three components of TBL: environmental performance and economic performance, which incorporates SDG 8, 12 and 13. The theoretical framework of this research will therefore combine TBL and TPB as can be seen in Figure 5 below.
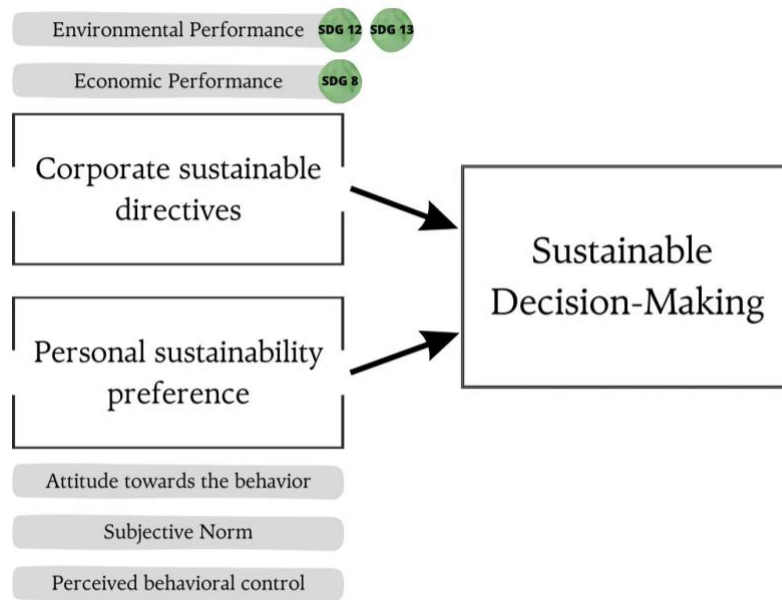
Figure 5. Theoretical Framework. Based on Ajzen (1991) and Khan et al. (2017).

4. Methodology

This chapter aims to provide an overview of the process of the study. The chapter starts with introducing the qualitative form of research strategy and the choice of using a case study as the research design. It continues by presenting how previous literature was reviewed, how online sources were used to collect the secondary data and semi-structured interviews were used to collect the primary data as well as motivates the choice of respondents. Further, the chapter explores the analysis method used to discuss the collected material and ends with presenting the ethical considerations that were taken into account as well as criticisms of the steps in this process.

4.1 Research Strategy

A qualitative research strategy is phrased by Bell et al. (2019, p.355) as "a research strategy that usually emphasizes words rather than numbers in the collection and analysis of data". Which refers to qualitative research being more influenced by interpretivism and quantitative research being profoundly influenced by a natural science approach. This directs a qualitative research strategy towards viewing events and the social world through the eyes of the people that are studied. A qualitative research strategy is more suitable for this research due to the behavior and mindset of the local hotels being the main goal of the research and it is the contextual understanding of social behavior that becomes important to a qualitative researcher (Bell et al., 2019). Interviewing and finding out the underlying behavior and reasoning considering the sustainability for the local hotels could simply not be conducted using a quantitative research strategy, since there are no predetermined ways of how one should act or reason in this specific situation. This entails the research to focus more on words than numbers and is therefore aligned with a qualitative approach, according to Bell et al. (2019).

In combination with the research strategy, a research approach is defined to enable meaningful and based findings throughout the research process (Bell et al., 2019). As this study aims to explore reasoning behind the decision making process within the supplier selection process at hotels located in Bali, it is a phenomenon that current literature does not account for. Which entails back and forth engagement with empirical sources and literature in combination with an engagement with the social world, and therefore an abductive approach is applicable (Bell

et al., 2019). The abductive approach combines the deductive and inductive approaches and thereby overcomes the limitations associated with them. Whereas a deductive approach is lacking a clear strategy on how to select the theory which is supposed to be tested and an inductive approach is criticized because no amount of empirical data will necessarily enable theory building (Bell et al., 2019).

4.2 Research Design

The research design of this study is a multiple case study. A multiple case study fits the research since the purpose of the study is to explore multiple cases (local hotels supplier selection) in a single location (Bali). When conducting a multiple case study, Bell et al. (2019) emphasizes the need to ensure a sufficient structure in order to pursue the cross-case comparability needed. The same interview guide has been used with all respondents to secure a structure which allows the comparability needed. As this study has a unique focus that is limited to a specific location, a multiple case study is a better fit than a cross-sectional research design (Bell et al., 2019). In order to make sure all factors were considered that are important when writing a multiple case study, the CASET template by Goffin et al. (2019) was used. Goffin et al. (2019, p.595) argues that with multiple cases external validity is higher and the opportunity for creating more robust and testable theory is greater than for single cases.

Goffin et al. (2019) provides four overarching categories, called CASET, with a number of criteria in each category that should be taken into consideration when writing a multiple case study, presented in Table 1 below.

Category	Evaluation criteria	Explanation of measure
Research Design (1)	*1. Theoretical foundation*	Was a clear explanation given of why the case method was the most appropriate method to adopt?
(1)	*2. Pilot study*	Was there a pilot study proceeding the main study?
(1)	*3. Theoretical sampling*	Was an explanation provided of which case(s) were chosen and why?
Data Collection (2)	*1. Triangulation*	Was the research based on multiple sources of data?
(2)	*2. Review and validation of evidence*	Was the evidence reviewed and validated by external parties?
(2)	*3. Transparency of data collection*	Was it made clear how the data collection process was conducted?
Data Analysis (3)	*1. Inter-coder agreement*	Were the data coded by multiple investigators?

(3)	*2. Case presentation*	Were findings and empirical evidence presented in a way that made it clear how the author(s) reach their conclusions?
(3)	*3. Case interpretation*	Did the case analysis move beyond description and conceptual ordering?
Post-hoc (4)	*1. Reflecting on validity and reliability*	Was there a discussion about the quality of the research?

Table 1. Based on CASET (Goffin et al., 2019).

The first category concerns the *Research Design* and includes three criteria. The first is to provide a justification to why using a case study is appropriate, the second criteria is to use a pilot study and the third criteria is to use the application of theoretical sampling criteria. Aligned with Goffin et al. (2019) first criteria in the first category, the motivation for using a case study design is the following: Due to the fact that our goal was to examine the decisions that local hotels in Bali make considering when choosing suppliers, interviewing nine hotels allowed us to analyze the reasoning that falls behind these choices and decisions. By conducting semi-structured interviews besides the literature review and secondary data we were able to strengthen the final conclusions. Further, the aim of this research was to be exploratory rather than unique in the reasoning of why certain decisions are taken regarding the environmental sustainability in the choice of suppliers (Bell et al., 2019).

The second criteria in the first category of using a pilot study was fulfilled as well. An attempt was made to conduct a pilot study with a local hotel in Sweden prior to interviewing the Balinese hotels. However, this was not possible due to the time limitation prior to travelling to Bali as well as the lack of response. Instead, the criteria was fulfilled through cautious preparation in addition to the summoning of input on the prepared interview guide from our thesis supervisor, ahead of conducting the first interview. Therefore, the interview guide did not change significantly. Nevertheless, we discussed the interview guide after the first interview and were aware that mistakes can be made and things can be missed even with multiple perspectives on the preparation which is why we were open and ready to revise the interview guide and methodology approach if needed. In accordance with the last criteria in the first category, we attempted to fulfill this criteria as well by finding similar cases and research within the same research area. Considering previous research, the aim was to learn from their mistakes and add on to their existing research.

Goffin et al. (2019) second category concerns the *Data Collection* and includes three criteria. The first criteria is to enable triangulation, the second criteria is to have the evidence validated

externally and the third criteria is to be transparent in the collection of data. To fulfill the first criteria in the second category of triangulation, there was usage of multiple sources when writing the analysis. The triangulation includes the literature review, the secondary sources and the primary sources. The second criteria of external validation of the evidence was taken into consideration through three different factors. Firstly, the respondents from each hotel were given the option to extend any prior reasoning. Secondly, the thesis supervisor was in addition asked to revise whether the conclusions drawn are reasonable considering the collected data. Thirdly, being a part of a thesis feedback group allowed us the opportunity to receive feedback from other students as well, which helped us delve deeper into our discussion and analysis. The third criteria in category two concerning the transparency of the data collection process was checked in terms of making sure that the interview guide that was used to collect the data, as well as the coding was inserted in the thesis chapters or in the appendices of the thesis. This allows the reader to take part in the research process which will, as a result, allow them to replicate the study as well as understand the process along the way (Bell et al., 2019).

Goffin et al. (2019) third category concerns *Data Analysis* and includes three criteria. The first criteria is if inter-coded checks have been applied, the second criteria is if the evidence has been clearly presented and the third criteria is if the evidence has been appropriately interpreted. In order to fulfill the first criteria in the third category, we made sure to code the data independently before sharing our ideas with each other. The second criteria in the third category was fulfilled by writing an extensive methodology chapter in the thesis in terms of documenting the research, data collection and data analysis process. The third criteria of the third category was fulfilled by coding the data which allowed us to, in turn, conceptualize it.

The fourth category concerns the *Post hoc Reflection on Rigor* and includes one criteria that reflects on the consideration of reliability and validity. After checking all of the above criteria, the last step is to make sure the results are reasonable in relation to the data collected as well as to make sure it is replicable. This, again, was made sure of by using the criterion of external validation as well as feedback from the supervisor and peers.

Goffin et al. (2019) stresses the fact that innovation management researchers should not in fact overlook these criteria or just check a couple of them as this impacts the quality of the research conducted. Therefore, throughout the writing of the thesis, we made sure to keep these

categories of criteria in mind when writing and to, when finalizing the study, making sure that all these criteria were checked before submitting the thesis.

In addition to the above criteria that should be fulfilled when conducting a case study, Siggelkow (2007) emphasizes the need to make the case study persuasive. To do this, there is a need to make sure to choose a strong case where, firstly, the research findings will not be obvious to the reader and secondly, make the reader aware of the world and not just the literature. In addition, there is a need to illustrate the importance of using a case as a research method. As the paper aimed to understand the behavior and decisions of local hotels in a developing country, we strongly believe that the research will be of great interest to both the hotels as well as the readers of the paper. Developing countries have catching-up to do in certain areas, it was therefore interesting to see how a place like Bali, that has such high tourism, does when it comes to environmental sustainability when choosing suppliers.

4.3 Data Collection Method

The data collection method for this project consists of two parts: gaining information through public documents and gaining information through conducting semi-structured interviews. This includes reviewing previous literature as well as collecting secondary and primary data, which will be presented in the following subchapters: *4.3.1 Review of Previous Literature, 4.3.2 Secondary Data Collection and 4.3.3 Primary Data Collection.* Furthermore, a discussion on the sampling process will be presented in subchapter *4.3.4 Hotel Selection*.

4.3.1 Review of Previous Literature

The review of previous literature is introduced through exploring current literature connected to the research topic and includes academic articles as well as books collected from various databases such as Google Scholar, Super Search (the search tool of the University of Gothenburg), and scientific journals. When a general subject is predetermined, Saunders et al. (2021) recognizes university libraries as well as Google Scholar as usable to retrieve data. Thereby, a snowballing technique, where an initial source is used to find other sources upon the topic (Bell et al., 2019), was used to extend the data and thereby create a greater understanding on the research topic.

To ensure that the established broad contours of the research were addressed, the following keywords, found in Table 2, were used in the search for literature. This systematic way of incorporating relevance of search is successful to strengthen the literature's quality and relevance as well as enhances a strong foundation and relevant conditions for the primary data collection (Bell et al., 2019). The review of previous literature, together with secondary data collection, functions as the foundation for the interview guide and thereby the questions for the semi-structured interviews which can be found in Appendix 1.

