Moral (De)coupling

Moral Disengagement and Supply Chain Management

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A thesis presented for the degree of Doctor of Philosophy in Textile Management
Caroline,
vad vore jag
utan dina andetag?
So there is no earthly way of finding out precisely what the whale really looks like. And the only mode in which you can derive even a tolerable idea of his living contour, is by going a-whaling yourself; but by so doing, you run no small risk of being eternally stove and sunk by him.

- Herman Melville, Moby-Dick
Abstract

Current supply chain management research is rich with empirical and conceptual works on how to improve social responsibility. Still, it has not yet been determined why certain guidelines are critical for success or failure. This research aims to fill this important gap focusing on why individuals are able to take part in and/or support activities that have effects on economic, environmental, and social dimensions that are not consistent with their sense of right and wrong. The research focuses on the relationship between supply chain management and moral disengagement, and how this relation affects social responsibility.

Research is conducted in an abductive manner focused on creating knowledge according to the critical realism paradigm. The research is mainly conceptual and theoretical, and begins with the identification of a phenomenon for which no explanation is found in current supply chain management literature. It focuses on if the supply chain itself contributes to, or deters from, moral responsibility. Two case studies containing six cases are used mainly for illustrative purposes and as a catalyst for the research progression.

After observing individuals avoiding responsibility for misconduct an explanatory concept, moral decoupling, was proposed. Moral decoupling considers moral responsibility a flow in the supply chain. Moral decoupling occurs when the flow is restricted. If moral decoupling occurs at an identifiable point it is called a moral decoupling point. The concept was developed by identifying and linking specific supply chain activities and structures with moral disengagement, a theory that explains the deactivation of self regulation.

Moral decoupling was able to suggest how to reduce moral disengagement and improve social responsibility. To validate the suggestions a literature review on social responsibility was conducted and identified sixteen elements of social responsibility in supply chain management. The suggestions based on moral disengagement were compared with elements of social responsibility and a large overlap was found. Lastly, suggestions on how to reduce moral disengagement and map moral responsibility in a supply network are proposed, links between elements of social responsibility are presented, and moral coupling is added as a complementary term to moral decoupling. A model explaining the relationship between ethical guidelines, moral responsibility, moral decoupling, and social responsibility is proposed.

In relation to current theoretical knowledge the thesis has contributed to the field of socially responsible supply chain management with an application of a new theoretical lens that gives one explanation as to why identified elements of social responsibility are important. The understanding of social responsibility has reached an increased explanatory depth following the identification of moral disengagement as a generative mechanism, subject to conditions in supply chain management. The research has also applied moral disengagement in a context not identified in earlier
research, and shows some of the complexity of applying it to a real-world global context. The elements of social responsibility and moral (de)coupling help practitioners identify what they should focus on to increase social responsibility and also offer an explanation for ‘why?’. The findings can be used to construct supply chains that are less prone to misconduct and to identify where in the chain it is important to be aware of immoral behavior.

The value and originality of this research is centered on the application of a new theoretical lens for socially responsible supply chain management. It is the only identified research in the area which identifies mechanisms on a generative level that explains human behavior and conditions to which those mechanisms are subject. This is also in itself a novel application of moral disengagement in a new research context.

Future research is needed to understand how to implement the findings presented in this thesis. Currently the findings are mainly theoretical and their practicality, while believed to be low in a full implementation, is only briefly addressed. A few examples of research focused on implementation and limiting factors are presented, but none of them have addressed moral responsibility as a flow through a supply chain management lens. More research is also needed to determine if any elements of social responsibility are particularly important for improved social responsibility or increased moral responsibility.

**Keywords:** Abduction, CSR, corporate social responsibility, critical realism, ethics, moral decoupling point, moral disengagement, moral responsibility, supply chain management, sustainability, systematic combining, textile management, TBL, triple bottom line
List of Appended Papers

Paper One

Paper Two

Paper Three

Paper Four

Publications not Appended in the Thesis


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This is my leviathan.

[Signature]
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Chapter 1

Introduction

The main goal of this chapter is to explain and introduce the research purpose. This is done by first presenting the context of the research and a gap in existing research, and then motivating the theoretical, practical and social relevance of the research. Finally, the outline of the remainder of the thesis is presented.

1.1 Background

Most people probably consider themselves to be decent, with sound moral standards. We condemn child labor, agree that workers should not be in danger of harm, do not want to see others starve, and want to preserve the environment for generations to come. Still, we have products all around us produced by children, products produced in sweat shop-conditions, we choose to consume luxury goods instead of donating money to famine areas, and we are polluting the world at an increasing rate. How is it that otherwise decent people, like you and me, take part in and/or support these activities without feeling bad? Is it possible to manage the supply chain so that individuals feel greater moral responsibility? In 2013, 1,129 people were killed and around 2,515 injured people were rescued after the collapse of the building Rana Plaza in Savar Bangladesh (Figure 1.1). The building housed multiple garment factories producing items for several well-known brands (Butler, 2013). It is one of, if not the most, gruesome events in the textile industry. It is possible that you own clothes produced in this factory. Do you feel responsible?

The concern for ethical issues is evident in both literature and practice (e.g., Babiak and Trendafilova, 2011; Hoejmose and Adrien-Kirby, 2012; Winter and Kne-meyer, 2013). Papers are being published on topics such as corporate social responsibility (e.g., Cruz, 2013) and sustainable supply chain management (e.g., Crespin-Mazet and Doutenwill, 2012), while consumers become increasingly aware of the negative impacts of their purchasing and consumption behavior (e.g., Connolly and Shaw, 2006). Further, business ethics scandals, such as those of Enron and Parmalat, also get attention of researchers (Clegg et al., 2007). Suggestions to improve corporate social responsibility and sustainability include managerial focus on sustainability (Pagell and Wu, 2009), integration of supply and sourcing departments with other business functions (Walker and Jones, 2012), and transparency in the supply chain (Svensson, 2009). The research is focused on providing illustrations and giving advice based on best practice examples, but fails to address underlying
mechanisms that generate desired, or undesired, events (Aguinis and Glavas, 2012; Craft, 2012; De Bakker et al., 2005). Companies are implementing ethical standards and advertise sustainable products. Still, media reports on ethical misconduct are common in the news. The issues reported often concern the welfare of workers, child labor and pollution, and the undesired effects often materialize in low-cost countries far away from the consumption market. The ethical guidelines and codes of conduct have seemingly not been as successful as intended, or are they only put in place to give the appearance of concern?

1.1.1 Textile and Supply Chain Management

Unfair practices towards workers are especially prone to occur within the apparel and footwear sector compared to other industries due to (i) labor intensive production that has limited automation, (ii) increased pressure to decrease production cost to compete with rising imports, and (iii) complex supply structures comprised of multiple layers of subcontractors (Park-Poaps and Rees, 2010). Åkesson et al. (2007) conclude that the most common sourcing strategy used by Swedish apparel companies is direct sourcing from manufacturers in Asia. Other common strategies are sourcing in Asia via agents, sourcing from own manufacturing facilities in Eastern Europe, and direct sourcing from manufacturers in both Eastern and Western Europe. Research findings indicate that the problems within textile management have a tight relation to the supply chain, and there is a large body of literature investigating important factors, such as: success, failure, and innovation, of textile companies by focusing on their supply chain (e.g., Bruce et al., 2004; Christopher et al., 2004; Dapiran, 1992; Harlé et al., 2002; Jacobs, 2006; Perry and Towers, 2013).
Supply departments are involved with several activities and decisions that are related to social responsibility, sustainability, and ethics (e.g., Krause et al., 2009; Miemczyk et al., 2012). Consequently, the role of supply departments is often mentioned as pivotal to address social responsibility issues (e.g., Schneider and Wallenburg, 2012; Tate et al., 2010). The importance of supply chain management with regard to sustainability is evidenced by the interdisciplinary field of sustainable supply chain management (Morali and Searcy, 2013). Managers in the departments, however, are faced with a problematic dilemma. On one hand they are chasing low prices, and on the other they are supposed to act according to ethical guidelines (Hoejmose et al., 2013a). It is very much a case of being stuck between a rock and a hard place. In response to increased pressures for reduced costs value adding parts of the supply chain have been moved to low-cost countries, such as China and India, during recent years (Guinipero et al., 2008; Mares, 2010). This is often related to long geographical distances, but the distance in culture is also wast (Lowson, 2001, 2003; Pedersen and Andersen, 2006).

The responsibility, or fault, for misconduct in supply chains should not be placed on supply managers alone (Craft, 2012). Consumers are asking for sustainable products, but seem unwilling to actually pay for them (Auger and Devinney, 2007; Carrington et al., 2010; Feldman and Vasquez-Parraga, 2013; Karjalainen and Moxham, 2013; Öberseder et al., 2011), and the context limits actors from taking moral responsibility (Jones and Ryan, 1997; Young, 2004). Consequently, voices are heard for the involvement of non-governmental organizations and governments to increase sustainability (Gmelin and Seuring, 2014; Teegen et al., 2004; Vermeulen and Seuring, 2009). It appears to exist stakeholders all across, and in the vicinity of, the supply chain, from workers to consumers, who call for ethical conduct and sustainability. Still, the problems remain. These individuals are consumers, employees, and managers in companies. Consequently, they both finance and run the organizations that produce the outcome they claim to consider immoral. To engage deeper into the discussion of why the problems are still around, it is important to understand how otherwise decent people engage in harmful activities.

1.1.2 Moral, Ethics, and Sustainability

There are several apparent reasons to why people take part in actions which they do not consider to be moral, for example the threat of losing your job and structures that removes degrees of freedom can easily be blamed. The center of attention here is not what pressures individuals that take part in and/or support the actions, but why individuals do not seem to feel bad doing so. Why do purchasers accept sweat-shop conditions on the other side of the globe when they would have been distraught to see the same conditions in their own country? How come consumers can look at their jewelry in the mirror without feeling ashamed for how gold and diamonds are mined?

Bandura et al. (1996) suggest that individuals come to accept their action through disengagement their moral standards. The concept is called moral disengagement and explains how actions are self-sanctioned by addressing the actions, the effects of the actions, the view of the victim, and by distorting the responsibility of the actions. For example, instead of engaging in a war killing parents, husbands, wives, and children, actions are taken in order to fight ruthless oppressors in order to pre-
serve world peace. The effects of the actions can be addressed by distancing oneself from the victims of one’s actions. Bandura (1999, p. 199) states that we are in an era of “faceless warfare, in which mass destruction is delivered remotely”. The view of the victims can be altered if they are stripped of their human attributes. Viewing them as a lower form of life, for example, makes it easier to abuse them. Finally, the sense of responsibility can be diffused in several ways. One way is to subdivide the task so that individuals only do small parts without a grasp of the results of the system in which they partake. Moral disengagement is largely explained in a conflict context. In this research, its suitability in a supply chain context will be investigated. In light of moral disengagement, decency and morality do not require universal definitions for this thesis. The important condition is that individuals are able to engage in activities that they would otherwise consider not to be decent or morally acceptable. Let us now take a brief look at the potential connection between moral disengagement and supply chain management.

Decent people commit actions with blatant disregard for their consequences (Batson, 2011; Batson and Thompson, 2001). Moral disengagement explains the mechanisms that individuals use to self-sanction the actions. Moreover, supply chains continue to produce undesired side effects, despite companies’ efforts to implement ethical guidelines and codes of conduct. It is reasonable to ask if the structure of the chain itself contributes to the self-sanctioning of the undesired actions? If this is the case, there is a potential that the supply chain could be managed to reduce the likelihood of the self-sanctioning of these actions. Before we proceed, brief definitions of some key concepts are needed.

Morality is at the heart of the entire thesis. Its definition has long been debated. As early as 1777 (Hume, 1777, chapter 1) wrote:

“There has been a controversy started of late, much better worth examination, concerning the general foundation of Morals; whether they be derived from Reason, or from Sentiment; whether we attain the knowledge of them by a chain of argument and induction, or by an immediate feeling and finer internal sense; whether, like all sound judgment of truth and falsehood, they should be the same to every rational intelligent being; or whether, like the perception of beauty and deformity, they be founded entirely on the particular fabric and constitution of the human species.”

For the analytical purposes of this research, it has been important to separate an individual’s inner sense of right and wrong from social constructs on how one should behave. It facilitates inquiry into understanding why individuals act in ways that are not consistent with their rationalizations of what is right and wrong. It also reflects the day-to-day life of several stakeholders (e.g., purchasers and consumers) who exist in systems with defined codes of conduct, but seem to act without concern for these codes. Most thoughts and actions are performed in an intuitive manner, and separation between intuitive and deliberate thought processes has not only been used in organizational research (Kelemen, 2001), but also to understand human behavior (Kahneman, 2003). The use of morals and ethics is reflected by Bandura’s definition of moral disengagement (Bandura et al., 1996; Bandura, 1999). He separates moral reasoning from actions. Through moral disengagement, it is possible to engage in activities that would otherwise contradict the individual’s espoused sense of right and wrong. Bandura (1999, p. 193) argues: “The regulation of humane conduct
involves much more than moral reasoning. A complete theory of moral agency must link moral knowledge and reasoning to moral action.”

It is henceforth decided that morality will be referred to as the immediate inner feelings that determine if something is good or bad, right or wrong. Moral responsibility is defined as “accountability for one’s chosen actions that advance or retard moral purpose” (Jones and Ryan, 1997, p. 664). Social constructs of behavior, such as codes of conduct are included in the term ethics. The Hume quote presented above shows that this definition is not new. Merriam-Webster’s online encyclopedia offers a similar, more recent, definition: “ethic: rules of behavior based on ideas about what is morally good and bad”. The distinction between elaborated reasoning (here: ethics) and actions based on feeling (here: morals) is common in psychology and evidenced by both psychological experiments and neuroscience, (e.g., Evans and Stanovich, 2013; Greene et al., 2008). Also, in business ethics researchers define ethics in a comparable manner. Lewis (1985, p. 383), for example, defines business ethics as “rules, standards, codes, or principles which provide guidelines for morally right behavior and truthfulness in specific situations”, and Bishop (2013, p. 636) states that “ethics concerns the moral behavior of individuals based on an established and expressed standard of the group”. From this stance, it follows that moral responsibility belongs exclusively to individual human beings and not to collectives of artificial or human bodies, even if the collectives have the power to both prevent and cause harm (Bevan and Corvellec, 2007; McMahon, 1995; Jensen, 2010). Consequently, moral responsibility can only be perceived by and directed towards an individual. Throughout the thesis, moral responsibility will be discussed in relation to supply chain management, which is often related to collectives of individuals. The two scopes can cause some confusion, and it is important to remember this difference, even if the two are discussed simultaneously.

The distinction between ethics and morals does not require any universal definition of morality, which reflects that morality is relevant to its context and in that sense not absolute (Stace, 1988). This research did not set out to influence psychology research on ethics or morality, but intended to apply the knowledge available to create understanding in the context of socially responsible supply chain management. The definitions presented above are thus, while supported by literature, mainly applied for operational purposes within the context of this research area.

Another concept referred to in this thesis is sustainability. The World Commission on the Environment and Development (WCED) uses the following definition for sustainable development: “. . . development which meets the needs of the present without compromising the ability of future generations to meet their own needs. . . ” (WCED, 1987, p. 43). Sustainability includes three aspects: economic, environmental, and social: The three aspects are sometimes referred to as the triple bottom line (Elkington, 1997). Svensson and Wagner (2012a, p. 43) provide a definition of sustainability focusing implicitly on three layers: (i) within a company, (ii) within a supply chain, and (iii) beyond a supply chain: “. . . an organization’s efforts to manage its impact on Earth’s life and eco-systems and its whole business network”.

Closely intertwined with sustainability is corporate social responsibility. Aguinis and Glavas (2012, p. 933) use the following definition: ”context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance”. Sometimes corporate social responsibility is considered an umbrella term, under which sustain-
ability is found (e.g., Babiak and Trendafilova, 2011). However, the two concepts are regarded to be interchangeable by both researchers and practitioners (Fassin and Van Rossem, 2009), but one important feature is distinguishable: sustainability has a long-term perspective (Bansal and DesJardine, 2014).

In both concepts the three aspects of the triple bottom line are closely intertwined (e.g., Eriksson and Svensson, 2014b; Vos, 2007). For example, companies that fail to comply with economic and environmental sustainability risk affecting social structures indirectly, pollution of rivers and lakes can lead to famine and weakened economy; and economic exploitation of workers, regions, and countries will render the lives of the people affected difficult. The three directions of sustainability are thus covered by the topic of how a supply chain can make decent people engage in activities that are harmful to other human beings. That is, a behavior that most people consider immoral. For simplicity ‘social responsibility’ will be used for both sustainability, and corporate social responsibility, with regard to issues confined within that broad definition, unless the context calls for specificity. The explanations used in this research focus on moral disengagement, which is relevant to individuals both within and outside organizations. Therefore it was chosen to exclude ‘corporate’ when discussing social responsibility.

A long debate has been directed to whether or not an organization has any social responsibility besides profit maximization (e.g., Carroll, 1974, 1991, 1999). This debate is irrelevant for this research, as it only seeks to understand contextual factors that affect moral responsibility and in turn social responsibility according to the above mentioned definition. Next, the motivation to investigate if there is a connection between the structure of the supply chain and moral disengagement will be presented.

1.2 Motivation of Research

Research is a work process devoted to creating knowledge (Danermark et al., 2003). Consequently, the motivation for this research is centered on knowledge creation. First, a gap in existent research will be presented, then it will be argued that filling the gap will lead to implications with practical, theoretical, and social relevance. The Swedish fashion company Gina Tricot has elaborated on the importance to understand the connection between supply chain management and sustainability.

“Sustainability issues within the textile industry are characterized by complex and long dependencies. From the raw-material level to the finished product the article passes through several stages of production, which contain sustainability challenges of ecological, economical, and social character. The responsible fashion company thus needs to manage several types of sustainability challenges, but is at the same time faced with the overreaching challenge to have insight to or influence on the entire production chain. This against the background that the article is bought from a supplier, often without knowledge about or possibility to affect the origin of the product further back in the production chain. The readjustment to a more sustainable textile production is thus a structural readjustment. The most important factors are a more detailed specification on material level, increased transparency in the production chain,
and projects focused on improving products and production conditions in the raw-material supply. Within these factors, cooperation between companies, organizations, and society is decisive.” (Gina Tricot, 2012, p. 5, free translation from Swedish).

The comment from Gina Tricot is insightful and pinpoints a key area of academic interest. In literature, several sources point to the same issues. Managerial and structural challenges for improved corporate social responsibility are both plentiful and diverse. Tencati and Zsolnai (2008) argue that the strength of such efforts relies on the ability to create a fit between organizations and the context in which they function. Additional challenges exist, such as the length of the chain (e.g., Carrington et al., 2010) and multi-tiered supply chains (e.g., Ciliberti et al., 2009). Other factors addressed by Gina Tricot, for example cooperation (e.g., Fang et al., 2010) and transparency (e.g., Egels-Zandén et al., 2014) are also addressed by researchers. However, researchers within the field seem to only focus on identification of issues, not explanations to why the issues are important.

1.2.1 Research Gap and Problem

Bandura et al. (2000) were able to successfully apply moral disengagement to understand transgressions in four business ethics cases, but their research is conducted within a context that is different from socially responsible supply chain management. The allure of the socially responsible supply chain has gained the attention of several researchers and practitioners recently, which is reflected by recent literature reviews on the topic. Winter and Knemeyer (2013) conclude that there is a high prevalence of conceptual work being conducted within sustainable supply chain management, but note that only a few theoretical constructs have been developed and tested. They also highlight a need for more multidisciplinary work and urge that it is critical that researchers utilize a broader examination of existing research to formulate new research questions. Mierczyk et al. (2012) support this argument and that researchers, with regard to non-ethical behavior, should examine stakeholders’ role to apply pressure to reduce the prevalence of such behavior. A transfer of moral disengagement to supply chain management does not appear to be far fetched and could fill the identified lack of theoretical foundation.

Winter and Knemeyer (2013) determine that most research across the disciplines logistics/supply chain management, operations/productions management, and social/environmental management show some different practical research approaches, but a few common themes are reoccurring, including reverse logistics, product development, supplier relationships, remanufacturing, and regulatory issues. One example is that stakeholders form alliances that jointly apply pressure on companies to improve (Walker and Laplume, 2014). Besides theories used and themes discovered the scope of investigations are recommended to look beyond a focal firm and include more actors, but also the intra-organizational aspects of managerial components and sustainability efforts to better understand how managerial practice can influence the outcome. Finally, Winter and Knemeyer (2013) note that most research is focused upstream and that there are opportunities to investigate how suppliers can engage their customers in sustainability initiatives. Aguinis and Glavas (2012) conduct a truly insightful review of literature, which presents predictors, moderators and mediators of outcomes, and outcomes of corporate social responsibility. They state
that “we need a better understanding of the predictors that influence individuals to carry out CSR [corporate social responsibility] activities” (p. 953), and “although CSR takes place at the organizational level of analysis, individual actors are those who actually strategize, make decisions, and execute CSR initiatives” (p. 952).

There is something interesting on the individual level, but the research field does not seek sufficient explanatory depth to uncover generative mechanisms. Prevalence of macro (organizational and institutional) over micro (individual) level research is probably the reason for the lack of understanding of underlying mechanisms. Vlachos et al. (2013, p. 584) make a rare contribution on the micro level. Still, one of their conclusions exemplifies how the use of underlying mechanisms used in literature still does not probe deep enough to find the most relevant generative mechanisms: “Specifically, our study suggests that charismatic leadership qualities are capable of positively influencing employee values-driven motives...”. In economics, underlying mechanisms have been increasingly explored and understood with the inclusion of behavioral theory (Akerlof, 2002). In a related field of research, ethical decision making, Craft (2012, p. 254) makes a suggestion with regard to the issue of absence of theory building: “Perhaps theory building is weak because researchers are reluctant to move beyond the established theories into more innovative territory.”

Recent literature has mainly focused on the environmental aspects of sustainable supply chain management (Ashby et al., 2012; Miemczyk et al., 2012). However, academics have tried to illustrate best-case examples with successful implementations of their codes of conduct and sustainability, (e.g., Svensson and Wagner, 2012b). There are also recommendations available to what key factors that need attention in order to succeed with the implementation (e.g., Perry and Towers, 2013; Schneider and Wallenburg, 2012). Despite all the recommendations and best-case illustrations the research is limited to being descriptive and prescriptive based on the description, and there is a lack of theories explaining the underlying mechanisms for the success of the prescriptions (Aguinis and Glavas, 2012). Easton (2010, p. 118) frames one problem with small-scale research, confined to a positivistic paradigm: “The most crucial problem is that constant conjunction of elements or variables is not a causal explanation or indeed an explanation of any kind. It is simply an atheoretical statement about the world. It doesn’t answer the question why?” One notable exception from the small-scale illustrations is provided by Brower and Mahajan (2013) who perform a quantitative analysis on data from 447 firms, collected over seven or eight years. Seuring and Müller (2008, p. 1706) specifically point out that empirical research “needs to build on a stronger theoretical basis” and that it “also should be seen as an opportunity to develop theory”. Hoejmose and Adrien-Kirby (2012, p. 240) on the same note conclude their literature review by specifically calling “for researchers in the SERP [socially and environmentally responsible procurement] field to contribute more to the development and testing of theory, rather than the description of the phenomenon (De Bakker et al., 2005)”7. Like Winter and Knemeyer (2013), Hoejmose and Adrien-Kirby (2012) state that managerial support is often argued to be one of the most important facilitators of socially responsible behavior, but that the role of managers is not yet pinpointed.

Ciliberti et al. (2009) argue that information symmetry in the supply chain is important, a finding that is similar to the framework of transparency presented by Svensson (2009). Wolf (2011) focuses on intra- and inter-organizational aspects and concludes that stakeholder and supplier integration are important, as well as
leadership support when integrating sustainability across a supply chain. Especially integration and long-term commitment with suppliers is a recurring success factor to implement sustainable practices (e.g., Andersen and Skjoett-Larsen, 2009; Lim and Phillips, 2008), as well as the importance of recognizing not only geographical, but also cultural and social distances (e.g., Fang et al., 2010; Mamic, 2005).