Search Platforms	Library of University of Gothenburg & Google Scholar
Keywords	Supply chain, supply chain management, SCM, sustainable supply chain, sustainable supply chain management, SSCM, greenwashing, sustainable development goals, SDG, sustainable development goals hotels, green hotels, sustainable hotels, sustainable business, triple bottom line, TBL, TBL hotel, decision making, behavioral theory, theory of planned behavior, TPB, TPB decision making.

Table 2. Keywords

The literature used for the literature review has foremostly been based on articles and publications after the year 2014. The reason for choosing articles and publications after the year 2014 is due to the study's topic being relevant today. In addition, the statistical literature used is from earliest 2015, but the majority is from 2019 and onwards. The Indonesian policies are recently published as well, not going back more than a few years, due to the need of having relatively new information concerning how they are handling sustainability actions. However, a few articles are older than 2014. The articles that are older than 2014 are those regarding theoretical frameworks or conceptual guides from 1991 and 1997. The outlying articles were evaluated and chosen to be used even though there are newer articles that discuss similar matters. There is additionally one article from 2007 relating to case studies in the research design. The article is still relevant within the area and is used to complement the literature from studies published later on.

4.3.2 Secondary Data Collection

The secondary data collection of this report includes a review of public documents to be able to provide triangulation for the study. Public documents generated by official bodies have been accounted for, and Bell et al. (2019) state that this type of document is a great source of data within business research. The secondary data collection, together with the revision of previous literature, functions as the foundation for the interview guide and thereby the questions for the

semi-structured interviews which can be found in Appendix 1. Further, organizational documents provide valuable background information about a company and its history and are therefore good to incorporate when conducting a case study (Bell et al., 2019).

4.3.3 Primary Data Collection

The primary data is collected through primary sources which in the research become the empirical findings (Bell et al., 2019). The most common way to collect primary data in quantitative research is through interviews (Bell et al., 2019). There are mainly two different types of interviews when it comes to qualitative research, namely unstructured and semi-structured interviews. When research concerns a specific topic, semi-structured interviews are more suitable (Bell et al., 2019). For semi-structured interviews, an interview guide is prepared in order for the main topics to be covered, but the respondent is still given space to elaborate on their answers freely and the interview guide does not have to be followed strictly (Bell et al., 2019).

Being able to not follow the interview guide strictly creates opportunities to acknowledge new insights and interesting points of view related to the research questions that might have been excluded or missed in the preparations (Bell et al., 2019). However, the guide provides structure and enhances the researcher to assess the information needed in order for the research question to be answered (Bell et al., 2019). It also allows for using similar wording in all interviews which creates consistency. Selected interviewees were contacted via email, WhatsApp or through a visit to the hotel where they work to set up an interview. All interviewees have been offered to take part of the interview guide (Appendix 1) beforehand, since this helps increase the dependability of the study (Bell et al., 2019), and the interviewees were informed about the anonymity of their participation and were asked for permission to record.

4.3.4 Hotel Selection

When conducting a multiple case study, a purposive sampling is most commonly used (Bell et al., 2019). A purposive sampling is conducted with the goal of the research as reference, thereby the chosen interviewees are selected in terms of criteria that allows for the research question to be answered (Bell et al., 2019). The sampling process did initially use a theoretical sampling approach, which is a form of purposive sampling that directs the selection of cases to encompass the focal phenomenon, which in this case are hotels big enough to have a developed

network of partners in order for the decision making process within the supplier selection to be analyzed (Bell et al., 2019). The theoretical sampling approach was followed by a generic purposive sampling approach where respondents with the correct qualifications and knowledge were chosen at each hotel (Bell et al., 2019). In total 73 hotels were contacted, of which 33 answered and 9 participated. Of the hotels that were contacted, 29 requests were sent to info mails, 34 were contacted through WhatsApp and 10 through going to the hotels. The best way to get in contact with the hotels and get an interview booked was found to be through WhatsApp as six of the interviews were scheduled using this method (Table 3). The second best way to get in contact with the hotels was found to be through email as two interviews were scheduled in this way. The least effective way to get in contact with the hotels was found to be going there as we solely received one email answer from the ten hotels we visited. All of the hotels interviewed were four star hotels and seven interviews were conducted using physical meetings and two hotels answered the question over email.

Respondent	Interview Time	Data Collection	Previous Contact
Respondent 1	1 hour 23 minutes	Physical interview	Contacted via phone call on WhatsApp and communication through WhatsApp messages
Respondent 2	33 minutes	Physical interview	Contacted via WhatsApp and e-mail. Communication through WhatsApp
Respondent 3	35 minutes	Physical interview	Contacted via WhatsApp and e-mail. Communication through WhatsApp
Respondent 4	25 minutes	Physical interview	Contacted via phone call on WhatsApp and communication through WhatsApp messages
Respondent 5	52 minutes	Physical interview	Contacted via WhatsApp and communication through WhatsApp messages
Respondent 6	40 minutes	Physical interview	Phone call and communication via WhatsApp
Respondent 7	23 minutes	Physical interview	Contacted via phone call on WhatsApp and communication through WhatsApp messages
Respondent 8	Not applicable	Email	Contacted via phone call on WhatsApp and communication through WhatsApp messages
Respondent 9	Not applicable	Email	Visiting the hotel to receive contact information, thereon communicating via e-mail

Table 3. Respondent Communication

The answers given over email were fairly short in relation to the answers provided during physical interviews. Due to the varying length and elaboration of the written answers, this data was more difficult to comprehend at times and to avoid excluding certain answers the respondents were contacted again with follow up questions where these were needed. The difficulty of the physical interviews was, in contrast to the written answers, the apparent language barrier due to English not being ours nor the respondents mother tongue. This challenges the understanding of underlying messages and, at times, even the apparent message the respondent was trying to convey. The language barrier can therefore, as a consequence, result in the respondent not understanding the questions they were asked. Bell et al. (2019) stress how respondents may interpret a question differently and therefore may give a response to what they comprehend they are asked, which can be the case for this study due to the language barrier being an impediment as well. In order to minimize the effect of the language barrier, we asked questions more than once with different phrasing when it was apparent that the respondent did not understand.

Furthermore, there was a big variation in the length of interview time when comparing the physical interviews that were held (Table 3). The reason for the interviews varying so much in length was due to some respondents being good at elaborating their answers by themselves, while others answers were fairly short, even to follow up questions. However, all the respondents were asked the same questions and were given time to think through as well as elaborate on their answers.

4.4 Data Analysis

The data analysis method that has been used is a thematic analysis using Microsoft Word and NVivo, where the latter is a computer-assisted qualitative data analysis software (CAQDAS) (Bell et al., 2019). A thematic analysis was suitable for the research because it allowed us to find recurring topics, similarities and differences, linguistic connections as well as how the respondents discuss certain topics in different manners and perspectives (Bell et al., 2019). Foremostly, what makes the thematic analysis the most suitable for the study is due to the flexibility of it. Considering the fact that the study processed what the hotels were doing in relation to their mindset and behavior, the thematic analysis allowed for connections to be drawn in this sense. As the interviews were between 23 minutes to 1 hour and 23 minutes long, there was a lot of material to be process. Therefore, computer assistance was a good tool due

to the manual process being quite an extensive one (Bell et al., 2019). The manual process of thematic analysis can be divided into four main steps: Transcribing, Coding, Collecting and Analyzing.

In the first step of conducting a thematic analysis, a transcription of the recorded interviews is required. Transcribing one hour of a recorded interview can take five to six hours (Bell et al., 2019). Secondly, coding the text requires reading the material multiple times and finding similarities in terms of codes in the various transcribed materials in relation to what is relevant in terms of the research question. Coding is optimal when the interviews have recently been conducted since it facilitates the finding of similarities as the interviews will be clearly remembered by one when the information is still fresh in mind. Thirdly, once the coding has been done for each of the transcribed interviews, the researcher will retrieve the sequences of text for each code. This third step allows the researcher to view the material for each code in a collected manner. The fourth and last step is to analyze and interpret the data and codes (Bell et al., 2019).

For this study, the audio recordings were uploaded to Microsoft Word where the transcription tool was used to transcribe the collected material. However, Bell et al. (2019) state that transcription software is limited in their accuracy and that the quality of the transcription therefore needs to be checked. The transcribed material was therefore examined by the authors, to make sure it had been transcribed properly by the tool, through listening to the recording and making adjustments to the text when needed. Using the transcribed material, the two authors decided to use fairly differing methods to collect and determine various codes. While one of the authors made notes and comments in the same document as the transcription to later create a mindmap with codes and thereafter themes, the other author used NVivo.

The author, who did not use Nvivo, went through the data multiple times and thereon compared notes taken at the interview with the transcribed material and after that highlighted what was found to be important. With this material, an initial mindmap was created to gather the material in order for themes to be identified. In line with Bell et al. (2019), the author started to look for repetitions, local expressions, metaphors and analogies, similarities and differences and theory-related material within the highlighted data which thereon became the eight themes that was taken to the comparison with the other author.

The other author, who used NVivo, uploaded the transcription documents, made by Microsoft Word, into NVivo. When the transcriptions were uploaded, the author was able to go through each transcription and highlight parts of the transcriptions that fit into certain codes. When all of the transcriptions had been coded, the author had come up with a total of 37 codes. Using these 37 codes, the author made a mindmap in order to collect the codes into overarching themes which was later taken to the comparison with the other author.

As the two authors separately made mindmaps of their findings, they discussed their outcomes in order to merge their ideas and codes into one mindmap which would present the overarching themes and following codes in a comprehensive overview. These themes and codes, from the new mindmap, were then used in the empirical findings chapter, the analysis chapter as well as in the process of reaching the conclusions. It was important for both authors to go through the collected material separately as Bell et al. (2019) emphasizes that getting two points of views enhances the richness of the coding process.

Nevertheless, Bell et al. (2019) emphasizes some challenges and limitations with using NVivo within the coding of the data. According to Bell et al. (2019) it takes some time to get acquainted with the software and parts of the transcriptions of the materials can be lost due to focusing too much on the coding. In addition, Bell et al. (2019) emphasizes the difficulty in using this software when there are multiple people involved in coding the material, which is the case for this report. This was avoided by using two different methods of coding and not being completely dependent on NVivo. On the upside, the facilitation of NVivo makes the process more efficient and increases the transparency of the analysis (Bell et al., 2019). For this study, it made sense to use NVivo due to the size of the dataset that was to be processed as well as the opportunity to access the software free of charge due to the University's licensing agreements.

4.5 Ethical Considerations

When creating the interview guide, there were three ethical factors that were taken into account, both when writing the interview guide but also prior and posterior to conducting the interview (Bell et al., 2019). The three factors were: consideration of privacy, prevention of deception, and reciprocity and trust. Consideration of privacy encompasses the importance of protecting the privacy of the people who choose to participate in the research. When it comes to protecting

privacy, how people feel will be of great value. Bell et al. (2019, p.123) state that "people can feel wronged without being harmed by research". We did not want our participants to have this type of feeling when taking part of what we have created with their information. Our research is fully anonymous and the information used from the interviews was shared and, when requested, openly discussed with the respondents before published. In order for the respondent to feel comfortable at the time of conducting the interview they were informed that they can at any time choose to not answer questions that they do not feel comfortable answering. Our research touched upon private thoughts and assumptions, mainly in relation to the respondent's profession which is influenced by their employer, the climate of the workplace and their personal beliefs. It was therefore important to make sure that the respondents were granted anonymousness and the possibility to explain if they felt that we had misperceived their information.