Researchers have stressed the importance of topics such as the role of management and stakeholders in improving facets of sustainability, as well as the use of a more diverse set of theoretical lenses applied to understand the studied phenomenon. Following the discussion above, and the introduction on human nature, it is troublesome that research on supply chain management and social responsibility is not able to understand why certain practices are fruitful for improving social responsibility. If it is possible to understand the underlying mechanisms that make certain approaches successful, new ways to improve social responsibility could be found through deductive reasoning. Research will remain confined to comment on bad and good practice, and give advice based on the empirical findings if it is not able to build on more solid theoretical constructs. A theoretical explanatory model for the phenomenon holds the potential to give advice to practitioners based on a deeper level of understanding of social responsibility in supply chains. The research problem is defined as follows:

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\text{Supply chain management seems to influence individuals to take part in and/or support activities with immoral consequences, but researchers in the supply chain management and social responsibility field have not been able to provide explanatory models for the phenomenon. Consequently it is hard for research to guide practice. In turn, this may lead to poor supply chain management for social responsibility.}
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This leads to the theoretical, practical, and social relevance of the research.

1.2.2 Theoretical Relevance

The theoretical relevance is tied to the research gap. For sake of clarity it will be further elaborated. The immense attention given to socially responsible supply chain management issues in recent literature is evidence enough that the area itself is of importance for researchers. Gaps in current literature and requests made in recent publications also highlight that there is a theoretical need to better understand the conceptual and small-scale empirical findings currently dominating the research area, and for theories explaining the mechanisms that generate the observable empirical events. By introducing moral disengagement this research borrows from the field of psychology to make advancements in the field of supply chain management. Other notable uses of psychology in logistics research are listed by Stock (1997) and include areas such as customer service, employee relations, and attitude measurement. In total, 10 references that use psychology in logistics research are listed, but note that the referenced work is rather old and more such combinations surely would have been added if the topic was studied again. The use of psychology may be considered uncommon, but should at the same time be seen as accepted in the field.

This research is centered on a novel combination of the two separate research directions, which holds much potential. The application of a psychological lens to research on social responsibility in supply chain research constitutes a theoretical
Figure 1.2: Shift between practitioner-led and theory-led development

collection as such, but the novelty of the area furthermore presents an opportunity to allow research to guide practice. Otherwise, the development of supply chain management has to a large extent been practitioner-led (Burgess et al., 2006) and this research may allow the relationship between practice and theory to shift in favor of practice following theory (Figure 1.2). Moreover, Raiborn and Payne (1990, p. 885) make an interesting distinction between different standards of ethical behavior. ‘Theoretical’ reflects the highest potential for good; the spirit of morality, ‘practical’ reflects extreme diligence toward moral behavior, achievable but difficult, ‘currently attainable’ reflects behavior deemed basically moral by society, and ‘basic’ reflects minimally acceptable behavior, the letter of law. In relation to their definitions, this research is trying to develop explanations of what is necessary to achieve the theoretical standard of moral behavior, but will also help to identify what is practically possible.

1.2.3 Practical Relevance

Practical relevance is tightly connected to theoretical relevance in the sense that the area of research holds potential to produce normative findings. If so, practitioners will be able to use the findings in managing their supply chains to reduce the risk of future social responsibility dilemmas. The incorporation of moral disengagement also introduces a new lens for practitioners with which they can scrutinize their operations. It might enrich practitioners’ understanding of their operations and allow them to identify areas of potential social responsibility risk within and outside their operations. Even if they are not able to address the issues themselves, they should be aware of potential problems and thus be able to monitor these areas more closely. Individuals outside the supply chain will also be able to examine the supply chain’s structure and practices to determine the supply chain’s potential to fulfill its socially responsible commitments. Finally, the supply chain could be designed to push consumers towards becoming more socially responsible in their consumption decisions.
1.2.4 Social Relevance

Socially responsible supply chain management is greatly concerned with the conditions of laborers and how their local community is affected. If successful, this research should be able to guide companies through the whats, hows, and whys of improved labor conditions, and point out areas in the supply chain that are prone to produce conditions with detrimental social effects. This could have ripple effects on where, geographically, to locate different stages of the supply chain. It is hard to say what this will mean with regard to low-cost countries. Maybe production needs to be moved, which could have other detrimental social impacts on local communities. Moreover, the three underlying aspects of social responsibility highlight the importance of the economic and environmental dimensions to ensure positive results in the social dimension. There is clearly social relevance, but social responsibility is complex and it is uncertain how the outcome of this research will affect laborers and their communities if the implications of the research are considered and implemented. The main social relevance that is addressed in this research is to understand ‘why?’ certain efforts are beneficial for social responsibility. This research does not address the question that might reveal more about social implications, that is the question ‘how?’ social responsibility should be improved. That being said, this research is one step on the way to improved social responsibility.

1.3 Purpose

This research aims to explain how the structure of a supply chain is related to social responsibility. Ethical and socially responsible guidelines are relatively easy to create, but to implement them successfully can be difficult to put it mildly (e.g., Alblas et al., 2014; Gimenez and Tachizawa, 2012; Mamic, 2005; Wolf, 2011). The attention given to the field recently still leaves room for theory development as well as theory testing. It could explain why, despite the volume of research published, neglect of social responsibility and sustainability time after time makes the headlines.

Neglect can stem for several sources, such as problems with implementation and lack of efforts. However, if we assume that most individuals in our surrounding share our views on what is moral and not, how come we do not see more individuals that are upset by unethical conditions and failing social responsibility? With the technology available it is not that hard to make your voice heard for actions that you feel are morally wrong.

The purpose of this research addresses how we can conceive ethical guidelines based on what is wrong and right, but fail to follow through. More specific, this research is centered on moral disengagement (Bandura et al., 1996; Bandura, 1999) and that individuals who feel moral responsibility will be more prone to follow ethical guidelines. The research is focused on if there is something in supply chain management that dulls moral responsibility perceived by individuals for how the supply chain and its related activities affect its environment. Festinger (1957) explained that individuals seek consistency between their expectations and their reality. Through what he called dissonance reduction individuals reduce psychological tension and distress caused by inconsistencies. Three techniques that reduce dissonance address the cognition, while one addresses the behavior. If it is hard to reduce dissonance through cognition, the only option left is through behavior. This implies
that supply chain management could be undertaken so that moral responsibility is increased and, in turn, individuals become more likely to follow ethical guidelines and demand corporate behavior that is aligned with their moral. The purpose is formulated as follows:

Investigate how supply chain management is related to moral disengagement and explain how the relation affects social responsibility.

The relevance of the research is connected to the possibility to increase understanding of why certain guidelines and practices are successful and important when implementing social responsible guidelines. Hence, the explanatory nature of the research is mirrored by the explanatory formulation of the purpose. The purpose is also clearly defined to contribute to supply chain research, even though it will do so by borrowing theories from psychology. The purpose will be addressed through a series of papers, each with its own purpose contributing to the dissertation's overall purpose. The purposes will be presented with their respective papers to better correspond to how the research process has evolved.

1.4 Research Scope

One of the most important delimitations of this research is to which field it claims to contribute. Supply chain management and social responsibility issues motivate the relevance of this research, the purpose is focused on supply chain management, and the papers are devoted to explaining phenomena related to supply chain management. Surely, the use of theory from psychology is a key part in understanding the studied supply chain management issues, but no contributions to the field of psychology will be used to motivate this thesis. The scope of the research is activities, structures, processes, etc. related to supply chain management. Supply chain management in the textile industry is especially interesting with regard to it being prone to ethical misconduct (Park-Poaps and Rees, 2010).

1.5 Licentiate Thesis

It is common in Sweden that PhD students complete their degree in a two-step process. The halfway point is exclaimed by a licentiate thesis. The presentation of the licentiate thesis gives the PhD student an opportunity to do a restart, even though it should be seen as two parts of a larger process. For this research the second part took quite a different route than intended when starting the PhD studies. A brief note from the licentiate thesis and the connection to the PhD thesis will now be presented.

1.5.1 Note from the Licentiate Thesis

The title of the licentiate thesis is “The Impacts and Requirements of Consumer-Focused New Product Development on Supply Chain Management” (Eriksson, 2011). The purpose of the thesis was defined as follows: “To explore the impacts and requirements of a consumer-focused NPD [new product development] on SCM [supply chain management]” (p. 5). The research was primarily focused on the economic
survival and sustainability of a Swedish furniture wholesaler trying to improve its competitiveness by developing innovative products centered on processes focused to understand implicit consumer demands.

For researchers within the field, there is no arguing that products benefit from being developed concurrently with the supply chain and its processes (e.g., Gunasekaran, 1998; Khan et al., 2008, 2012). It is important that the supply chain is able to support the products, while the products need to be designed to fit with the structure and limitations of the supply chain. The research contributed with an in-depth analysis of how a wholesale company faced challenges aligning their supply chain to support their products, focusing on both upstream and downstream issues in the supply chain. The wholesaler pursued a new business strategy. Instead of producing furniture towards a cost-focused segment they wanted to differentiate themselves from the competition by creating and delivering products with increased consumer-perceived value to a premium segment.

Contributions pertaining to the structure of the chain and its ability to support value creation were largely understood after considering how the knowledge of the products’ value behaves in the supply chain. The main case company centered their new product development on understanding implicit consumer needs. They got the information from potential consumers through observation. Discovered ideas were then funneled through a formalized new product development process. Products developed were then sold to consumers via independent retailers. It was discovered that the retailers played an important role in communicating the value of the product to the consumer. The process was described as demand pull and push (Figure 1.3). The pull gathers information and the push converts the information to products and uses the information to inform consumers about the product and generate sales. Not all retailers were equally successful generating sales and it was found that retailers who collaborated with the main case company had greater success.

Demand pull and push starts to explain how value might be created and lost in the supply chain. Similarly, Parasuraman et al. (1985) present a model explaining how service value may be lost due to service quality gaps. Their research is focused on intra-organizational aspects and was conducted within a service context. The licentiate thesis developed the concept of service gaps to value gaps and shifted the emphasis from intra- to inter-organizational aspects, with a focus on both service and products. The model was developed to point out key areas in the supply chain where innovative value is at risk of being lost (Figure 1.4).

Value gaps will not be discussed in-depth here, but the key notions are that there is a consumer-expected value that needs to be understood and that consumers have subjective perceptions of the value of the delivered product. The chain of actors in the value-gaps model includes the supply chain, but also actors not directly involved in the typical supply chain activities, such as consumer investigators and designers.

One important area for product success was how the retailers were able to convey information on the product value to the end consumer. The value of the sold products was not always obvious to the consumer. The retailers, being independent from the wholesaler, lacked incentive to sell the case company’s products. A four square determining how value is affected based on level of collaboration with the retailer and the nature of the value offering (obvious or obscure) was constructed to illustrate what kind of products are in extra need of collaborative efforts in the downstream supply chain in order to be successful (Eriksson, 2011, p. 41; Figure 1.5). The re-
search also highlighted how several stakeholders could be involved in new product development, contributing their own unique area of expertise, ranging from design to knowledge about the manufacturing facilities abroad. Trade-offs in design due to supply chain constrictions were also highlighted.

1.5.2 Connection between Licentiate Thesis and Doctoral Thesis

There are two main ways in which the licentiate thesis paved the way for the doctoral thesis. The first one, which is arguably the most important, is the link between the structure of the supply chain and a specific outcome. Even though the licentiate thesis focused on how new product development impacted the supply chain, several of the conclusions and subsequent implications advocated the need to take a more balanced standpoint focusing on the interaction between how value is created and delivered. Compared with the doctoral thesis, the focus is still how to manage the
The licentiate thesis focused solely on the economical aspect of the triple bottom line, while the doctoral thesis includes all three aspects. Several authors have pointed out that consumers today demand products that are brought to the market in a supply chain to achieve a specific outcome, but here the goal is improved social responsibility. This leads to the second connection between the licentiate and doctoral thesis: how a supply chain’s structure is related to sustainability.

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responsible manner and that consideration of the triple bottom line is, to some segments, a consumer sought value (e.g., Carrigan and Attalla, 2001; Cruz, 2013; Galbreath, 2010; Loureiro et al., 2012; Maignan et al., 2002). Thus, it could be argued that the doctoral thesis also is about constructing a supply chain that delivers improved consumer perceived value, but the nature of value has changed from value adding through innovation to value adding through social responsibility.