Prevention of deception covers the transparency between researcher and research participants when it comes to the research subject. Deception occurs when the research is portrayed as something that it is not to the participants (Bell et al., 2019). This results in two ethical conflicts: firstly, it is not an ethically accepted thing to do towards the participants who have chosen to take part in your research and secondly, it can harm the profession of researchers and thereby the attitude towards and willingness to participate in future research. Therefore, an open communication with the participants was held and any questions or thoughts from them were answered and taken into consideration. Furthermore, reciprocity and trust build upon just that, *"the importance of openness and honesty in communicating information about the research to all interested parties"* (Bell et al., 2019, p.126). This issue therefore relates back to both privacy and deception, but it also puts the responsibility of overcoming the power inequalities between the researcher and the participant in the hands of the researcher (Bell et al., 2019).

Furthermore, cultural differences are taken into account through the Hofstede (2003) framework for cross-cultural communication. The framework considers five cultural dimensions: power distance, individualism, masculinity versus femininity, uncertainty avoidance, and long-term orientation. Power distance discovers to what extent a less powerful member of an organization accepts that power is distributed unequally. Individualism reflects upon whether people choose to look after themselves (and immediate relatives) only or if they choose to look after the people in their groups or collectives in exchange for loyalty. Uncertainty avoidance discovers to what extent people feel threatened by inconclusive

situations and would try to avoid these. Masculinity versus femininity where masculinity is defined to picture dominant values in society such as success, money and things, whereas femininity is defined to picture caring for others and the quality of life. Long-term orientation encompasses the difference between directing plans towards the future versus thinking in the short term. Whereas long term orientation in particular covers persistence, perseverance, and adaptability and short-term orientation covers value of tradition (the past and current present), the current social hierarchy and fulfilling social obligations. (Hofstede, 2003)

In regards to Hofstede's framework, this study has especially been considerate of power distance, individualism, and long-term orientation in relation to a business situation. Indonesia is a religious country, and it is stated that religions influence business ethics, which affects an individual's attitudes, views, decisions, and behaviors at work (Gallego-Alvarez et al., 2020). Leaders are shown to not trust subordinates (Riyanto & Panggabean, 2020), which could excessively undermine subordinates in regards to power distance. Thereby, Indonesia is stated to pursue unity in diversity, which refers to an inclusiveness (Lee et al., 2020), this could be related to a more collectivistic than individualistic view. As religion covers the value of tradition it may also affect the long-term orientation towards more short-term thinking, whereas the ultimate goal of supplier selection is about creating long term value for businesses (Simchi-Levi et al., 2022).

4.6 Criticisms

This section aims to present criticisms in the form of shortcomings and attempted solutions to these shortcomings considering the chosen methodology. The criticisms have been divided into three subsections with the aim of providing a clear structure. Subsection *4.6.1 Criticisms of Research Strategy* aims to reveal shortcomings in the chosen qualitative study form. Subsection *4.6.2 Criticisms of Literature Review & Secondary Sources* aims to reveal shortcomings in the chosen literature that has been reviewed as well as the secondary sources that have been used to draw conclusions. Subsection *4.6.3 Criticisms of Primary Sources* aims to reveal shortcomings in the conducted interviews as well as the sampling method.

4.6.1 Criticisms of Research Strategy

There are some critiques directed towards qualitative research, mainly considering qualitative research as too impressionistic and subjective as well as hard to replicate and generalize results

(Bell et al., 2019). The aim of this study is to analyze and gain an understanding of the chosen subject in relation to the collected data and thereby draw conclusions accordingly. Hence, personal biases may unconsciously occur in this study. The personal bias of the study has though been addressed and reduced through being two researchers, having participants review the results, as well as having the study reviewed by peers (Bell et al., 2019). Replicability and generalizability will be addressed within the four criterias of trustworthiness as well in terms of transferability, which additionally will be elaborated on in section 4.6.3. Writing a thorough methodology chapter for the thesis will facilitate the replication of the study. However, considering that qualitative studies handle smaller groups with specific interests or cultures, it can be difficult to get the same results when using other groups of respondents. Therefore, writing a thick description of the specific research group can facilitate the replication process of the study (Bell et al., 2019).

Another problem that can arise is non-responsiveness (Bell et al., 2019). If the interview guide fails to have good, specific and relevant questions, it will be hard for the respondent to answer. Therefore, when creating the interview guide it is important to exhaustively discuss the questions that are added, to see if they are relevant to the RQ and if they are relevant to the person being interviewed. A fourth and final problem that can arise according to Bell et al. (2019) is the lack of transparency. The authors stress the importance of clarifying why the specific participants have been chosen. In this study's case, the main point is to choose the local hotels randomly, but make sure the right person to interview is found within each company. It is important to find the person that obtains the required knowledge to answer the questions in the interview guide (Bell et al., 2019). To solve this problem, generic purposive sampling was used in order to conduct the interviews with purchasing managers or general managers who were in charge of the supplier selection.

4.6.2 Criticisms of the Literature Review & Secondary Sources

The aim of the literature review has been to provide a deeper understanding of the subject. The literature used has been found in various databases with a starting point in the Library of Gothenburg University. The goal has been to foremostly use peer-reviewed sources due to the checked validity of the presented material (Bell et al., 2019). However, Bell et al. (2019) expresses the need to use sources which are not peer-reviewed when conducting studies within business and management, since there is a lot of good research which is not published within

the academic journals that are peer-reviewed. Since this study needed to find Indonesian policies and other market relevant information, searching outside of peer-reviewed academic journals has been done. An attempt has been made to evaluate what is reasonable and not in the chosen literature that has not been peer-reviewed. However, considering this, the individual reader must still be critical to what is legitimate (Bell et al., 2019).

In addition, due to the awareness of needing to be critical to non peer-reviewed publications, an attempt has been made to strengthen arguments with multiple sources. When this has not been done, an evaluation has been made in which the information is valid and reliable enough to print on its own (Bell et al., 2019).

4.6.3 Criticisms of Trustworthiness

A problem that can arise is that the study is not trustworthy. Bell et al. (2019) mention four criteria that need to be reached in order for the study to be trustworthy. The four criteria are credibility, transferability, dependability and confirmability.

To make sure the study is credible, a solution can be to present the findings to the respondent in order to see if there is good correspondence (Bell et al., 2019). If the respondent can validate the findings, the study can be confirmed to be credible. To make sure the study is transferable, which can be difficult for qualitative studies as they are typically applied to a smaller group (in this case 9 hotels), it is important to provide a thick description. By doing this, others can make judgments to whether the conclusions can be applied to other groups as well. To make sure the study is dependable, the study has continuously been "audited" by the peers during the seminars of the thesis course. Having the peers read and follow the process includes their input and feedback along the way, as well as the input and feedback from the thesis supervisor who has extensive experience in thesis writing and research, will make the study dependable. Lastly, to make sure the study can be confirmed, it is important for the authors to be objective in the research, not letting personal values nor theoretical inclinations have a considerable impact on the study's conclusions (Bell et al., 2019). By making sure that these criteria are reached and considered, throughout writing the thesis, served as a solution to this problem and allowed the thesis to be trustworthy.

5. Empirical Findings

This chapter aims to present the primary data collection, which is based on the nine conducted interviews with managers at nine different hotels in Bali. The purpose of this chapter is to synthesize the data based on thematic coding. Firstly, the respondents are presented in a table showing the respondents position, if they are local or non local managers, hotel services and hotel size. Secondly, the identified themes and codes are presented in a figure acting as an overview of what will be presented in the following section which presents a reminder of the framework as well as the core of the empirical findings from the collected data. Lastly, a table is presented to summarize the findings in the chapter of which the content will be further analyzed in the following chapter.

5.1 Hotel & Respondent Characteristics

Table 4, found below, presents the hotel respondents interviewed for this study. There are three hotels that are of a larger size, with rooms ranging from 126 to 189, and six hotels of a smaller size, with rooms ranging from 4 to 28. The interviews were conducted with six general managers (smaller hotels) and three purchasing managers (larger hotels). All of the hotels have a restaurant and some have other facilities as well such as a mini-mart, spa, ballroom and conference room.

Respondent	Respondent Position	Respondent Local/Not Local	Hotel Services	Hotel Size
Respondent 1	General Manager	Local	Hotel, Restaurant	16 rooms
Respondent 2	General Manager	Not Local	Hotel, Restaurant	16 rooms
Respondent 3	General Manager	Not Local	Hotel, Restaurant	11 rooms
Respondent 4	General Manager	Local	Hotel, Restaurant, Hotel mini-mart, Spa	28 rooms
Respondent 5	General Manager	Local	Hotel, Restaurant	4 rooms
Respondent 6	Purchasing Manager	Local	Resort: Hotel, Restaurant, Activity facilities (ballroom, conference rooms), Spa	189 rooms

Respondent 7	Purchasing Manager	Local	Hotel, Restaurant, Spa	126 rooms
Respondent 8	General Manager	Not Local	Hotel, Restaurant	5 villas
Respondent 9	Purchasing Manager	Local	Hotel, Restaurant, Spa	146 rooms

Table 4. Respondent Information

5.2 Identified Themes & Codes

Figure 6 presents the three overarching themes and 47 codes that have been found from the collected data.
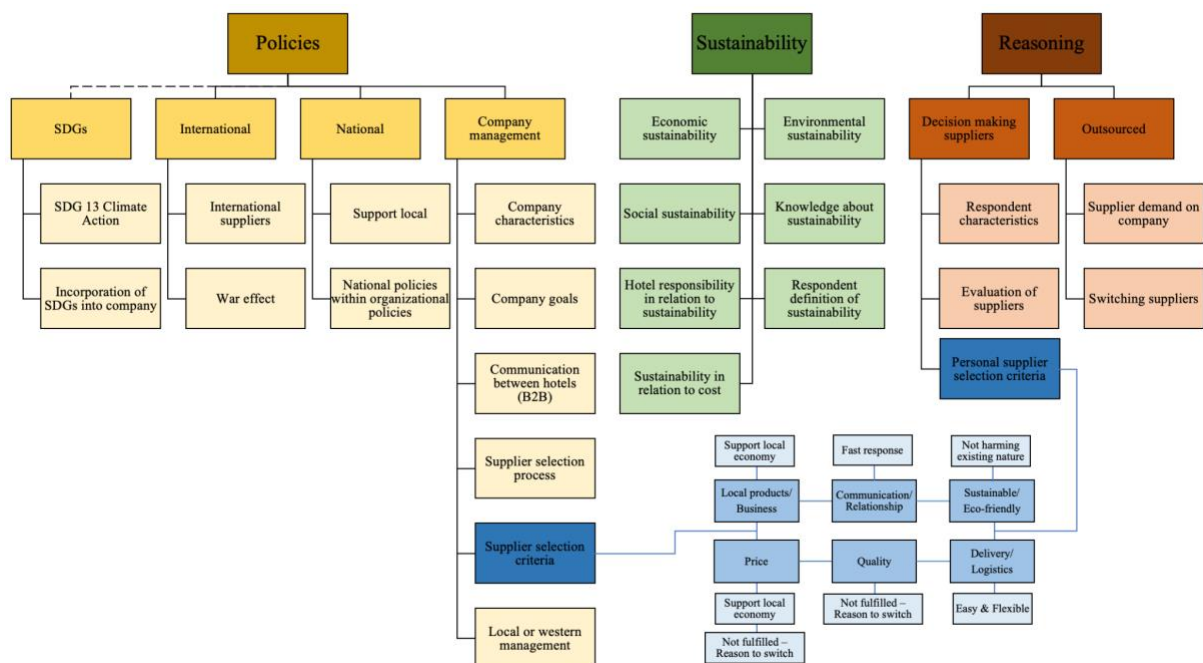
Figure 6. Codes

The first theme found is *Policies* (yellow color). *Policies* have been a permeating theme, both in the literature review as well as the interview guide which ultimately formed answers regarding this in the collected data. In *Policies*, there are four main codes that all present between two and six codes each. The *company management* code produced the most codes considering the focus in the interviews were mainly on the hotel's own operations.