1.6 Thesis Outline

The fundamental principle of the thesis structure is to present the research process chronologically. Suddaby (2006) argues that research is usually presented in a linear logic in journals due to positivistic influences and preferences of editors. Here, it has been chosen to try and show the abductive process that has guided the research. The intention was to introduce theory throughout the thesis, but to make it easier to read it was decided to move theory and the frame of reference to Chapter 2. The thesis is written with an unconventional approach, where the importance of not only better constructs, but also better stories is highlighted (Dyer and Wilkins, 1991; Eisenhardt, 1991).

The introduction has provided the reader with the fundamental justifications to perform the research. It has been a build-up to the heart of the research, its purpose. Chapter 2 introduces the framework, how it took form, and other research approaches that investigate similar phenomena. The reasoning behind the research approach, the applied research, and structure of the thesis are presented and discussed in Chapter 3. Chapters 4 and 5 include the first half of the research where the concept moral decoupling is first conceived and then further developed. The second part of the research is presented in Chapters 6 and 7. Since the research was not guided by research questions, Chapter 8, analysis, focuses on questions that have risen during the research. This is mainly done by a retrospective look at what guided the research, that is: the purpose, the gap, and the relevance. The trustworthiness and implications of the research are then addressed in Chapter 9. Finally, Chapter 10 concludes the research by presenting the contributions, a brief note on ongoing research, and suggestions for future research. Throughout the thesis, there are reflective sections named ‘author’s thoughts’, which should be seen as a personal communication from the author to the readers that provides insights to the reasoning that guided the research.
Chapter 2

Frame of Reference

This chapter aims to introduce the reader to how the framework has been constructed and then to introduce the actual framework. At the end of the chapter, research directions will be included that are closely related to the framework.

2.1 Constructing the Framework - The Author’s Thoughts

My original intent was not to have a framework at this point in the thesis. The frame of reference began with supply chain configuration, new product development, and value creation in supply chains. These parts are included to present the framework, but also to provide a picture of the theoretical background from which this research started. Prior to writing the first appended paper, moral disengagement was included, and appended paper three is a review of social responsibility in supply chain management. In the analysis of the thesis, a final inclusion of theory adds literature from related research fields. The structure first applied was better aligned with the progression of the thesis, but was hard for the reader to follow. Presenting this brief overview of how different fields have been added, I hope that I have provided transparency on the development of the framework, even though its presentation is a post hoc construction.

2.2 Supply Chain Management

Two important areas of literature are supply chain management and social responsibility. These two areas overlap, a fact that is illustrated by the review in paper three. The two most important journals for this thesis have been ‘Journal of Business Ethics’ and ‘Supply Chain Management: An International Journal’. Their importance was identified preparing what would become the third appended paper. The first is an ethics journal, containing several supply chain management articles; the latter is a supply chain journal containing several social responsibility articles. The presentation of the framework will begin with supply chain management, followed by social responsibility, moral disengagement, and finally tangential research areas.
2.2.1 Supply Chains...

There are several ways in which a supply chain may be defined (e.g., Ellram, 1991; Scott and Westbrook, 1991). A short, but broad definition is given by Quinn (1997, p. 43): “the supply chain encompasses all of those activities associated with moving goods from the raw-materials stage through to the end user”. The associated activities are usually centered on a set of flows. Forrester (1958) included the flows of information, materials, money, manpower, and capital equipment. The direction of the flows should not be considered one-directional, which is evidenced by research streams focusing on returns management, such as disposition (e.g., Daugherty et al., 2001), product returns (e.g., Hjort and Lantz, 2012), and remanufacturing (e.g., Hanafi et al., 2008).

It has long been noted that the term chain is a simplification and that a network might be more of an appropriate comparison (Jones, 1989). For analytical purposes three levels are used: the dyad, the supply chain, and the network (Miemczyk et al., 2012). The dyad level is focused on one-to-one customer-supplier relationship and includes purchasing, procurement, and sourcing analysis. The supply chain level also includes indirect relationships in upstream and downstream extensions centered on the focal firm, and focuses on supply chain analysis. The network level does not have a focal-firm focus, includes both vertical and horizontal relationships, and the analysis is made on stakeholder level. This research will include all three levels of analysis.

2.2.2 . . . their Management...

Supply chain management is here considered the design, coordination, planning, improvement, execution, and monitoring of the supply processes within a particular company and across the supply chain in order to fulfill consumer demand as cost efficiently as possible (Gibson et al., 2005; Lummus and Vokurka, 1999; Mentzer et al., 2001). The definition of supply chain management has been the topic for several scholars. Bechtel and Jayaram (1997) identified more than 50 descriptions of supply chain management. It is common to include the ability of the supply chain to add value to the consumer in the definition of the concept (e.g., Bingham, 2004; Jüttner et al., 2007; Rainbird, 2004). Kumar et al. (2000) suggest that a more sustainable competitive advantage may be gained by offering both superior value propositions and supporting them with business systems that reinforce the value. New product development if often considered to be one of the key business processes to create superior value (a value advantage) (e.g., Khan et al., 2012; Srivastava et al., 1999) and several approaches focusing on different aspects of value creation have been suggested for new product development, such as design for supply chain (e.g., Khan and Creazza, 2009; van Hoek and Chapman, 2006), collaborative development of products (e.g., Kärkkäinen et al., 2001; Prahalad and Ramaswamy, 2004), and better understanding of the consumers (e.g., Hilletofth and Eriksson, 2011; Leonard and Rayport, 1997).

Supply chain management is a logical progression from from the practice of physical distribution (1960s), to logistics management (1970s), and to supply chain management (1980s) (Gattorna and Walters, 1996). The field of management philosophy is, however, much older. The economic theory of modern production, which advocates increased efficiency through division of labor, was developed by Smith in
1776. Other important milestones for evolution of this frame of reference include the modeling of distribution systems visualizing demand amplification (Forrester, 1958) and trade-off analysis to evaluate sub-optimal performance in some areas to improve overall effectiveness (Gattorna and Walters, 1996).

The term ‘supply chain management’ was first coined by Oliver and Webber in 1982. The area of analysis has increased to the current scope where it encompasses actors from raw-materials to the end consumer and potentially also second tier supply chains where materials are reused after consumption and enters a new supply chain (Svensson, 2007). In the late 1980s competitive pressures increased and the supply chain area responded accordingly with an increased focus on quality improvements towards downstream actors. The supply chain gained attention being an important tool for increasing market shares (Gattorna, 1998). Even though supply chain management nowadays has such a broad scope, operational reasons exists to limit the width of investigations. It is often done by analyzing a dyad, the supply chain, or the network (Miemczyk et al., 2012).

The approach to improved consumer offerings may be simplified to a dichotomy: cost advantage or value advantage (e.g., Fisher, 1997; Jüttner et al., 2007). While the first is considered more traditional, the later is commonly regarded a response to the increased competition in recent decades (e.g., Christopher et al., 2004; Dreher, 2006). Notable market changes include globalization, maturing of markets, and increased domestic and international competition, which have been enabled through reduction of trade barriers, improved information technology, and developments in transportation infrastructure (Hilletofth et al., 2007). Fisher (1997) famously presented a model with two distinct supply chain strategies to achieve cost advantage or value advantage: lean and agile. The two have been further developed and are also often combined into aegile strategies (e.g., Christopher et al., 2006; Naylor et al., 1999).

Social responsibility is a challenge for companies, but socially responsible product offerings can create a value advantage that attracts a certain consumer base (e.g., Cruz, 2013; Loureiro et al., 2012; Soosay et al., 2012). The perceived value reflects how the consumer perceives quality, price, and costs in relation to benefits and competitive offerings (Bolton and Lemon, 1999; Johnson et al., 2006). The responsibility for these selling points are often confined within departments not directly connected with consumers, such as corporate social responsibility and product design. It has, not surprisingly, been noted by several authors that supply chain management needs to be closely connected or integrated with both sustainability and corporate social responsibility (e.g., Keating et al., 2008; Lee and Kim, 2009; Tate et al., 2010; Walker and Jones, 2012).

### 2.2.3 . . . and Configuration

Turning, finally, to the connection between structure and a desired outcome. Porter (1996, p. 64) states: “the essence of strategy is choosing to perform activities differently than rivals do” and stresses that the activities should support the overall strategy of the organization. It thus follows that supply chain management is (or should be) to a high degree determined by the strategy and goals of the organization. Fisher (1997) might very well have written the most influencing article for the supply chain part of this research. It focuses on matching product characteristics
with supply chain strategy. The two main approaches are supply chains that are cost-efficient (lean) or able to respond to changes in the environment (agile), such as volatile demand and unpredictable supply.

The lean supply chain (Womack and Jones, 1996) is centered on the reduction of waste, activities that do not add value to the customer. Activities include lead-time and supplier-base reduction, lean manufacturing, and a just-in-time approach (Christopher and Towill, 2001; De Treville et al., 2004; Naylor et al., 1999). It is suggested that the approach is well suited when demand is stable, volume is high, and product variety is low; conditions that make demand relatively predictable (Christopher, 2000). Agile (Goldman et al., 1995), on the other hand, has been linked with the ability to cost-efficiently respond to market changes (Gunasekaran, 1998). It is achieved by being market sensitive, creating a virtual (information-based instead of inventory-based) supply chain that is leveraged by process integration, and by working with partners in a network (Christopher, 2000). Following Fisher’s model several authors have expanded on his works. Notable among them are Jüttner et al. (2007) who focus on two main advantages that can be achieved with the structure of the chain: a supply chain advantage which relies on price being the main determinant for product success, and a value advantage which relies on customer needs that are not directly linked to price. The latter is achieved with a capability to both understand consumers and differentiate the supply chain. The concept of decoupling stems from these practices. The rationale is to try and move decisions downstream in the supply chain. Upstream activities are performed in a cost-efficient manner, while downstream activities are performed in a responsive manner. The point that separates the strategies is called the decoupling point (e.g., Mason-Jones et al., 2000b). The combination of the two approaches traces back to ideas preceding the coinage of the term (see Alderson, 1950; Bucklin, 1965). The fundamental principle of decoupling is that a supply chain can be separated. Activities prior to the decoupling point are performed based on forecast, and activities after are performed based on actual demand (Christopher, 2000; Collin et al., 2009; De Treville et al., 2004; Mason-Jones et al., 2000a,b; Ollager et al., 2006; Pagh and Cooper, 1998; van Hoek, 2000). Consequently, critical decisions on the product’s final configuration get a reduced distance in both geography and time to move before the product is in the hands of the consumer. This option is also used when the production time is longer than the time the consumer is willing to wait (e.g., Ollager, 2003) or when it is necessary to provide the market with several options of the final product (e.g., Yi et al., 2011).

Several management directions and practices have been found important to coordinate with supply chain management. The success of new product development, for example, has repeatedly been linked with how the activities are matched and managed with the supply chain (e.g., Crippa et al., 2010; Chen et al., 2007; Millward and Lewis, 2005). Activities such as product design have a huge impact on what the supply chain needs to accommodate. A more holistic approach includes efforts where the capabilities of the supply chain are considered during new product development (e.g., Carrillo and Franzia, 2006; Pero et al., 2010; Wouters et al., 2009). It may include limiting the choices of materials and colors to improve sourcing reliability (Eriksson et al., 2013a). If more freedom in design is desired it is also necessary to increase the capabilities of the supply chain. Failure to match the two areas of management can have negative impact on several performance metrics and relations in the supply chain (Eriksson and Hedenstierna, 2012), including environ-
ment performance (e.g., Lye et al., 2001; Zhu and Sarkis, 2006). Focus on product
development and supply chain management simultaneously is sometimes referred
to as concurrent design or engineering (e.g., Appelqvist et al., 2004; Hilletofth and

Other important areas that have been linked with the structure of the chain
exists. One that is close related to new product development and the area of the
thesis is risk management. For example, new product development that is created
to respond to swift changes in demand and shortages in supply is about managing
demand and supply risks. Not surprisingly, the areas have similar recommendations.
Christopher et al. (2011), for example, highlight supply chain activities that include
managing upstream disruptions and mitigation of uncertainty in the supply chain
structure. Even though suggestions above seem rational they are not simple to
implement in practice. Companies operate in a landscape that is bigger than their
area of formal influence (Faruk et al., 2002). The power balance between companies
has been shown to be important for commitment (Zhao et al., 2008). Supplier
strength reduces the ability for the customer to dictate the terms in which business
is conducted, and vice versa (Kraljic, 1983).