The second theme is *Sustainability* (green color) which presents seven codes that were found and mainly discussed in regards to this subject during the interviews. The third theme is *Reasoning* (red color). *Reasoning* has additionally been a permeating theme, both in the literature review as well as the interview guide which ultimately formed answers regarding this

in the collected data. This theme presents two overarching codes which include two respectively three codes.

Additionally, there is a sub-theme concerning the *supplier selection criteria* and *personal supplier selection criteria* (both colored in blue to show the connection) which, as can be seen in the figure, are one code from the *Policies* theme and one code from the *Reasoning* theme. This sub-theme emerges in six overarching codes which are the aggregated criteria that the respondents use when selecting suppliers. Additionally, there are one or two sub-codes emerging from these six criteria codes. The figure expands in such a manner due to the criteria being a main focus of both *Policies* and *Reasoning*.

5.3 The Decision-Making Process

This section will divulge in the collected data from the seven physical interviews and two email responses. It is divided into two subsections to follow the framework as previously presented which is, as a reminder, presented again below in Figure 7. But this time with the relevant codes, from Figure 6 above, colored in the related boxes.
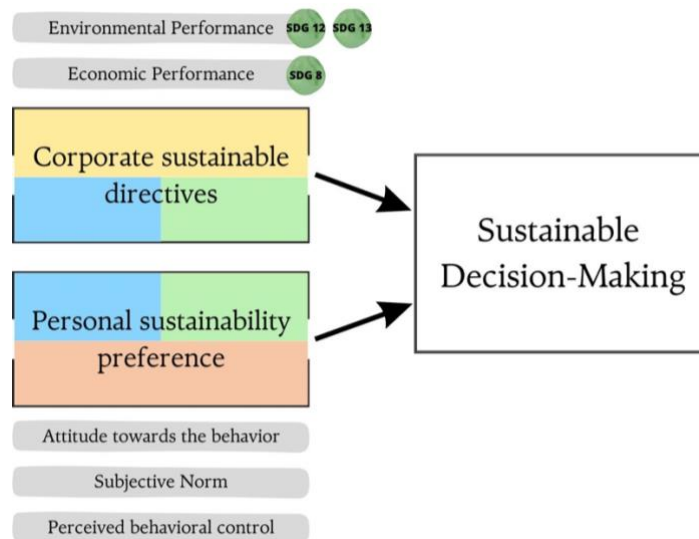
Figure 7. Theoretical Framework, based on Ajzen (1991) and Khan et al. (2017), Related to the Codes.

The framework has been colored according to which codes were touched upon by the respondents during the interviews. Treating the codes found implicitly in each section allows for a better flow of the text and reading. Section 5.3.1 therefore presents the data collected from the yellow, blue and green coding that fits in the *Corporate sustainable directives* box in the framework and section 5.3.2 presents the data collected from the red, blue and green coding

that fits in the *Personal sustainability preference* box. The majority of the two boxes are colored in red and yellow due to *Policies* being of the main focus in the *Corporate sustainable directives* box and *Reasoning* being of the main focus in the *Personal sustainability preference* box. The coloring of the yellow and red coding is therefore clear, what can be interpreted as unclear is however the coloring and placement of the blue and green coding.

The blue coding, which concerns the *Supplier Selection Criteria* and takes up a quarter of each box, is a part of both boxes because of two reasons: firstly, the corporations have certain criteria they are required to consider, due to budgeting reasons for example. Secondly, the (purchasing) managers have ulterior personal criteria where they, within authority and the organizational demands (if there are any), choose the alternative aligned with their personal preference.

The green coding, which concerns *Sustainability* and takes up a quarter of each box, is also a part of both boxes because of two reasons: firstly there is the organizational reason which concerns what the organizations are doing or have incorporated into their policies that they should be doing. Secondly, the (purchasing) managers have personal ideas on what they are doing, what they want to be doing and what they should be doing. Ultimately, the blue and green coding are included and incorporated into the framework above and each section below, 5.3.1 and 5.3.2, but using different perspectives and approaches in the presented data.

Nevertheless, this section aims to provide an overview of which codes are included in the following sections 5.3.1 and 5.3.2, and will later be analyzed, in chapter 6, in a similar structure.

5.3.1 The Organizational Impact on Decision Making

This first subsection will explore the empirical findings considering the organizational impact on decision making which is included in the framework (Figure 7) as *Corporate sustainable directives*. More specifically it will cover the codes included in policies (yellow), sustainability (green) and all supplier selection criteria (blue) as can be seen in Figure 6 in section 5.2.

All hotels, regardless of size, were found to be outsourcing one or more parts of their operations and thereby work with supplier selection. Several outsourced, for example, laundry services, toiletries, food and beverages for the restaurant, specially made furniture, and other room equipment. R3 mentioned they have about five suppliers and are moving further and further

away from outsourcing parts of their operations as they wish to produce and do as much as possible in-house. The overall reason is due to economics and sustainability: it is not profitable when food arrives and it is not fresh and there are, at the same time, few sustainable options on the market. R4 mentioned, similarly, that they need to have fruit delivered every three days in order for it to be fresh and that they use public transportation to facilitate this regular delivery. The overall number of suppliers, the hotels were found to have, varied from having under ten suppliers to having over 200.

The existence and usage of company documentation and or policies was found to vary across the hotels. From the interviews, it became clear that three out of nine hotels have and work by organizational documents and or policies. From the other six, responses such as "if we do, I've never seen them" by R3 and "there is not a written company policy, I have my own values that I apply, but it's not, I wouldn't say it's a rule… not a promise" by R2 were given. The hotels that responded as mentioned were of the smaller company size with the number of hotel rooms varying between 4 and 28. It additionally became clear that the (non-existent) company policies were neither based on any national or international policies and that the respondents from the smaller hotels were not aware of such policies either. However, the larger hotels with the amount of hotel rooms varying between 126 and 189 did prove to have organizational documents and policies. One of the larger hotels, R6, said that their organizational policies are based on international and national policies due to them being a part of an international chain. R7 further mentioned that they thoroughly follow their organizational policies and documents due to the cross checking from the government.

When considering the sustainable development goals, the absolute majority of hotels revealed to not be familiar with them. R5 was the only hotel to have some previous knowledge of the sustainable development goals. However, the hotel that R9 works at has incorporated the SDGs on their website. More specifically SDG number 7 of affordable and clean energy, number 11 of sustainable cities and communities, number 12 of responsible consumption and production and finally, number 13 of climate action, although this is not something the respondent from the hotel was aware about. In relation to displaying sustainable actions, the hotel that R6 works at posted about their participation in Earth Hour on Facebook and how they want to "...address our environmental impact at every step" as they emphasized that "...every little action we do counts". These actions were not mentioned by the respondent of the hotel, during the interview, even though the sustainability work of the hotel was specifically asked about.

The hotels were found to be working sustainably in differing ways, for example, R4 and R5 through recycling, R2 through reusing materials, R2, R3 and R4 through investing in materials that sustain, and the majority of hotels were additionally participating in or initiating beach cleans. R4 mentioned that a reason for cleaning the beach is due to their hotel being the only hotel in front of that specific beach. The guests enjoy a clean beach and R4 elaborated that he expects customer demand to increase if the beach is nice and clean. In relation to reusing materials, R2 was pointing around the room as she emphasized that "you can see a lot of repurposed… the lamps are plows, the doors are all original rudders from boats, the decking is an old boat". In regards to investing in materials that sustain, R2 and R3 both mentioned the personal importance of using natural ingredients in their shampoos and soaps since their showers are located outside and are surrounded by fish ponds. By purchasing shampoos and soaps with natural ingredients that do not kill the fish in the ponds or harm the nature around it, they will have to spend less money in the long run as they won't have to replace the fish or do maintenance on the surroundings.

In addition to the work the hotels were found to be doing, what was important to a few of them was to support the local suppliers. R5 specifically mentioned that the ministry of tourism stayed at their hotel for one night and that they had a conversation regarding the hotel operations and how to be more aligned with the tourism goals of the government. The minister of tourism had told R5 to work more with local suppliers in order to build economic sustainability in the village. In addition to being aware of economic sustainability, R5 underlines the importance of the social sustainability, as they for example decided to keep their staff during corona. Furthermore, R4 emphasized how they prefer the local suppliers due to it being less formal and more familiar since there is no signing of contracts and that everything does not need to be so difficult. Preferring to use local suppliers is additionally supported by R2 and R6.

When asked what the hotel's supplier selection process looks like, it was found that the larger hotels are a part of a community for purchasing managers where they share information with each other regarding various suppliers. By doing this, they are able to more quickly know if a supplier is a reliable option or not. R7 stated that the community is very open about which suppliers they have while R2 on the other hand, communicated that:

> People don't share their contacts. Like once you have one that's good, like there's one now going around for sunbeds and I don't know where this woman get that from, but she's like, no, it took me six months to find these things. And I'm not just gonna give it to you. Like people are quite protective of their suppliers, if they found something unique. So yes, it's not often off on recommendation.

R2 is not a part of the purchasing manager community where they share their suppliers and is, unlike R7, a smaller boutique hotel. On the other hand, respondents such as R1, R5, R6 and, as mentioned, R7 stressed the importance of getting supplier recommendations on top of using search engines, as for example Alibaba or Google, in order to get multiple suppliers to decide between in the supplier selection process. The process, additionally, has a number of criteria in the decision making. The aggregated criteria found for the interviewed hotels were: Price, Quality, Delivery/Logistics, Local products/business, Communication/relationship and Sustainable/eco-friendly. These criteria, which are found in the color-coding blue in Figure 6, can for some part be connected to the company goals.

In relation to company goals, all of the hotels emphasized the need to follow the budget. R1 expressed that "everything must be related to our budgeting process", but that they would choose a more expensive item if the quality lasts longer and does not have to be replaced as often as the cheaper option. This would ultimately allow them to save money in the long-term which is confirmed by R2 when she stated that she wants "to do it [choose sustainably] as best as possible within the budget". Additionally, R5 confirmed this when stating that:

> We have to keep the profit… if there's a profit, it's very good, at least for me, profit is not only money, but we can share everything that we have together and then we fill it together [with] economic value.

R6 further confirmed this when stating that "how to maintain cost below the budget, is my goal", R7 confirmed this as well when emphasizing that "price is more important than sustainability… and quality is more important than sustainability", R8 confirmed with "saving cost", and finally, R9 confirmed with "my job is to run this company profitable". On the other hand, R4 stated they do not have any goals related to money or sustainability. Further, if the hotel would see that another supplier has a better price for the same quality, R1 would tell their supplier and see if they can get a better deal with them before switching. Switching supplier in general is very uncommon for R1 which other smaller hotels emphasized as well. R1 stated:

"Because we always check also when there is a bit comparison… from another suppliers they have updated the price here with the same quality. And they said that yeah, it's OK, we can make best deal of this". This is additionally confirmed by the larger hotels as they always look for ways to press the costs. In contrast, the larger hotels were found to be switching suppliers often, while R1 being a smaller hotel, stresses that suppliers can "blacklist our name" if they were to switch supplier for an unwarranted reason such as if the supplier, for example, was out of stock one time.

On top of the hotels having various criteria when choosing suppliers, when asked if the suppliers in turn have any demands on the hotels, the majority of respondents replied similarly to R4 that said "no, not really". R1 elaborated that it depends on the season whether the suppliers have demands on them or not as "they [the suppliers] will be very busy also when high season". One of the hotels, on the other hand, mentioned that their suppliers do have demands on them as they need to be paid prior to receiving the ordered goods or services due to the suppliers not having the liquidity to get the material to produce the purchased product unless the hotel pays beforehand as R2 expressed: "I need to pay first. Because otherwise she can't buy the materials to actually produce…there's not many places here that give you the stuff and then the invoice".

A final insight that multiple respondents touched upon was the difference between local managed hotels and, as they called it, western managed hotels. When asked about how hotels are working responsibly in regards to sustainability, R3 said that "I'd say the Western owned hotels or Western managed hotels do. The local owned ones for the most part don't, and that's relatively clear" which reflects the response from R8 who said that "It's Indonesia, not Europe!". R5, being a local manager who has studied abroad, believes that people do not have the same mentality in Indonesia as in Europe but that they have started to take after and embrace sustainability from other parts of the world. R5 further holds the idea that the new generation will be more sustainable through education, meaning that education helps with thinking sustainably and that it increases the knowledge concerning sustainability in general as she stated that:

> We don't have like a mentality like you in Europe but we started to like, for example, because
> maybe they learn from abroad or maybe they see already the problem that we have now. So
> I think the young generation, they started to be sustainable.

This reasoning is additionally supported by two of the non-local managers, R2 and R3. R2 stated that "the level of education on sustainability and environmental practices is just not there, so they just don't understand why" and R3 who emphasized that "we are operating in a culture in a community that is not less or more, it's different, so they are differently educated on sustainable sustainability in particular".

5.3.2 The Personal Impact on Decision Making

This second subsection will explore the empirical findings considering the personal impact on decision making which is included in the framework (Figure 7) as *Personal sustainable preference*. More specifically it will cover the codes included in *Reasoning* (red), *Sustainability* (green) and part of *Supplier selection criteria* (blue) as can be seen in Figure 6 in section 5.2.

The decision making process, when choosing suppliers, has been found to be seemingly different at the nine hotels. Some have written procedures and others work from experience or in non-formal collaboration with their team. We have interviewed nine candidates at nine different hotels within a position as either general manager or purchasing manager. At the six smaller hotels we have been in contact with the general manager who has been responsible for purchasing in all cases except for at the hotel of R5 (who has their own purchasing manager). As was found in the presented data in section 5.3.1 above, the smaller hotels generally do not have any written down organizational policies that they follow in the supplier selection process. At the three larger hotels we have been in contact with the purchasing manager who is solely in charge of purchasing and has organizational policies and directives to follow. This chapter will firstly look at the personal impact on decision making at the smaller hotels (5.3.2.1) and thereon look at the personal impact on decision making at the larger hotels (5.3.2.2).

5.3.2.1 Smaller Hotels

The process of identifying new suppliers is shown to differ between the smaller and the larger hotels. When it comes to the smaller hotels, R2 pointed out the willingness to support both friends and local businesses when she said that "it's either friends or people who saw a niche and started something, and you kind of want to help them, support them". Using friends is something that R3 built upon as they commonly go through friends or acquaintances when they are sourcing new suppliers. R5 is prioritizing the local business when sourcing new

suppliers as she said that "I love to work together with local people here", which is something R8 agrees with when stating that "we like to support their small locally owned business". Thereby, the smaller respondent hotels are seemingly working in a non-formal way when deciding on new suppliers, which is contrasted when R2 stated that "I wish I had this whole very organized process, but… it goes so much quicker" and R3 mentioned that "the selection process will just come down to whatever is easiest". *Easy* is a word that R1 as well as R4 used when describing their supplier selection process as well. They all agree that switching suppliers is rather rare and would only be considered if there have been repeated errors within the delivery from the supplier.

When it comes to personal criteria when choosing suppliers, found in the blue coding in Figure 6, there are some differences between the smaller hotels. R1 and R4 stated that they are personally very considerate of the price and quality when choosing a new supplier. R1 further added communication with the supplier while R4 added logistics as a third personal value. Looking at the other small hotels, R2 personally prioritizes eco-friendly products, to choose local businesses, quality, and logistics when choosing a new supplier. R3 mentioned sustainability, quality, and price. R5 prioritizes local businesses, the relationship with the supplier as well as quality and price and lastly, R8 personally values sustainability, supporting local businesses, and quality. Even though R2 and R8 specifically did not mention price, they both stated that their job is to run the company at a profit, which makes price an important criteria when choosing as well, but not in relation to their personal values. Aside from price and quality it becomes clear that most of the smaller hotels value sustainability as well as supporting local businesses when choosing suppliers, except for R1 and R4 where R4 shortly answered "no" to the question if they consider sustainability when choosing suppliers.

Furthermore, the idea of sustainability somewhat differs between the smaller hotels. When the respondents were asked: *What is the first thing that comes to mind when you hear the word sustainability?* R1 did not reply in relation to sustainability and, when asked about if they consider the environment in the supplier selection process, R1 discussed environmental factors such as the weather not being relevant to their decision. R2 said that sustainability is reusing and choosing materials that sustain. R3 referred to the supplier selection process and stated that half of the time sustainability matters and half of the time it does not. R4 mentioned their company and its suppliers and as previously stated when asked if they consider the environment when choosing suppliers, R4 responded with "no". R5 mentioned the three

aspects of sustainability being environmental, social, and economical and elaborated that during the years as a manager, it has been found that the social part of sustainability is very important. Lastly, R8 answered waste management, using as little plastic as possible, and the distance of transportation.

Elaborating on the personal view on sustainability, R2 expressed:

> I think it's fu*king important. Fortunately, it's you can feel so hopeless sometimes on this island because, like yes, we do beach cleans all the time and I try to go as often as possible and I try to, you know, use my bottle. But like yeah, so sometimes on the island they can… It can seem so futile, a little bit discouraging. So, I tried to do as much as possible.

The hopelessness that R2 pointed out coming to sustainability is something that R3 underlined as well when stating that "you're fighting a losing battle" when it comes to choosing sustainably in Indonesia. R3 further expressed that the only way to really know that products are fully sustainable is through moving the production in-house, which is something they are extensively trying to do. R3 mentioned that "the level of education on sustainability and environmental practices is just not there, so they just don't understand why", which R3 further exemplified:

> I mean, even my local staff are asking to clean the beach and so they pick up a load of trash and plastic and everything, but our main bins are all the way over here on this side of the road so from here they'll collect it all from our side and then if I'm not watching, walk down the beach and just dump it in the ocean. Down there where I can't see it because it's closer than 15-20 meters extra to come to the bin, but they think that's the problem gone. That's solved.

Furthermore, R3 explained that "Indonesia's a very, very difficult place for sustainability" and "you always know at some point in that supply chain, there's going to be something that's not great". R2 gave an example on this exact issue:

> So, for example, two weeks ago I ordered bamboo toothbrushes from a supplier, super eco friendly and it was like raving about these toothbrushes, they were like in in a carton box and they were bamboo and they were like newly tested, they weren't painted with anything, so they were like fully natural. And we were like, oh, and they were quite reasonably priced. I was like, cool. That's like something you can give to the guests for free [...] And they come and

they're all wrapped individually in plastic wrapping and it's like so you try and other companies try, but there's just. I don't know. It's weird. It's weird here.

Which R8 built on when explaining that:

> We support the local zero waste store, but in general it's not that we have a real choice when it comes to suppliers in general and especially in terms of their sustainability practices. It's Indonesia, not Europe.

R5 agrees that Indonesia does not have the same mentality as in Europe where sustainability is a big prioritization. R5 further exemplified an issue that their hotel has faced coming to sourcing suppliers for organic vegetables. The suppliers who stated to be organic were located right next to other suppliers who were using pesticides on their crops, which ultimately results in that the organic supplier is not as organic as stated. R5 believes that, with globalization and the influence of it on the younger generation, sustainability will become incorporated to a greater extent. Even though all respondents agree that sustainable products are more expensive than the alternative, R3 stated that "from a business standpoint I don't really understand anyone that's not making it sustainable as possible. I mean, it actually in the long run saves us money".

5.3.2.2 Larger Hotels

In comparison, the larger hotels are all directed by the organizational policies that have been discussed in chapter *5.3.1*. They are following procedures when selecting new suppliers where they compare the suppliers, write a recommendation, and send this to the top management for a final decision. They are within their job constantly looking into new suppliers and R6 stated that "new suppliers we need every day". By that they are constantly putting pressure on their suppliers and if they find a better offer, they will quickly switch from one supplier to the other. R6, R7 and R9 all stated that price and quality are the main reasons why they switch suppliers, and that switching is something that occurs quite often. Aside from price and quality being important criteria for the organization, the larger hotels have similar personal criteria when choosing suppliers, found in the blue coding in Figure 6. R6 stated that fast response and easy communication is out of great personal value, R7 pointed out the integrity of the supplier and how they communicate and R9 mentioned that the history of previous purchasing partnerships (that the supplier have had with other hotels) matters

greatly. In summary, they personally value the communication and/or the relationship with their suppliers.

Furthermore, none of the respondents from the larger hotels associated their idea of sustainability to environmental impact. R6 associated sustainability to quality control, R7 stated that it is a process that constantly continues, while R9 stated that it is a partnership. As previously mentioned in the literature review in section 3.1.2, the definition of sustainable supplier selection is: A process by which suppliers are reviewed, evaluated, and chosen to become part of a company's supply chain, where the selection process incorporates both economic and environmental criteria. After the respondents were given this definition, R6 stated that the criteria of price is more important than sustainability because it has an impact on the operational costs and stated that their goal is to "maintain cost below budget". R7 agreed that price is more important. Thereby, they are both stating that they believe that sustainable options are more expensive than the alternative.

5.4 Summary of Empirical Findings

Table 5 below summarizes what has been found in the collected data in section 5.3 above and aims to provide a simple overview of the data prior to the analysis chapter below. It also sheds light on important parts of the data in relation to the theoretical framework. Respondents who are from Indonesia are shown to not define sustainability in relation to environmental impact. The Indonesian respondents who additionally do not have any organizational documents show no sign of prioritizing sustainability within the supplier selection, while the ones who have organizational documents are shown to prioritize sustainability within the supplier selection process. Respondents who are not from Indonesia all define sustainability in relation to environmental impact and are shown to prioritize sustainability within the supplier selection process.

Respondent	From Indonesia	Not from Indonesia or from Indonesia but have studied abroad	Have heard of the SDGs	Has organizational document(s)	Defines sustainability in relation to environmental impact	Prioritize sustainability (in some way) within the supplier selection process
1	X					
2		X			X	X

3		X			X	X
4	X					
5	X	X	X		X	X
6	X			X		X
7	X			X		X
8		X			X	X
9	X			X		X

Table 5. Summary of Empirical Findings

6. Data Analysis

This chapter aims to compare the information that the interviews provided with the theoretical framework created in the literature review. Firstly, the chapter shortly introduces the framework again. Secondly, the chapter explores the organizational impact on decision making and thirdly, the personal impact on decision making. The chapter fourthly summarizes the analysis in the sustainable decision making part and finally ends with adjusting the framework in accordance with the empirical findings and the analysis provided.