The concept of decoupling is, as evidenced above, a well-established supply chain
management concept tracing back to before the term supply chain management was
even coined in the early 1980s (Oliver and Webber, 1982). Supply chain configura-
tions that are centered on social responsibility, however, are not as well developed.
Typical themes are commonly related to the effects of globalization and a quest
for cost-efficiency. Fashion garment production, for example, does not require an
educated work force or large capital investments, and has a manufacturing process
signified by high labor intensity and low automation, which has allowed companies
to shift production from advanced nations to developing countries (Abernathy et al.,
2006; Park-Poaps and Rees, 2010). Consequently, textile and apparel supply chains
are especially prone to poor social responsibility.

2.3 Social Responsibility

Research on social responsibility has increased since the 1990s, with sustainability
growing rapidly since the turn of the millennia (Fassin and Van Rossem, 2009, p. 584)
and corporate social responsibility growing rapidly since 2005 (Aguinis and Glavas,
2012; Baden and Harwood, 2013). The concept is traced back to the 1950s (Carroll,
1999) when Bowen stated that “It [social responsibility] refers to the obligations
of businessmen to pursue those policies, to make those decisions, or to follow those lines
of actions which are desirable in terms of the objectives and values of our society”
(Carroll, 1999, citing Bowen, 1953). As early as the 1970s, the concept received
criticism for its vagueness. Noteworthy is the criticism of Votaw (1972, p. 25) who
comparres labels such as corporate social responsibility and social responsibility with
advertisement for laundry detergents: The terms are underanalyzed and oversold,
they mean nothing but promise everything. In the 1970s, it was debated whether
or not corporations should be concerned with social responsibility, or merely focus
on financial performance (Carroll, 1974). A brief historical overview shows that
similar definitions of social responsibility have persisted over time, but it might also
be a result of the ambiguity of the term (see Frederick, 1960, p. 60; Sethi, 1975,
p. 62; Jones, 1980, pp. 50-60; Wood, 1991, p. 696; Mamic, 2005, p. 81; Aguinis,
The historical confusion, or similarity, between different labels is still prevalent. Fassin and Van Rossem (2009), for example, determine that corporate social responsibility and sustainability is considered similar by both practitioners and academics.

2.3.1 Defining Social Responsibility

It has been noted that similarities exist between corporate social responsibility, sustainability, and other concepts (e.g., business ethics, corporate governance, stakeholder management, and corporate citizenship), which leads to increased vagueness and ambiguity (van Marrenwijk, 2003). Fassin and Van Rossem (2009, p. 587) investigate how CEOs and governance leaders interpret the concepts and conclude: “the analysis confirmed the academic literature’s assertions that there is a close link between CSR [corporate social responsibility] and sustainability, but it rejected the view that the terms ‘business ethics’ and ‘CSR’ are interchangeable, even if it acknowledged the existence of interrelations between the concepts”. Sustainability has been assessed by several scholars. For example Faber et al. (2005) evaluated the sustainability of sustainability, Glavić and Lukman (2007) focused on different concepts and definitions of sustainability, Shrivastava and Berger (2010) reported on the directions of sustainability principles, and Guest (2010) highlighted the economics of sustainability in a climate change context. One important consideration of social responsibility is that organizations need to address the topic in a dynamic manner (Svensson et al., 2010).

It is of little, if any, benefit for the framework to get stuck trying to define what is what. Instead it will be outlined what parts of corporate social responsibility and sustainability are used here and present the landscape of this research this way. First, however, it is worth reflecting on the concerns of social responsibility. It is suggested that issues related to social responsibility have four interrelated parts (Galbreath, 2009, p. 112):

- Is not an individual issue. Many people in society must recognize that something is wrong or that there is a problem.
- Is not a universal issue in that it is located within a particular social context at a particular point in time and history.
- To say that something is wrong or there is a problem in society assumes that there is an idea of the way things should be.
- If there is a recognized way that things should be, then there is the possibility that the resolution of a social issue is achievable by some means.

The chosen definition for corporate social responsibility in this thesis has gained recognition in recent literature (e.g., Aguinis and Glavas, 2012; Rupp, 2011; Rupp et al., 2010). The definition is: “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance” (Aguinis and Glavas, 2012, p. 855). Sustainability is defined through a combination of two of the most used definitions of sustainability and sustainable development: “development which meets the economic, environmental, and social needs of the present without compromising the ability of future generations to meet their own needs” (Elkington, 1997; WCED, 1987). Even if corporate social responsibility is sometimes seen as an umbrella term
that includes sustainability (e.g., Babiak and Trendafilova, 2011), sustainability has a long-term perspective (Bansal and DesJardine, 2014). The three aspects of social responsibility are closely intertwined and it has been argued that failure in one can have negative impacts on the other two (e.g., Eriksson and Svensson, 2014b; Vos, 2007). Social responsibility relies on alignment and efficiency in several internal and external aspects (Maas and Reniers, 2014).

Carter and Rogers (2008) present an illustration of social responsibility which is also expanded on by Winter and Knemeyer (2013). A combination of their models is presented in Figure 2.1. The environmental dimension has so far gained the most attention from researchers (Ashby et al., 2012; Gimenez and Tachizawa, 2012; Klassen, 2001) and includes efforts devoted to encourage development and dissipation of environmentally friendly technologies (Lehtonen, 2004). The social dimension is surfacing as the key challenge of social responsibility. It encompasses the fact that companies need to include a disperse set of stakeholders with their own goals, demands, and opinions and thus interpret the same situation in different ways (Hall and Matos, 2010). The economic dimension is primarily quantitative in nature and focused on efficiency and return on investments (Winter and Knemeyer, 2013; Sethi, 1975). Winter and Knemeyer (2013, p. 23) thus argue that the “long-term success and competitiveness of a company is the basis of the economic dimension”. However, other researchers are gravely concerned that long-term success is being threatened by environmental issues (e.g., Svensson and Wagner, 2012a; Walker and Laplume, 2014).

Social responsibility commitments are often expressed in written statements referred to as codes of conduct (Diller, 1999; Yu, 2008). The main objective is to protect the rights of the workers with regard to wages, working hours, and safety.
Besides specifying these conditions they are also used for follow-ups (O’Rourke, 2003; Yu, 2008). Mcdonald (2009) presents an anthology of codes of ethics, which is recommended for further reading on this specific topic.

2.3.2 Current Research on Social Responsibility

A wide range of research can be placed under social responsibility. The term includes both corporate social responsibility and sustainability. These, in turn, include a focus on the triple bottom line, and research on labor rights, human rights, codes of conduct and much more. Consequently, it is not an exaggeration to claim that an overview would be lengthy. As an example, the very insightful review on corporate social responsibility by Aguinis and Glavas (2012) has reached its 30th page at the start of the reference list. A brief overview of the main areas of sustainability will be presented in this thesis, and for further reading, reviews published the last three years by, for example, Abbasi and Nilsson (2012), Aguinis and Glavas (2012), Ashby et al. (2012), Craft (2012), Gimenez and Tachizawa (2012), Hoejmose and Adrien-Kirby (2012), Hollos et al. (2012), Miemczyk et al. (2012), and Winter and Knemeyer (2013) are recommended. The third amended paper in this thesis is also a literature review of social responsibility, and can be added to the list of recommended reading.

Workers’ rights are often regulated by codes of conduct, which are part of corporate social responsibility. Scholars have found that these rights are violated in global supply chains. Large-scale studies of worker rights violations include Toffel et al. (2014, 44,838 audits in various industries) and Anner (2012, 805 audits of the Fair Labor Association), which both show that it is common to violate workers’ rights in global supply chains. Compliance with codes of conduct has also been shown to be weak. Egels-Zandén (2007) found that none of the nine Chinese toy suppliers to Swedish firms followed the codes of conduct and six of the suppliers violated all but one of the criteria studied. Locke et al. (2013) had similar results showing that only seven out of 276 supplier factories to HP were fully compliant. Freedom of association and discrimination have been shown to be especially hard to address in global supply chains (e.g., Anner, 2012; Egels-Zandén and Merk, 2013).

It is accordingly a fair assessment that most buying firms deal with suppliers that do not comply with the ethical standards stipulated by the buyer, especially if the supplier is active in a country with public regulatory systems that are not well functioning (Locke et al., 2013; Toffel et al., 2014). As such, managers should be aware that they most likely have suppliers that are in violation of agreed upon codes of conduct. This relates back to the purpose of this thesis and why individuals, in this case managers, accept to support behavior that contradict their morals. While moral is based on immediate inner feelings it is not always easy to objectively determine what is good and bad. With regard to sweatshops Powell and Zwolinski (2012) argued that sweatshops are the best possible alternative in some situations, and that regulation can lead to decreased employment and therefore might be harmful. Coakley and Kates (2013) agree with these points, but stress that they are related to least advantaged workers. They also argue that what is moral can not rely on one factor alone, and that sweatshop regulation has the potential to increase overall human welfare.

With the previous paragraph in mind an interesting position is argued by Shepski (2013). He argues that the responsibility for a wrongdoing is a function of our
ethical distance from it. Ethical distance is determined by five factors. The first is the certainty of knowledge about the wrongdoing. Anyone with clear evidence of wrongdoing in a supply chain is ethically closer to the undesired behavior. The second is the number of tiers between ourselves and the misconduct. The third is called dilution factor and represents the proportion of our profits that stem from the unethical activity or the degree to which our activities enable the wrongdoing. The fourth is the degree to which our connection to wrongdoing is voluntary. This factor is, by Shepski, somewhat left alone due to its long history of complexity that at least traces back to Aristotle. The basic argument is that individuals might engage in an activity with different levels of necessity. For someone unemployed the possibility to support their family might be determined by them accepting a job at a ‘bad’ company. Someone with a sufficient salary at a ‘good’ company can change to the same ‘bad’ company as above to get a higher salary. The first person has thus acted less voluntary than the second and is thus not equally responsible. The fifth factor determining ethical distance is based on specific social or institutional roles we occupy.

The problems inherent to chains of actors, and organizational and national borders are not confined to ethical codes. It is very much present in economic and environmental sustainability as well. The essential problem with economic and environmental sustainability can be related back to Meadows et al. (1972). They show that in a finite system there are limits to growth. It has gained the attention by several scholars that social responsibility is an issue that can not be managed in isolation, but requires coalitions and collaboration (e.g., Ramanathan et al., 2014; Walker and Laplume, 2014). Also, success in the environmental dimension has been linked with success in the economic dimension (e.g., Dos Santos et al., 2013; Youn et al., 2013). Gmelin and Seuring (2014) argue that environmental consideration needs to be included in the new product development stage and that product life-cycles should be managed as an integral part. Production development has also demonstrated environmental and economic synergies. A Turkish woven fabric manufacturing mill, for example, were able to reduce water consumption (40.2%) and waste water generation (43.4%), and decrease energy consumption (17.1%), related CO₂ emissions (13.5%) and salt (NaCl) consumption (46%). The pay-back period was no longer than fifteen months (Alkaya and Demirer, 2014). Supervisory support for environmental initiatives and environmental training provided to an employee has also been linked with employee engagement in environmental behaviors (Cantor et al., 2012).

2.3.3 Social Responsibility and Explanatory Depth

Recent literature reviews show that social responsibility in supply chain research is mainly conceptual and based on cases with few included companies (e.g., Aguinis and Glavas, 2012; Winter and Knemeyer, 2013) and that there is a need for research grounded in theory (e.g., Miemczyk et al., 2012). Research is mainly conducted on organizational and institutional, rather than individual level, which is a likely cause for a lack of understanding of underlying mechanisms (e.g., Aguinis and Glavas, 2012; Aguilera et al., 2007; Margolis and Walsh, 2003; Wood, 2010). Underlying mechanisms discussed by Aguinis and Glavas (2012, p. 947) refer to what makes individuals engage in social responsibility, such as encouragement from supervisors.
(Ramus and Steger, 2000), congruence between individual and organizational values (Bansal, 2003) and individual concerns with certain issues (Bansal, 2003; Bansal and Roth, 2000; Mudrack, 2007). A closer look at these sources is warranted to better understand their claim.