6.1 The Decision Making Process

The analysis chapter is based on the framework as previously introduced, and again below in Figure 8. To arrive at the analysis of the sustainable decision making in 6.2, there will firstly be an analysis of the *Corporate sustainable directives* and secondly of the *Personal sustainability preference* separately. These two in combination form the possibility and foundation to arrive at a deeper analysis as well as conclusions later on in chapter 7.
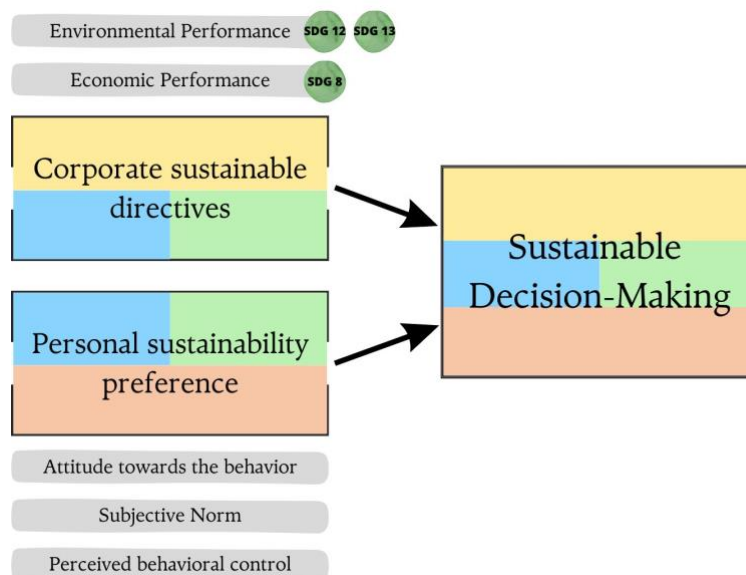
Figure 8. Extended Theoretical Framework, Based on Ajzen (1991) and Khan et al. (2017), Related to the Codes

Figure 8 is an extension of Figure 7 in the previous chapter. Figure 7 solely had the *Corporated sustainable directives* box and *Personal sustainability preference* box colored in the coding from Figure 6. In the analysis we have extended this to color the *Sustainable Decision-Making* box as well, as presented in Figure 8 above. When analyzing the data, that is presented in

Chapter 5, in relation with the literature, that is presented in Chapter 3, we realized that all the codes matter in the Sustainable Decision-Making process. To visualize this realization, the *Sustainable Decision-Making* box is therefore colored in yellow, red, green and blue to present how all of the codes play a part in the supplier selection process. We additionally came to the realization that the framework needed an adjustment after conducting the interviews and analyzing the material, therefore, the framework is updated later on in section 6.3.

6.1.1 The Organizational Impact on Decision Making

This section will analyze the collected empirical data using the *Corporate sustainable directives* box in the framework above which includes the *economic performance* with sub-part *SDG 8* and the *environmental performance* with subparts *SDG 12* and *SDG 13*. The analysis will additionally connect to relevant areas from the literature review when covering the yellow, blue and green coding. To facilitate the reading of this section, it has been divided into two sections: *6.1.1.1 Supplier Selection Criteria,* and *6.1.1.2 Policy Impact on the Supplier Selection Process.*

It was found that all hotels are using suppliers and are thereby outsourcing parts of their operations to external parties. The outsourcing of certain operations is, according to Simchi-Levi et al. (2022) and Jia et al. (2021), valuable in order to create an effective business. It is clear that the hotels have a strong will of the outsourced processes being easy and simple and wanting them to be as efficient as possible. As further emphasized by Simchi-Levi et al. (2022), this additionally enables businesses to increase both profit and market share. This was evidently proven, in the form of the hotel's goal setting concerning costs and profit, as all of them emphasized the importance of being profitable. One of the hotels vocalized that they are okay with not being very profitable as long as they do not have higher costs than revenue at the end of the day, which is aligned with Kastner & Stern (2015) as they state that decision making within businesses is directed by economics.

6.1.1.1 Supplier Selection Criteria

Rezaei et al. (2014) emphasizes the importance of the supplier selection process as the choice of suppliers ultimately has "a crucial impact on the future performance of a company" (p. 8165). Since the hotels were found to have outsourced parts of their operations, such as food, beverages, linen and furniture, they are depending on the suppliers to provide them with what they need and it was recognized that the hotels work with a certain process and selection criteria

to different extents. The hotels answered the question, regarding their supplier selection process, in different ways. As some of the smaller hotels do not have any written company policies to adjust their selection after, they simply answered that they do not have a supplier selection process but rather go with what is easiest and has the best price and quality. In this regard, the personal views determined which supplier to ultimately choose, which will be further elaborated on in section 6.1.2. All of the larger hotels, on the other hand, were found to have organizational policies to consider in the supplier selection process.

The criteria that the hotels were ultimately found to be following when evaluating suppliers are: Price, Quality, Delivery/Logistics, Local products/Business, Communication/Relationship and finally Sustainable/Eco-friendly. Out of these six criteria, cost, quality and delivery time are aligned with what Önder & Kabadayi (2015) emphasizes is found to be crucial criteria in the supplier selection process, within the hotel industry, and sustainability is found to be the least important criteria. Further, Rezaei et al. (2014) mention environmental, economic and social sustainability factors being important to include in the evaluation process. However, in accordance with Rezaei (2019), the social pillar within the triple bottom line was previously not considered within the theoretical framework of this thesis as it was stated to not be taking precedence within research on supplier selection. Nevertheless, the empirical findings are aligned with Rezaei et al. (2014) as the social performance is found to be more important than originally anticipated, which is further elaborated on in section 6.3 along with an update of the framework. The criteria given by the hotels can thereby clearly be classified into the three factors included in the triple bottom line figure, made by Khan et al. (2017), as can be seen in Figure 9 below.
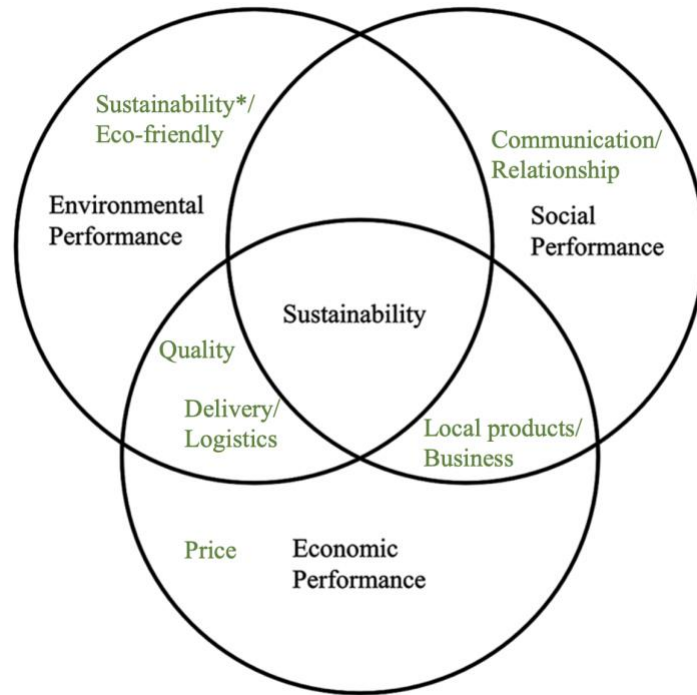
Figure 9. Triple Bottom Line (Khan et al., 2017) & Respondent Supplier Selection Criteria

Analyzing the price criteria, it is placed in the economic performance since the hotels do not want their costs to be higher than the revenue. On the other hand, the hotels do not solely look for the cheapest product, but evidently for one that will last for a long time. The hotels elaborated how they consider cost efficiency when purchasing. Meaning, they would prefer to purchase a more expensive product if it lasts longer than a cheaper product. This leads us into quality which clearly plays an important role in the supplier selection process. From the explanation given above, it can be determined that the quality criteria is associated with the economic performance as a more expensive but more qualitative product can be chosen for a more long term use. This in turn is good for environmental sustainability, to purchase products more rarely.

The delivery and logistics criteria is a part of both the economic and environmental performance due to the hotels wanting a simple delivery of the products as well as to keep the transportation costs down. One of the hotels, for example, specifically mentioned they use public transportation for their fruit delivery which is made every three days. This is cost efficient for them as they do not have to organize the transport themselves and additionally good from an environmental point of view. What was further emphasized by the respondents was that they, in many cases, choose local suppliers to support the village and grow the local

economy but also due to the local suppliers, even though they are a bit more expensive at times, being closer transportation-wise which allows them to make emergency purchases when needed.

Communication and relationship with the suppliers was found to be more important than expected and can be categorized into the social sustainability factor. The respondents emphasized that it is important for them that the suppliers are fast at responding, that the products are qualitative and that the suppliers have a good amount of stock so that they are always able to get the delivery they need. The last criteria can be categorized into environmental performance. It was discovered that the local respondents do not consider sustainability or eco-friendly products or services as a criteria, unless it is a given from their company policies and regulations. Non-local respondents revealed sustainability and eco-friendly products to be important factors for them personally, as they do not have a written company policy but they would choose a more eco-friendly product over one that is not. One local manager (R5), who had studied abroad, did however have a mindset more aligned with the non-local managers as the respondent emphasized the importance of all three factors of environmental, social and economic sustainability when running a hotel business, which will be further elaborated on in section 6.1.2.

It became clear that the majority of respondents only use national suppliers. The respondents that did import products internationally did so very rarely. This is uncommon, according to Khan et al. (2017), as a product life cycle tends to not be located in a single country. This makes it hard to analyze whether there is an impact from the international suppliers policies on the local hotels policies. Therefore, the majority of the hotels can be found to only have their, if existing, company regulations influenced from the national policies and regulations formed by the government. Kshetri (2021) stressed that there are more violations of sustainability principles in supply chains in developing countries compared to developed countries, as this study only bears the evidence from a developing country it is difficult to truly analyze whether or not the findings are in line with the literature. What is found is that multiple respondents compared the sustainability work of Indonesia to Europe and mention that the sustainability mentality in Europe is non-existent in Indonesia and with that there are not always options to be sustainable. R3 describes how they have bins for the trash and that when the (local) employees pick up trash on the beaches, they have a tendency to throw it back into the ocean instead of walking to the bins with the trash, since it is a bit longer to walk to the bins compared

to the ocean. The non-local manager expressed a sense of hopelessness in this regard, since they are doing a good thing by cleaning the beach, but then not following through on the commitment and how it sometimes seems that the employees may not even understand the reason why they even clean the beach in the first place.

Lastly, it was found that the hotels do not necessarily have any demands or pressure on them from their suppliers. This is in contrast to Khan et al. (2017) as they state that, since it is easier to follow up on how organizations are operating globally today, there is an increased pressure on the organization to pursue sustainable alternatives. However, it was found that the three larger hotels which did have organizational documents and policies had pressure on them to pursue sustainable alternatives.

6.1.1.2 Policy Impact on the Supplier Selection Process

Moving on to company regulations, it was interesting how one of the larger hotels said they need to follow the company regulations since the government cross-checks their work. However, the smaller hotels were not aware of any national regulations that would have an influence on their operations, and they do not have any company policies to begin with either. There could be a limitation in which the government only cross-checks hotels of a certain size, but nonetheless, for those who are not regulated by national policies, or organizational policies, are considering a trade-off. Meaning, choosing to be cost-efficient rather than considering the environment in the operations because it is simpler (Rezaei et al., 2016), and since it is not regulated, it is easy to continue working the way they want to or the way that is the easiest and cheapest.

Additionally, as Epstein et al. (2014) emphasizes the four important factors of corporate sustainability being: government regulations, community relations, cost and revenue imperatives and societal and moral obligations, it was found that these are somewhat but not strictly applicable to the empirical findings. For example, when it comes to government regulations, it seems that the various respondents have differing experiences. One of the hotels strictly follows their company regulations as the government is cross-checking their work, another mentions the directives from the ministry of tourism and that they do what they can to follow these while others are simply not aware of any governmental regulations or policies at all. It further seems that the government does not crosscheck all hotels, which ultimately means there are no consequences, such as fees or penalties, for not working sustainably. Community

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relations was found to be applicable as they gladly support local suppliers which increases the economic sustainability in the village. Cost and revenue imperatives are important to all hotels considering they need to be profitable to survive. However, the importance of cost and revenue imperatives vary across hotels. Lastly, moral obligations are found to influence the decision making and to be important to a few of the respondents while to others, not at all. This is further elaborated on in section 6.1.2 in the form of personal values.