Bansal and Roth (2000, p. 731) identify two individual contexts of importance: ecological values and discretion, that is “the degree to which organizational members value the environment and the degree of discretion they possess to act on their environmental values”. Ramus and Steger (2000, p. 622) are interested in signals of supervisory encouragement and their impact on employee environmental initiatives. They demonstrate “that employees who perceived strong signals of organizational and supervisory encouragement were more likely to develop and implement creative ideas that positively affected the natural environment than employees who did not perceive such signals”. Bansal (2003, p. 521) investigates differences in organizational and individual responses toward trends that might potentially have an impact on the organization. Organizational responses are when members both acknowledge and represent them as such, and individual responses are when individuals do not consider their actions to be organizationally endorsed. The author concludes that “Only concerned individuals identified or championed an [environmental] issue”, and on an individual level, it is also important to have the possibility to act on, or influence others, about such issues. Finally, Mudrack (2007, p. 51) attempts to increase understanding of what personality, attitudinal, and cognitive reasoning factors relate to the belief that manager responsibilities should be mainly focused on economic performance, or if it should include social responsibility. The author found that people who considered profit maximization to be the main responsibility “tended to be Machiavellian, to have an entitled pattern of equity sensitivity, to regard ethically questionable activities as relatively appropriate if beneficial to employing organizations, to have an external locus of control at work, to be authoritarian, to believe misfortune accrues to deserving people, to have a strong work ethic . . . to score relatively low on moral reasoning . . . and to score highly on less advanced measures of moral reasoning”.

Surely, the individual focus reveals underlying mechanisms of what makes individuals engage in social responsibility. Still, the theoretical foundation is not solid, nor is it addressed why individuals act in a way that is not consistent with their rationalizations of what is right and wrong.

2.4 Moral Disengagement

“The regulation of conduct involves much more than moral reasoning. A theory of morality must specify the mechanisms by which people come to live in accordance with moral standards.” This quote is from the introduction written by Bandura et al. (1996, p. 364). Through self-sanctioning, rather than moral reasoning, individuals take part in activities that are not congruent with their moral standards without feeling a sense of personal agency. Bandura (1999) suggests eight moral-disengagement mechanisms clustered into four main processes: cognitive re-structuring (moral justification, euphemistic labeling, and advantageous comparison), minimizing one’s agentive role (displacement of responsibility and diffusion of responsibility), disregarding or distorting consequences (disregard or distortion of consequences), and victim attribution (dehumanization and attribution of blame)
(Bandura, 1999; Thornberg and Jungert, 2013). The mechanisms are described and exemplified as follows (based on Bandura, 1999, 2002):

**Moral justification:** Using worthy ends or higher moral purposes to accept harmful behavior. This is based on the notion that people do not engage in harmful behavior until they have justified it to themselves. By cognitively redefining the morality of taking another human’s life, acts of war can be performed without self-censure. Soldiers now see themselves as the fighters of ruthless oppressors, protecting their cherished values, preserving world peace, saving humanity from subjugation, or honoring their country’s commitments.

**Euphemistic labeling:** Using a language that makes the negative or harming behavior appear in a way that sounds less negative or more respectable. This mechanism is centered on the fact that activities can drastically change appearance depending on what they are called. The ‘bad taste’ of harmful actions is reduced when the language is sanitized. Examples include ‘waste the target’, not ‘kill that human’; ‘serve the target’, not ‘bomb the airport’; and ‘collateral damage’, not ‘killing innocent bystanders’.

**Advantageous comparison:** Making a malevolent act appear less negative by juxtaposition it against a worse act. Based on what it is contrasted against, behavior will be viewed differently. Through comparison with alternatives, malevolent acts can thus be made acceptable. The massive destruction of the Vietnam War was, for example, minimized by comparing it to the Communism enslavement from which the people were to be saved.

**Displacement of responsibility:** Minimizing one’s agency by separating the responsibility from the act. People will behave in ways that they under normal circumstances consider unacceptable if the responsibility of their actions is accepted by an authority. Nazi prison commanders and their staff avoided personal responsibility for the inhumanities they committed, claiming that they were only following orders.

**Diffusion of responsibility:** Minimizing one’s agency by obscuring the responsibility from the act. By obfuscating personal agency, the exercise of moral control is weakened. This mechanism is engaged during division of labor where subdivided, routinized tasks seem harmless in isolation, and by group decisions where everyone is responsible but no one feels responsibility.

**Disregard or distortion of consequences:** Disregarding or distorting the consequences. Moral control can also be weakened if the suffering is not faced, or is minimized by the perpetrator. Evidence of the harm can also be mistrusted. It is present when the people who make decisions are separated from those who carry them out, but also by distancing the perpetrator from the victim.

**Dehumanization:** Reducing the human value of the victim. It becomes easier to bring suffering upon one that has less of a human value than oneself. This is achieved by stripping the victim of human qualities. The victims can be portrayed as ‘mindless savages’, ‘degenerates’, or ‘bestial creatures’. If this mechanism is activated in warfare, it is easier for the soldiers to be cruel against opposing forces and prisoners of war.

**Attribution of blame:** Reasoning that the victim deserves the harm or suffering. People start to picture themselves as faultless victims driven by their adversary to injurious conduct, which is then seen as a justifiable act of self-preservation.
Bandura (1999) also notes that one does not become completely disengaged at once. It is a gradual process where the perpetrator increases self-censure over time. Separate mechanisms may interact with each other over time to enforce and strengthen self-censure. Two individuals with similar moral standards may, depending on how the mechanisms are activated, choose to deviate in different ways from their moral standards (Barsky, 2011). Moral disengagement traces back to truly gruesome descriptions of how mechanisms may be activated, but the descriptions also include examples of less heinous acts, such as firing an employee, non-specific consequences from division of labor, cigarette marketing, and institutionalized discrimination (Bandura, 1999, 2002). Several references reflect the application of moral disengagement in such, ‘lesser evil’ acts. They include, but are far from limited to, dehumanization in medicine (Haque and Waytz, 2012), dishonest behavior (Vincent et al., 2013), infidelity (Bhattacharjee et al., 2013), and bystander behavior in bullying (Thornberg and Jungert, 2013). While the leap between genocide and supply chain management is large, several researchers have bridged this application gap of moral disengagement and the theory is therefore acceptable even in misconduct that is not equally despicable.

One article of special interest for bridging the gap between moral disengagement and socially responsible supply chain management is written by Bandura et al. (2000) investigating business ethics. Using four cases, they identify publicly observable manifestations of moral disengagement. The derived implications are focused on strategies that counteract moral disengagement. Examples of how moral disengagement is manifested include blaming legislators, disregarding consequences, and blaming subcontractors. The last is close to dyad relationships in supply chain management. While this article is an adaptation towards supply chain management, the presentation and analysis of data lack a supply chain perspective, and the suggested strategies to restrict moral disengagement are general and made without regard to the context of supply chain management in a global market. Moral disengagement has gained attention in organizational research, but the same remarks that earlier were made regarding Bandura et al. (2000) seem to apply to most of this research. Examples of research directions on moral disengagement that are close to supply chain management include moral disengagement and: corruption (Moore, 2008), counterproductive workplace behavior (Fida et al., 2014; Sammani et al., 2014), ethical infrastructure (Martin et al., 2014), its role in organizations and organizational levels (Johnson and Ronald Buckley, 2014), and unethical organizational behavior (Moore et al., 2012)

Ideas similar to those of Bandura (Bandura, 1999; Bandura et al., 1996, 2001) are available in literature. Notably, Tenbrunsel and Messick (2004) suggest that ethical aspects can fade into the background and that moral implications are obscured. Four enablers with similarities to Bandura’s mechanisms are suggested. First, ‘language euphemisms’ that include ‘disguised’ stories told to oneself about the unethical behavior and renaming actions to become socially acceptable. Second, the ‘slippery slope of decision-making’ is constituted by two parts: psychological numbing through repetition and the induction mechanisms. The latter is centered on arguing that if what we used to do was acceptable, then if we do almost the same thing today that is also acceptable. Third, the enabler called ‘errors in perceptual causation’ is centered on misconstrued judgments about moral responsibility. Fourth, the ‘constrained representation of our self’ is based on the discrepancy between how we see
ourselves and how the rest of the world sees us.

Moral approbation (Jones and Ryan, 1997), which is moral approval from oneself or others, is another theory that shares several similarities with moral disengagement. This theory encompasses four (i-iv) elements of moral responsibility. (i) ‘Severity of consequences’ is related to moral responsibility, the more severe the consequences are, the higher the attribution of responsibility is. (ii) ‘Moral certainty’ pertains to how well the immorality of the actions can be established. The explanation includes moral justification (p. 671): “Blame can be reduced or eliminated entirely if the moral justification for an ambiguous decision or action is adequate.” (iii) ‘Degree of complicity’ concerns the extent to which the agent is involved in the decision or action. In organizations, it is common that responsibility for a decision is dispersed among several individuals, and while several play a role in the decision, no one plays a decisive role. (iv) ‘Pressure to behave unethically’ is an attribution of blame to some authority or the losses connected with avoiding the action. There are several similarities between the descriptions of Bandura (1999) and Jones and Ryan (1997). The latter introduces an interesting viewpoint that is not explicit in the former, namely the approval from others. These concepts have not been included in the research process, but are mentioned to illustrate that ideas similar to those of Bandura are available, which may provide valuable insights to better understand issues pertaining to moral and social responsibility in supply chain management.

Moral disengagement has been used based on two criteria. First, it presents eight different types of mechanisms that provide a broad and well-explained base for understanding when borrowing knowledge from this field. Second, it is still cited and currently used by researchers in the field of psychology (e.g., Bastian et al., 2013; Haque and Waytz, 2012; Simpson, 2012; Vincent et al., 2013). Bandura is actually considered the fourth most eminent psychologist during the 20th century, surpassed only by B.F. Skinner, Jean Piaget, and Sigmund Freud (Haggbloom et al., 2002), making him the most eminent psychologist of the previous century still alive. As of January 13th 2014 Google scholar lists 1140 and Sage journals lists 66 citations to Bandura (1999) (Table 2.1). To try and understand how the research community accepts moral disengagement the articles listed by Sage journals were downloaded and reviewed. It was compiled where in the article the reference to Bandura (1999) was used and how it was used. 13 articles used it in the introduction, 42 in the literature review/framework (including constructing propositions), 14 in the discussion, 3 in future research, two in the conclusions, and 1 as a note. The text regarding the citations and the concluding parts of the articles were read to determine how the reference was used. No critique of Bandura (1999) was found, and the most critical use identified was a request for clarification: “Research will be needed to better understand whether these same processes [moral disengagement] are anticipatory, post hoc, or both” (Treviño et al., 2006, p. 958). Several authors claimed that their findings either supported moral disengagement, or were supported by moral disengagement (e.g., Manekin, 2013; Vincent et al., 2013).

The review of sources citing Bandura (1999) is not exhaustive and limited to citations listed by Sage journals. Given the weakness of the review, a tentative conclusion is that the development of moral disengagement seems to be uncommon. Also, the mechanisms of moral disengagement are mainly dealt with separately or in a context that is, compared to global supply chain management, relatively manageable. Practical examples with a higher degree of empirical complexity could
help to further develop and elaborate the theory, especially if the context provides cases where several mechanisms seem to be active simultaneously.

One notable citation using moral disengagement is Bhattacharjee et al. (2013). They present a concept that is also named moral decoupling. There are, however, two important distinct features of their research that separates it from this research. First, their research is positioned in cognitive psychology. Second, their concept of moral decoupling focuses on how moral judgments of one individual’s actions can be separated from the individual. It thus becomes possible to despise the actions of an individual, while still praising other parts of that individual. Thus the one judging can stay true to his or her own moral standards, while still having a favorable opinion of the wrong-doer. Bhattacharjee et al. (2013) illustrate an example with Tiger Woods. Many fans consider his marital infidelity to be despicable, but still revere him as a great individual due to his achievements on the golf course. They can thus praise Tiger Woods, while still taking a stand against the actions he took in his personal life.