Pimonenko et al. (2020) stresses that companies imply they are using sustainable operations when they are not, which is something we have been cautious of when discussing sustainability with the different hotels. As we have not done any observations on how the hotels work in relation to what they say, the phenomenon of green washing could take part in their answers. From our experience the hotels did rather state that they are not working sustainably than that they are, and some even said they wanted to do more than they currently are doing. These answers have made us believe that the hotels have been honest in their communication coming to sustainability actions, which could be a result of the study being completely anonymous.

Considering the sustainable development goals have been a larger part of the literature review and additionally the fact that three of them are incorporated into the framework, it was found that the majority of hotels do not necessarily attain any knowledge of the SDGs. However, there is one company, R9, that has incorporated the SDGs on their website, even though the respondent representing the hotel did not mention this during the interview and did not seem aware of it themselves. The SDGs included on the website are: SDG number 7 of affordable and clean energy, number 11 of sustainable cities and communities, number 12 of responsible consumption and production and finally, number 13 of climate action. Even though the respondent from the hotel, R9, did not divulge the information about the company work towards their chosen SDGs and the majority of the other hotels do not have any company documents and or policies to incorporate the SDGs into. What became clear is that the hotels actually work towards the SDGs in different ways. It is evident that they are specifically working towards the SDG number 13 of climate action, as exemplified in the empirical findings in section 5.3.1. It is also evident that the hotels are working towards SDG number 8 of decent work and economic growth as well as SDG number 12 of responsible consumption and production.

The reason why it is clear that they work toward SDG number 8 is since they support economic growth, both by profitability being an important factor and additionally by using local suppliers. By using local suppliers, they support the economic growth in the village as well which is emphasized by Hsu et al. (2014) who connects this to the facilitation of low-carbon hotel operations. The reason why it is clear that they work toward SDG number 12 is due to some of the hotels considering sustainability in their supply chains which leads to responsible consumption. The work towards SDG 12 can also be achieved through beach clean ups and choosing suppliers that adopt environmentally friendly packing material (Dube, 2021) which are additional initiatives found among the hotels.

6.1.2 The Personal Impact on Decision Making

This section will analyze the collected empirical data using the box *Personal sustainability preference* in the framework above which includes the three factors of the theory of planned behavior (TPB): *attitudes towards the behavior, subjective norm* and *perceived behavioral control*. The analysis will additionally connect to relevant areas from the literature review when covering the red, blue and green coding found in Figure 6.

As is summarized in the previous chapter in section *5.4 Summary of Empirical Findings*, the different hotels in this study are run by very different conditions. Three out of nine hotels (R6, R7 & R9) are running their business by organizational documents, and the other six (R1, R2, R3, R4, R5 & R8) do not have any type of written down organizational directives to follow. Swaim et al. (2016) state that the decision making within supply chain management that lacks clear organizational directives encounters for personal aspects to have an effect on the decision making process when evaluating and choosing new suppliers. This is implied by the six hotels that are lacking organizational directives in the supplier selection process where R2 mentioned wanting to help friends and family when choosing suppliers, R3 goes through friends to find new suppliers, R5 "love[s] to work together with local people" and R8 likes to support small local owned businesses. Their personal values are shown to be directly reflected in the process of choosing new suppliers.

In contrast, the hotels who are run by organizational directives are following cut out procedures when evaluating and thereon recommending new suppliers to their top management and this process is seemingly limiting the space of including personal values in

the selection process. Which is what Ajzen (1991) describes with one of three factors of TBP, *subjective norm*. Subjective norm refers to the decision makers' perceived social pressure of performing in a specific way, which in this study is the impact of organizational directives and guidelines within the supplier selection process. R6 stated that their goal is to maintain cost below budget and both R7 and R9 agree that price is an important part of the decision making. All of the hotels, that are run by organizational directives, are constantly looking into new suppliers in order to put pressure on the current price tag, which in accordance with Swaim et al. (2016) can be one reason to why personal values are not taken into account in the decision making process - organizations that have specific sourcing goals related to cost, limits the influence of personal values. R6, R7, and R9 all stated that they have personal values when choosing suppliers, but these are all put in relation to the work relationship with the suppliers. They want to have easy and quick communication in order for them to not be put at risk of, for example, delays or incorrect deliveries at their job.

Apart from the impact of organizational directives on personal values we were curious of whether or not personal values did impact the final decision when choosing suppliers in relation to sustainability. It became clear that sustainability had different meanings to the different managers, and some were not familiar with sustainability. The associations that were presented in relation to sustainability were for R2, R3, R5 and R8 connected to the environment. For R1, R4, R6, R7 and R9 sustainability was associated with quality control, partnership and relationship to their suppliers. This further reflected their personal standpoint when it comes to sustainability in the supplier selection process where R2, R3 and R8 prioritized eco-friendly or sustainable products and R5 local businesses, while R1, R4, R6, R7 and R9 were more concerned about the price and quality.

Furthermore, R2 underlined the importance of doing what you can to protect the environment, R3 is trying to produce more in house in order for them to know for sure that the products they use are sustainable, R5 underlined the importance of investing local in order to build economic sustainability within the local village and R8 stated that they turn to the suppliers they know are the most sustainable. They all express thoughts and actions that are in favor of sustainable decision making, which is in line with Ajzen (1991) factor called *Attitude towards the behavior* which is another of the three factors that drive intentions to behave in a certain way. In contrast, R1, R4, R6, R7 and R9 did not clearly express any thought that could be connected to them being in favor of sustainable decision making. There are, though, actions

that could be considered as in favor of sustainability, such as R4 cleaning the beach located in front of their hotel every day. The reason for them to do so lies within profit maximizing behavior instead of behavior in favor of sustainability. This is evident since R4 further expressed that they clean for their customers to enjoy the beach and to come back and tell their friends to come stay at this specific hotel, which is why this cannot be considered as an action in favor of sustainability.

Lastly, the intention of acting in line with sustainability preferences are stated to be challenging. R2 expressed feeling hopeless regarding sustainability actions and R3 explained that Indonesia is a difficult place for sustainability and stated that "you always know at some point in that supply chain, there's going to be something that is not great". R8 added that "it's not that we have a real choice when it comes to suppliers in general and especially in terms of their sustainability practices. It's Indonesia not Europe". The respondents expressed that they are trying their best to be as sustainable as possible, but the options are limited as well as the knowledge about sustainability in the country. R2 told a story about purchasing super eco-friendly toothbrushes and when receiving them they were all individually wrapped in plastic. R3 told a story about his staff being willing to help clean the beaches but throws the garbage bag into the ocean because, to them, that means the problem is gone. R5 told us about how suppliers can state they cultivate organic vegetables but are at the same time located right next to someone who uses pesticides on their crops. R3 stated that "you're fighting a losing battle" regarding becoming sustainable in Indonesia. This is what we relate to the third factor of Ajzen (1991) TBP, *perceived behavioral control*, where the decision maker's perception of the ease or difficulty of performing the specific behavior is encountered.

6.2 Sustainable Decision Making

In relation to organizational policies, three out of nine hotels were running their business by using organizational documents for their processes and policies and the other six did not have any type of written down organizational directives to follow. Thereon, the majority of the managers had never heard of the SDGs, but most hotels evidently worked towards SDG number 8, 12 and 13. The hotels that did not in any way incorporate sustainability into their business were the ones where organizational documents were non-existent and the managers were not themselves aware of sustainability. For the hotels with organizational directives and/or a

personal preference of acting sustainably, the supplier selection process was influenced by sustainable decision making.

Furthermore, sustainable decision making is influencing the supplier selection process differently at the nine different hotels. Looking at the overall company criteria when selecting suppliers, price and quality was mentioned at every hotel, thereon delivery/logistics, local product/business, communication/relationship and sustainable/eco-friendly was mentioned. When instead looking at the criteria that the managers were personally in favor of, the answers diverged. The larger hotels all agreed on communication and relationship as their personal criteria when choosing suppliers. The smaller hotels that were run by local managers (who had not studied abroad) did again mention price and quality but also added communication and logistics. The smaller hotels that were run by non-local managers all mentioned sustainability as their prioritization which could be approached through sourcing sustainable products in itself or through investing in local businesses to support the local economy and at the same time cut down on transportation.

6.3 Adjusted Framework

Due to the knowledge acquired from the conducted interviews, we realized that the framework required an update. The framework was particularly found to be insufficient when considering which aspects and criteria the respondents look upon and prioritize in the supplier selection process. We evidently found the framework lacking the social pillar from the TBL and the framework is therefore adjusted as can be seen in Figure 10 below.
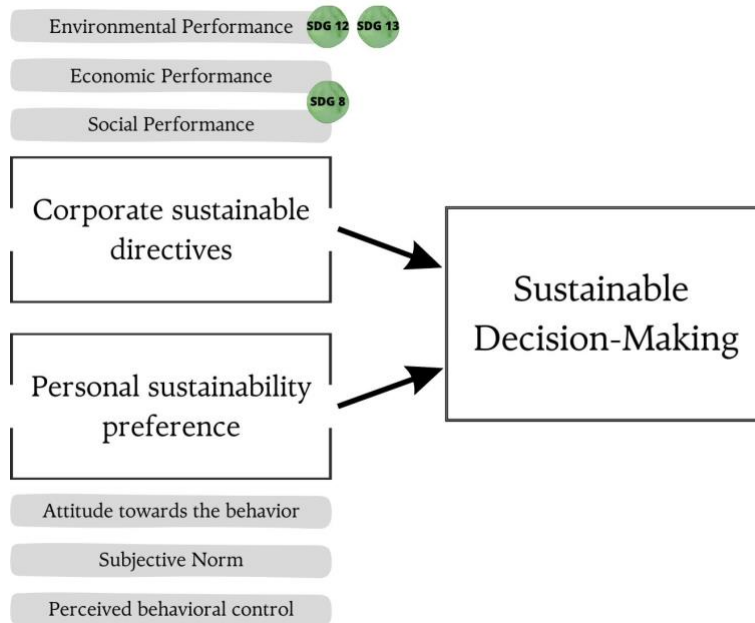
Figure 10. Adjusted Framework

The *Social Performance* box has been added in the box of *Corporate sustainable directives* since this was found to play an important role in the decision-making in the supplier selection process, as found in section 6.1.1 above. The social aspect was found to be more relevant than originally anticipated due to the majority of hotels implying that supporting the locally owned businesses is very important to them (R1, R2, R4, R5, R6, R7, R8 and R9). This is aligned with Khan et al. (2017) in their statement regarding how the social pillar is focusing on the people living on the planet and how to create sustainable communities. It is further aligned with Kim et al. (2018) as it, in a sense, can be interpreted to reduce poverty in the community. Supporting local businesses can therefore be linked to the social pillar in addition to the economic pillar. At times the hotels were found to choose locally since they wanted to help the community, even if it would be a bit more expensive than other alternatives, and other times it was found that they chose locally due to faster service.

It was further found that many of the hotels (R1, R2, R4, R5 and R8) highly value the communication and relationship criteria in their supplier selection process. Which is, once again, in line with Khan et al., (2017) stating that being considerate of people living on the planet is part of the social pillar. We additionally found that there is no overrepresentation of smaller or larger hotels that consider supporting locally owned businesses since all hotels, except for one, finds this important. Nevertheless, we found that all but one small hotel value the communication and relationship criteria with their supplier and the larger hotels mainly

state the importance of communication. The importance of relationships, for smaller hotels, could also be due to the smaller hotels being scared of being blacklisted if they do not maintain a good and fair relationship with their supplier. As R1 put it: "Then we couldn't come back again to our supplier… Possibly to blacklist our name". With this stated, Social Performance is evidently more important than originally anticipated and has therefore been included in the framework as shown above in Figure 10.

The SDG that can be connected with social performance is SDG number 8 of decent work and economic growth. R5, for example, expressed how they decided to keep their staff during corona to make sure that both the social and economic performance were sustained in the local area. Which is an instigation as well as a participation of a local initiative that also contributes to human health and reducing poverty within the area and is thereby considered part of the social performance within the triple bottom line (Khan et al., 2017; Kim et al., 2018). This conveys the importance of decent work and prioritizing the people within the work environment in economic growth which thereby makes social performance an important factor within the framework.

The social pillar is, as stated, found to have a greater impact than originally anticipated. This could evidently be a result of a cultural difference where, as previously stated, religion covers the value of unity in diversity which refers to inclusiveness (Lee et al., 2020). The preference of local businesses and prioritizing to support friends and family businesses could be a result of this inclusiveness and thereby makes the social pillar have a greater impact. The unity in diversity could also be a contributing factor to the prioritization of good relationships with your suppliers and thereby makes the people behind the businesses important.

Other than adding the *Social Performance* box and attaching *SDG 8*, we did not find any other adjustments to the framework necessary.

7. Conclusions

This chapter aims to present the main findings of this study and with that, an answer to the research question. This is followed by the contributions and practical implications of the study. Finally, limitations and suggestions for future research are presented.

7.1 Answer to the Research Question

What has evolved throughout the analysis of this work is, in line with the theoretical framework, two areas of affection coming to the influence of decision making within supplier selection at hotels in Bali. One area including, as we have chosen to call it, *policies* and the other area including *reasoning*, where policies are dependent on organizational directives and their influence on the decision maker and reasoning is dependent on the person behind the decision being made. We will further discuss this when answering the research question of this thesis: *What influences local hotels in Bali's supplier selection in the light of sustainable supply chain management?*

Coming to policies we have found that hotels of a larger size tend to have organizational documents and that hotels of a smaller size tend to not have organizational documents. The larger hotels that have sustainability incorporated into the policies are following these directives in the purchasing and supplier selection process. Smaller hotels however seem to solely choose sustainably if they have it as a personal criteria. If the manager, in the case of being a smaller hotel, is not aware of the concept of sustainability, there is a larger chance of them not choosing sustainable options as they are not obligated to follow any directives. Nevertheless, even though the hotels vary in regards to choosing sustainably in the supplier selection process, all of them seemed to make various sustainable efforts. The reasons for the sustainable efforts made were sometimes environmental, sometimes economical and sometimes social. The efforts made, in regards to working sustainably, were however not reflected in the incorporation of sustainable development goals (SDGs) into the organizational documents.

Coming to reasoning we have found that the awareness of sustainability is differing between managers and this is also believed to influence the final decision of whether or not the hotel

chooses sustainable suppliers. The awareness impacts the attitude, where the managers that are aware of the existing sustainability issues are found to also be influenced by them in their decision making. Furthermore, there is stated to be an educational gap in Indonesia regarding sustainability and the *mentality* (subjective norm)*,* as the respondents put it, not being the same in Indonesia as in Europe when it comes to sustainability. This is believed to be a reason why sustainability is neither prioritized in, nor influencing, the selection process of local managers, unless there are organizational documents or, in other words, orders from superiors to act in a certain way (subjective norm). Additionally, it is not common for suppliers to work fully sustainably, even if they state they are doing so. This makes it very difficult for managers who are trying to prioritize sustainability within their supplier selection process to actually do so (perceived behavioral control). Which implies that a positive attitude towards a sustainable supplier selection process as well as a direction from superiors within an organization contributes to the intention of acting sustainably. Although Indonesia is a difficult country when it comes to choosing sustainable suppliers, which affects the actual outcome of the decision. The attitude and/or subjective norm generates an intention that does affect the behavior of choosing sustainably, but the actual options are limited within the country (perceived behavioral control) and therefore the most sustainable supplier is chosen, which in reality is not completely sustainable.

Where the lack of knowledge among managers restricts, organizational documents could take over and influence the decision, if they were to exist. The smaller hotels are commonly run without organizational documents, which makes the decision depend on the decision maker and, in some cases, the influence of their boss. Most of the smaller hotels stated that they neither have a very formal process nor relationship with their boss and they are commonly making the final decisions by themselves. In these situations, it became clear that personal attitudes towards sustainability greatly influenced whether the hotel invests sustainably or not. For the larger hotels who have organizational documents, the personal attitude or even any personal thought did most likely not influence the process but instead they were directly influenced by the directives from their organization. In one case it was found that one of the hotels was working towards sustainability as they had incorporated the SDGs on the hotel website. For the other larger hotels, it was identified within the interviews that some steps of the selection process actually included looking into the suppliers organization and making sure that they follow rules, are certified (if needed), are truly organic if they state so and so on.

In summary, this study concludes that organizational directives (corporate sustainable directives) and personal values (personal sustainability preference), individually as well as in combination, influence the supplier selection at local hotels in Bali in relation to sustainable supply chain management.

7.2 Contribution & Practical Implications of Study

This study, which investigates reasoning behind decision making in the supplier selection at hotels in Bali, generates an academical contribution, a methodological contribution, an empirical contribution as well as a societal contribution to existing literature. Firstly, the elimination of social sustainability within previous research on supplier selection has been questioned within the results of this research and therefore contributes to the existing academic literature. This implies that future research should be cautious when separating the three environmental pillars of the triple bottom line when researching supplier selection.

Secondly, the study contributes to the methodology with a new theoretical framework within the studied area of supplier selection. The framework represents a new approach to map sustainable decision making within the supplier selection process, which has been developed through a systematic review of previous research within the area and tested and adjusted during the data collection process of this study. Thereby, the framework is a new measurement instrument that creates a contribution to the methodology, which can be validated when used within future research.

Thirdly, this study generates an empirical contribution through identifying the reasoning behind sustainable decision making within the supplier selection process at hotels located in Bali. The study shows that either sustainable organizational directives or personal sustainable values or a combination of both implies sustainable decision making. This additionally implies that other researchers can compare their results with ours and further use our empirical findings.

Lastly, the study provides a societal contribution through addressing the subject of sustainability and identifying the reasons behind sustainable decision making. The result of the study shows that the anticipation of being considerate of the environment, within the decision making at work, is dependent on awareness as well as preference of the decision maker or the company directives. The lack of knowledge on the subject of sustainability in Indonesia, as

presented in the empirical findings, is alarming. This implies an opportunity for the government to make a change, both coming to organizations that operate within the country as well as the current educational curricula. Seemingly there are current national policies for organizations, but the awareness of their existence is as inadequate as the control of whether or not these are actually followed. The education on the subject of sustainability is expressed by the respondents of this study as insufficient or even non-existent, which leaves the government with yet another opportunity to lead the country towards a more sustainable future. It additionally implies a responsibility on the companies to incorporate education concerning sustainability for their employees, alternatively to hire employees which are educated or experienced within the work of sustainability.

7.3 Limitations & Suggestions for Future Research

Within qualitative research, a limitation that is commonly discussed is the one of generalization (Bell et al., 2019). Since the group that is researched in this case was local hotels in Bali, it can be hard to generalize the research due to the fact that culture and other variables may play a role in the results. Moreover, the study only managed to find nine willing respondents to participate in the study. The varying sizes of the participating hotels can be seen as another challenge for generalizing the answers given, which could impact the reliability of the conclusions. To avoid this fact, the study could be widened to use more respondents and respondents from other developing countries as well, however, this would make the project larger than the time period may allow for a thesis. As this study was limited to a certain time period, to extend the research location and respondents was not an option, thus this is a suggestion for future research.

Another suggestion for future research which could enrich the findings from this study is to explore the awareness of sustainability in Indonesia and how the awareness affects the outcome of sustainable actions within the country. Within this research the respondents expressed different views and definitions in relation to sustainability and some of the respondents did not know what sustainability was. When asked about *environmental sustainability* one respondent associated *sustainability* with *system,* and another respondent started talking about the *weather situations* that can affect transportation of supplies. The lack of knowledge within the area of sustainability could be a reason why the country is a difficult place to work sustainably. If lack of knowledge or even lack of awareness is a reason for this, there could be simple solutions

such as implementing sustainability into educational curricula and educating managers on the Island in order for the country to become more sustainable.

Furthermore, we found the concept of greenwashing to not be prevalent among the respondents in all cases except for possibly one. This respondent worked at a hotel where the website expressed how the hotel worked towards the SDGs, but the respondent, as an employee, was unaware of this work. This respondent was one of the respondents who was unable to define sustainability in relation to environmental actions and might solely have been unaware of the sustainability work the hotel was pursuing because of the personal lack of knowledge on the subject. This entails future research to investigate how corporations express they are working with sustainability and how they actually work with sustainability, as well as how they motivate their employees to work accordingly.

Finally, respondents of this study repeatedly mentioned that there was a distinct difference between locally owned and managed hotels and not locally owned and managed hotels when it comes to sustainability. This could depend on cultural differences and is therefore an additional aspect that could be further elaborated on in future research.

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Appendix 1: Interview Guide

Formalities

Date XXXX-XX-XX

The interviewee is informed that the participation within this study is completely anonymous and is asked for permission to record.

Introduction

The interview session thereafter starts with a short introduction of our study and the subject and then let the interviewee shortly present themself and make sure that the following questions are addressed:

1. What is your current role within the company and for how long have you worked within this position/within the company?
2. What kind of operations does your company pursue?

Questions on Suppliers and the Supplier Selection Process

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3. Which processes are you currently outsourcing?
4. How many suppliers do you currently have?
    a. How many of these are direct suppliers?
    b. Where are they located?
    c. What do you know about their operations?
5. How would you describe the relationship with your suppliers?
    a. How are your suppliers reviewed?
    b. How often do you switch suppliers?
    c. How do you get in contact with new suppliers?
6. Could you describe the process that your company has when selecting suppliers?
    a. Are you working with certain company policies/regulations in this process?
        i. Are your organizational policies based on national policies?
    b. Do you have any personal criteria that you follow?

    c. Are there any specific evaluations of the potential partnering company's performance being done?

    d. Are you looking at offers from multiple suppliers?

    e. Are the suppliers putting any specific demands on your business?

7. What is, in your opinion, the main criteria that you apply when qualifying and evaluating a new supplier?

8. Do you have a map/chart of your suppliers and will you be able to provide us with this after the interview?

Questions regarding the influence of sustainability when deciding on suppliers

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9. When you hear the word sustainability, what is the first thing that comes to mind?

The definition of sustainable supplier selection within this research is: A process by which suppliers are reviewed, evaluated, and chosen to become part of a company's supply chain, where the selection process incorporates both economical and environmental criteria.

10. What is your personal view on sustainability?

    a. Is it something you prioritize in your daily life? If so, in what way?

11. How would you describe the work of your company in regards to sustainability?

    a. Does your company have specific criterias of sustainability when choosing suppliers?

        i. If so, in what way and how does your company make sure these are fulfilled?

12. Indonesia is a member of the UN, the UN is helping Indonesia to incorporate SDGs into your national policies, are these something you're actively working with?

13. What are your thoughts on the responsibility of hotels regarding sustainability?

    a. In Bali, do you think hotels should/does take bigger/less responsibility than companies within other industries?

14. What is your thought about sustainability in relation to cost?

    a. Does choosing sustainable alternatives affect the costs of the company in any specific way (increasing/decreasing)?

15. Do you, as a manager, within your position at the company have any specific goals related to

    a. Money?

    b. Sustainability?

16. Within your position, would you say that you have the power to, by yourself, make final decisions, if not who will you turn to?

17. Does your company have any specific goals, that you're aware of, related to:

      a. Money?

      b. Sustainability?

18. If you have a negative personal opinion of a specific company that is suggested to partner up with, how would you act and why?

19. Are there any specific criteria that your company has set up that you disagree with?

      a. If so, how does that affect the process of decision making?

Is there anything that you wish to add in relation to the subjects that have been discussed here today that we might have missed but you think is important to address?