2.5 Two Connected Fields, a Third Added

In the beginning of this chapter, it was mentioned that supply chain management and social responsibility are tightly connected. This is not surprising. The textile industry manufactures products in complex structures spanning geographical and organizational borders (e.g., Park-Poaps and Rees, 2010). Much research is thus being conducted on the role of supply and purchasing departments (e.g., Krause et al., 2009; Miemczyk et al., 2012; Schneider and Wallenburg, 2012; Worthington et al., 2008), how their work is affected by external circumstances, and how it may be improved (e.g., Keating et al., 2008; Lee and Kim, 2009; Pagell and Wu, 2009; Wolf, 2011). Consumer behavior is also a topic of interest (e.g., Auger and Devinney, 2007; Carrington et al., 2010; Feldman and Vasquez-Parraga, 2013; Karjalainen and Moxham, 2013). Consumers have the collective power to force companies to supply products according to socially responsible standards. Despite claiming to desire such products, consumers seem to opt for cheap alternatives when making the purchase.
Chowdhury and Fernando (2013) studied unethical consumer behavior and found moral disengagement to play a mediating role on the perceptions of such behavior. If the supply chain is considered from the network level, where actors inside and outside of the supply chain are included into the scope of supply chain management, it seems like most aspects of social responsibility could be considered supply chain management issues.

These are some of the topics of interest that fall in the intersection between supply chain management and social responsibility. Inclusion of moral disengagement creates a three-field overlap. Psychology intersects with social responsibility and supply chain management. It has facilitated a new theoretical lens allowing investigation and understanding into some of the most commonly mentioned knowledge gaps in the field, namely a theoretical foundation that is able to explain underlying mechanisms of social responsibility (Figure 2.2). The foundation provides insights to how the supply chain contributes to increase or reduce moral disengagement, and is thus able to both explain and predict how and why individuals may act in a way that is not consistent with their morality.

![Figure 2.2: Final theoretical framework, motivated by area A, enabled by area B](image)

2.6 Tangential Research Approaches to Similar Observable Events

The theoretical framework has evolved throughout the research and the framework presented is a product of the research. However, other research approaches and frameworks exist. A few of these are important to present so that it is possible to position the framework applied in this thesis in relation to research conducted in
adjacent fields, many of which can also be placed in area A of Figure 2.2. First, we focus the attention to research on consumer behavior and unwillingness to pay for socially responsible products.

Auger and Devinney (2007, p. 362) have the purpose “...to investigate whether common survey instruments may misrepresent the opinions of consumers with respect to ethical issues”. They conclude that there are methodological issues that might result in an over estimation of the impact of ethical issues on consumer markets, and that experimental research that is more related to a real-life setting is important. Carrington et al. (2010, p. 140) aim “...to push the understanding of ethical consumption forward by drawing on what is known about the intention-behavior gap from these [consumer behavior and social psychology] literatures and applying this knowledge to ethical consumerism”. The authors bring together findings from implementation intentions, actual behavioral control, and situational context. They conclude that it is important to assist consumers to form plans on how to transform their intent into action, help consumers to control their behavior with, for example, household support and information to make informed in-store decisions, and facilitate, rather than derail, ethical behavior in the purchasing situation. Feldman and Vasquez-Parraga (2013, p. 100) performed a study with the purpose to “...re-examine key antecedents to consumer social responses (CnSR) in order to establish a clear link between CSR [corporate social responsibility] actions and consumers’ responses to such actions”. They find that consumers prefer shoes that represent both social responsibility values and corporate abilities (quality, technological innovation, and leadership in the industry), that consumers in a developed country have a higher positive response to social responsibility, and that consumers are less likely to select a shoe when its price increases. Consumers responded that they would be willing to pay a premium price for both product quality and environmental commitment from the company. Karjalainen and Moxham (2013, p. 269) are interested in improving efficiency in Fairtrade supply chains, so that there is no need to dilute the expectations on production in order to meet the price consumers are willing to pay for the products. They present eight propositions focused on efficiency improvements that can help organizations to meet the target price without compromising on ethical values. Finally, Öberseder et al. (2011, p. 449) present their research that “...seeks to shed light on this issue [consumer declare willingness and motivation to consider CSR, but are unwilling to do so when it comes to consumption] and attempts to provide a better understanding of the process by which consumers integrate their perceptions of CSR initiatives as a purchase criterion”. They identify two consumer core factors for consideration of socially responsible purchase criteria: information on the company’s position on the topic and if this information is perceived as positive or negative; one central factor: the financial situation of the consumer; and three peripheral factors: the image of the company, the credibility of social responsibility initiatives, and the influence of peer groups. Bray et al. (2011) come to conclusions similar to the authors above on factors that impede socially responsible consumer behavior. They list price sensitivity, personal experience, ethical obligation, lack of information, quality perception, inertia in purchasing behavior, cynicism, and guilt.

Business ethics is a complementary field to social responsibility (Fassin and Van Rossem, 2009; Spence and Bourlakis, 2009). Similar to the definition of ethics in this thesis, a body of literature recognizes that the character of ethics is situated and contextual (e.g., Andrews, 1989; Kjonstad and Willmott, 1995; Paine, 1994).
The topic is a specialized study of moral right and wrong with a focus on business institutions, organizations, and activities. It includes systemic issues (pertains to social, political, legal, or economic systems in which companies operate), corporate issues (pertains to policies, culture, climate, impact or actions of a particular corporation), and individual issues (pertains to decisions, behavior, or character about a particular individual) (Velasquez, 2012). Velasquez (2012) states that, while business ethics and social responsibility are similar, business ethics is both a part of social responsibility and of its justification.

In the borderland between business ethics and morality Jensen (2010) set out to “...outline a moral philosophical framework that illustrates the fragility of individual moral character and, second, to identify demoralizing processes in companies to illustrate how these wield forceful pressure on individuals to refrain from taking increased moral responsibility.” After addressing challenges to taking moral responsibility he suggests six demoralizing processes that inhibit moral behavior: discontinuous reinvention of companies, flexible specialization of production, concentration without centralization of power, differentiation through mediation of action, substitution of technical for moral responsibility, and reduction to traits. Moral responsibility is limited through institutional structures and this research bear several similarities to moral decoupling. Assessing the findings from a critical realist’s perspective seems suitable, perhaps demoralizing processes could be interpreted as conditions to the object that has the power to generate events (reduced moral responsibility). Staying with moral responsibility, Young (2004) differentiates between liable and political responsibility. The first imply some connection between the one responsible and the one suffering, while the later imply responsibility based on what is possible to achieve and differences in welfare. Young (2004) argues that a framework including connection, power, and privilege should be considered by individuals when reasoning about their action in relation to structural injustice. ‘Connection’ addresses our entanglement with multiple institutions and individuals and that it is important to identify the most important connections that link us to and distant strangers we potentially affect. ‘Power’ pertains to the ability to influence the processes that generates the outcomes. Powerful actors or companies should thus apply pressure, but might be reluctant to do so. Therefore, those with relatively less power can take responsibility. ‘Privilege’, finally, suggests that structural injustices not only produces victims, but also persons who acquire relative privileges. Those who are privileged have greater ability to adopt to changed circumstances without suffering severe distress, and consequently have greater responsibilities.

The examples above are just a small selection of the literature present on contextual influences on moral responsibility/behavior. For further reading on tangential research directions see, for example, Butterfield et al. (2000), Hartman (1994), Jones (1991), Jones and Ryan (1997), Stephens and Lewin (1992), Treviño (1986), Trevino and Youngblood (1990), and Weaver (2006).

### 2.7 Reflecting on the Suggested Framework

The main perceived benefit with the suggested framework is that moral disengagement contains specific illustrations of how moral responsibility deteriorates. Combined with supply chain management it holds potential to explain how the management direction and its inherent traits are related to moral disengagement. The
potential explanatory power of the framework is thus how supply chain management trigger or prevent moral disengagement. Individuals that disengage their morals do not feel bad for the negative effects caused in and around the supply chain. Consequently, they can contribute to a system that brings suffering without feeling bad. Advances similar to this is asked for by several researchers (e.g., Aguinis and Glavas, 2012; Winter and Knemeyer, 2013) and is central to the purpose of this thesis and the constructed framework.

A neighboring stream of research is focused on what we should accept moral responsibility for. Two important examples have been addressed in this chapter, namely ‘ethical distance’ (Shepski, 2013), and ‘liable and political responsibility’ (Young, 2004). According to Shepski (2013), responsibility should be acted upon based on knowledge, tiers in the chain of actors, ‘dilution’, voluntary connection and roles, and Young (2004) argues that connection, power and privilege should determine where responsibility is taken. The first comparison with the framework constructed in this thesis is that the decision parameters are similar in language to the mechanisms of moral disengagement. This research could thus provide insights as to whether there is a link between the aforementioned concepts and moral disengagement. The second comparison is that Shepski (2013) and Young (2004) identify where we should accept responsibility, whereas this research tries to explain why we do not feel moral responsibility for the consequences of the supply chain. It follows that if this research is able to determine a connection between moral disengagement, the first comparison can be evaluated and, if true, it can also help to explain why individuals who act according to the second comparison do not feel bad.

Shepski (2013) raises two objections to his own research which he also tries to explain. The first is that there is no unified concept of ethical distance and that his efforts mainly facilitate a language to understand the phenomenon. A more suitable objection to this shortcoming is, in relation to this thesis, that it remains a concept which lacks grounding in theory. His second objection is that ethical distance is overly complex and I agree in his assertion that we need to embrace the challenge of complexity inherent to global phenomena pertaining to moral and ethical issues. I would argue that there are more objections specifically related to the five proposed factors. These are important to address to understand the importance of the research presented in this thesis.

The first factor, knowledge about wrongdoing, seems very naive. Especially considering the evidence indicating that most suppliers are in some breach of agreed-upon ethical guidelines (Anner, 2012; Toffel et al., 2014). The second factor pertaining to tiers in the supply chain seems to disregard how many products are brought to the market via long and complex chains comprised of several layers of actors. Should we just refute responsibility for all products that contain tantalite, tin, and tungsten based on their long and complex supply chains? Most electronic devices are, in that case, exempt from responsibility. The third factor, dilution, can be criticized based on an individual’s consumption behavior and companies’ large production volumes. No one would need to take responsibility for the actions of companies with large production series, and if each separate purchase is of low value, then no consumer needs to accept responsibility. Still, the aggregated consumption of a consumer can amount to a large economic support for unethical behavior. The fourth factor can be criticized depending on the scenario discussed. If the case is related to accepting employment to be able to feed one’s family, the individual would reasonably be
so much better off that they now can take some (economic) responsibility for the negative effects their new employer causes. Finally, the fifth factor is confined to the logic that we can only make differences from our position in an organizational structure. Our role in an organization does not restrict what we do in our spare time, or via other structures. The arguments made by Shepski (2013) are addressed mainly to show that it is possible to find counter arguments as to why responsibility should be taken, and not only why it is possible to reject. The framework of this thesis seeks to understand how individuals can be made to feel moral responsibility even in situations where responsibility could be rejected based on, what seems to be, good reasons.

In this thesis, supply chains and their management are concerned with flows. Moral responsibility will be superimposed on the notion of flows to try and understand how perceived accountability for one’s actions that advance or retard moral purpose changes depending on where in the supply chain the individual exists and the results of one’s actions manifest. In order to understand how moral responsibility deteriorates, moral disengagement is chosen as a theoretical lens. The framework thus allows this research to examine if supply chain management contains elements that are likely to cause moral disengagement, which can help to understand how a flow of moral responsibility is affected by supply chain management. No approaches or frameworks that consider moral responsibility a supply chain flow have been possible to identify, which suggests that this framework presents a different, and perhaps unique, approach in a research area occupied by several researchers with different theoretical backgrounds. With this framework, it is believed that it will be possible to gain deeper knowledge of the relationship between social responsibility and supply chain management than can be provided by the identification of what seems to be correlating factors, which is a common approach in socially responsible supply chain management (Eriksson and Svensson, 2014a).

Research papers such as Bandura et al. (2000), Jensen (2010), and Moore et al. (2012), mentioned in Sections 2.4 and 2.6, contribute greatly to understanding how contextual factors contribute to moral disengagement. However, these are mainly confined to an intra-organizational perspective, which is not reflective of the global and tiered nature of supply chain management. It is likely that departure from intra-organizational research could have led to an accelerated understanding of the phenomenon in a supply chain management context. The main reason that this approach was not used is that these research streams have been discovered late in the research process. Approaching intra-organizational aspects from a supply chain perspective offers other benefits. The main benefit argued for here is that, by adopting different theoretical lenses, it is possible for research to converge on a similar conclusion or to reach different conclusions. Both results are important for research, which will be discussed in the next chapter.
Chapter 3

Research Approach

The main goal of this chapter is to invite the reader to understand the researcher’s assumptions and reasoning about knowledge and how it is created. First, meta-methodological assumptions are presented, then methodology and application are presented, and finally the quality criteria of the research are presented.

3.1 Meta-Methodological Assumptions

Foundations of the research design and problem, data collection and analysis are determined by the assumptions about what is acceptable knowledge in the research discipline (Bryman and Bell, 2007). Logistics research is commonly considered to be mainly positivistic, a conclusion derived by authors such as Mentzer and Kahn (1995) who observe that logistics is founded on the positivistic paradigm and Kovács and Spens (2005) who argue that logistics is primarily connected with positivistic research. Aastrup and Halldórsson (2008, p. 749), however, argue that this is a misconception calling it the myth of positivism. Due to evidence of a broader range of meta-methodological assumptions the authors continue to propose that “logistics has brought itself into an intellectual blind spot; a position that will not be reversed unless alternative approaches ... will be given an independent and complete role rather than a complementary role, limited to explorative purposes of research”. This is especially relevant to this research as its purpose is clearly devoted to explanatory results (Maxwell and Mittapalli, 2008), but not confined to the positivistic paradigm.

The ultimate assumption of the author is that there is an external reality and all knowledge claims in this thesis are dependent on, and made with regard to, this assumption. By studying empirical evidence and conducting experiments researchers are able to explain the part of reality that is being observed. However, the mechanisms that generate the studied data are not that easy to unveil. An illustration is provided by Sayer (1992, pp. 107-108):

“...To take a gruesome example, if bombs were exploded anywhere at any time we would find little regularity in the relationship between their detonation and their effects. In order to get the desired results, considerable care is taken to aim them, that is, to locate suitable configurations of conditions. The explosion of a bomb, when it occurs, happens necessarily by virtue of its structure, but might do so in a variety of conditions.
The objects constituting the conditions have their own powers and liabilities, and so whichever conditions hold the results of the explosion will necessarily occur, differing according to whether the objects are cement, water or flesh.”

It could be that two mechanisms function as a NAND gate, so if two mechanisms are active, the real life event is not created. Two separate mechanisms could also perform as an AND gate, which requires both mechanisms to be active in order to generate a certain real life event. These are just two gate combinations, and more are possible (OR, NOR, XOR, XNOR) for two mechanisms. Then imagine if there are more than two mechanisms that need to be included into the model for accurate description! Involved causal mechanisms may only have a contingent relationship. Depending on conditions one active mechanism can, given different contexts, produce different results, and alternatively, different mechanisms have the potential of generating the same observable events (Sayer, 1992)(Figure 3.1).

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**Figure 3.1: The structure of causal explanation, Sayer (1992, p. 109)**

The relationship between object, condition, and event explains why this research identifies an event with an individual as the object, and conditions confined to supply chain management. The individual has the power to act morally, supply chain management contains conditions, and the observable event is behavior that contradicts the morality of the individual. In this research the individual is reflective of all individuals. We can separate individuals into to groups. If they, via a supply chain, are connected to events they normally would consider immoral it is of interest how supply chain management can reduce or strengthen their sense of moral
responsibility. If they are not connected to the supply chain it is, likewise, also interesting how supply chain management can reduce or strengthen their sense of moral responsibility.

Understanding individual behavior by seeking explanation in the context is not only aligned with critical realism, the approach has also been adopted and advocated by other researchers (e.g., Clegg et al., 2007; Jensen, 2010; ten Bos, 1997; Young, 2004). In her essay Young (2004, p. 388) illustrates that “…responsibility [of individuals] derives …from the connections generated by the structural processes …”. Several similar approaches are listed in Section 2.6, which should conclusively confirm the appropriateness of better understanding a phenomenon on the micro (object) level through investigation of the relation between the macro (conditions) and micro levels.

Critical realism is not focused on inevitable, specific, and measurable conditions, rather tendencies of mechanisms to generate observable events (Alvesson and Sköldberg, 2009). Needless to say, the model can always be improved as long as there are more real-life events that can be included in the investigated data and as context changes over time. The explanatory model aimed for in this research will be constructed using the same logic. Conclusions can be made based on observations, and refined through incorporation of more actual events into the pool of empirics. The use of theoretical lenses may provide insights into the underlying mechanisms, but these must be subject to scrutiny and comparison with alternative explanations. This thought of reasoning is described by critical realism (Bhaskar, 1978).

Critical realism is a realist epistemology in which the studied object exists independently of our knowledge or ideas about it. The epistemology stresses that our senses and understanding are limited and that reality therefore might not be as we perceive it. What we are searching to gain knowledge about is therefore experienced through secondary subject-dependent properties (Björk, 2011, p. 16). Fox and Do (2013, p. 741) summarize three key points of critical realism. (i) “Seeks to determine causal mechanisms and causal context which can enable an action to bring about an outcome”, (ii) “Can provide a unifying direction for application of scientific theories and research techniques”, and (iii) “Uses abductive reasoning more than induction or deduction”. Causal mechanisms are connections between variables that can produce outcomes. The mechanisms will only function if they operate within appropriate contexts.

Critical realism defines three ontological domains, the real, the actual, and the empirical (Bhaskar, 1978). The empirical domain consists of observed events. The actual domain consists of events that occur in the world, whether we observe them or not. The real domain is comprised of mechanisms that generate events (Danermark et al., 2003). According to critical realism, research can be seen as the process in which we strive to understand reality. Given the connection between the domains this is related to the inclusion of events from the actual into the empirical domain and increased understanding of the underlying real forces and mechanisms that cannot be observed, but only understood through the events they cause (Danermark et al., 2003). Danermark et al. (2003) argue that scientific work, according to critical realism, cannot be confined strictly to deductive or inductive reasoning, but requires thinking, reflection, reason, creativity, abstraction capacity, and theoretical framework to find meaning and structure in the empirical reality. With this in mind, the actual methodology and its application can be presented.
3.2 Methodology and Application

The methods used are closely related to the critical realist view on research and knowledge creation. The research has applied case studies for the first two papers. However, a case is much more than a company. A case is a construct that is used to delimit the research and define an actionable area of research. Ragin (1992) defines the process of defining a case as casing, with the purpose to bring operational closure to some problematic relationship between ideas and evidence, theory and data, and to limit the case to a proper size. Casing commonly occurs in the beginning or at the end of the research. If seen as one continuous process, the case has been defined during the research. It is thus both a product and a result of the research, which is reasonable according to Dubois and Gadde (2002). Case studies have, from a positivistic standpoint, been critiqued for their lack of resulting in generalizable findings, which is a burden for researchers in the field of logistics with non-positivistic meta-methodological assumptions (Aastrup and Halldórrsson, 2008). The goal of the method is to work towards the necessary depth needed to identify generative mechanisms, which will allow the findings to be transferred to different contexts, while trying to avoid the positivistic burden often carried by researchers in the field. It requires that the research direction is allowed to be redirected continuously during the research.

The approach is supported by Dubois and Gadde (2002) who advocate systematic combining, a research process where the framework, the theory, the empirical world, and the case is constantly revisited and matched to determine new directions for further actions. They argue that the potential of case studies cannot be reached if research is conceptualized as a process consisting of a certain set of pre-planned phases. Rather, the researcher should go back and forth between one research activity to another and between theory and empirics. Thus, the framework and case will evolve during the research process. Inherently, this will also distinguish new theory to include into the research and determine boundaries when selecting events from the actual world that should be included into the empirics. The latter is not only concerned with what to include, but also at what time. The purpose and parts of casing (Ragin, 1992) are very similar to the process of systematic combining (Dubois and Gadde, 2002). The case in this thesis is the construct used to delimit and define an actionable area of research that has allowed operational closure between ideas, evidence, theory, and data. The process used to arrive at the final case is systematic combining.

Time is also an important topic when discussing both case studies and critical realism. Social phenomenon is understood in relation to its context (Flick, 2009), the context might be causal (Fox and Do, 2013), and case studies are primarily focused on current events that the researcher has no ability to control (Yin, 2009). So one needs to reflect on the extent to which the findings have been dependent on the context, including the time of the research.

The connection between systematic combining, an evolving case, and critical realism is now starting to show. In critical realism, research is a process where we continuously move towards knowledge about reality (Björk, 2011) by moving between the three ontological domains (Danermark et al., 2003), which is very similar to the above explanations of both systematic combining and case studies. Implicitly it states that the course of the research is highly dependent on the researcher’s
decisions and so the final results will be a product of the course the research has taken. This research will generate a model based on observations and theory, but also test it against current knowledge in the area, an inductive-deductive methodology, centered on systematic combining, called abduction (Kovács and Spens, 2005), which is considered especially suitable when creating knowledge in a critical realism based research approach (Rotaru et al., 2014). Some influences of this approach may be traced back to grounded theory.

Grounded theory stems from researchers who “rejected the notion that scientific truth reflects an independent external reality” (Suddaby, 2006, p. 633) and is thus linked within a constructivism paradigm (Healy and Perry, 2013). Grounded theory is, however, interpreted differently between researchers. Healy and Perry (2013, p. 120) state that “no ‘outside’ theory is meant to intrude into the research” and “grounded theory researchers are urged not to read reports of similar research done before”. On the other hand, Suddaby (2006, p. 634) claims that there are six common misconceptions of grounded theory, the first being that literature should not be ignored. He states that a “less extreme, but more problematic, version suggests that the researcher must defer reading existing theory until the data are collected and analyzed”. Systematic combining relies on a framework that is “tight and emerging” (Dubois and Gadde, 2014, p. 1279) and its core principle of constant matching is similar to simultaneously collected and analyzed data suggested in grounded theory (Glaser and Strauss, 1976). However, systematic combining relies more heavily on the inclusion of theory in the constant matching (Dubois and Gadde, 2002, p. 559). It appears that grounded theory principles are to some extent included in the advocated approach of systematic combining. Consequently, it is not unlikely that some traces of grounded theory will surface in the thesis, even though the ultimate assumptions differ between grounded theory and a constructivist worldview, and systematic combining and critical realism.

One of the main motivating factors of this research is the lack of research on micro-level mechanisms. This statement needs both context, and reflection with regard to how this research actually contributes. The lack of micro-level mechanisms is related to research within social responsibility and supply chain management. This research does not address the identified area of interest through the observation of individuals. Instead it uses a theory focused on individuals that has not previously been applied in a supply chain management context. Bandura (1978) considers behavior, personality, and the environment to be interlocking determinants of each other. As evidenced in the previous chapter, research has already been conducted on moral disengagement in various environments, but not in supply chain management. Focus on environment, personality, and behavior would surely reveal more about conditions leading to moral disengagement in supply chain management and are suitable venues for further research. Conditions leading to moral disengagement are, nevertheless, found in the environment and thus it appears suitable to investigate the environment. Contextual conditions are also important to understand how events in the empirical domain are generated, which creates coherence between theory and how this thesis aims to create knowledge. In conclusion, this might not be the best approach, but it is a suitable approach that is coherent with knowledge creation, the used theory, and the current research landscape.

Addressing micro-level mechanisms in a macro-level context is a challenge for this research. The main advancements that will be presented stem from the combination
of different research directions, where one direction is focused on mechanisms at the individual level, and these mechanisms are transferred to the context of socially responsible supply chain management. Empirical observations have contributed in several stages of the research. It was, for example, an empirical observation that came to initiate the research. However, empirical studies have mainly been a catalyst for the conceptual reasoning. Consequently, the case studies present only general data, and are mainly included for illustrative purposes and to ensure that what is conceptualized in theory exists in practice.

3.3 Trustworthiness

While several authors focus on the objectivity of the results to determine quality (e.g., Eisenhardt, 1989; Yin, 2009) this research will try to improve the quality by being open with subjectivity. This research has been directed and redirected by the findings of the researcher, which is at heart of critical realism, case studies (as described above), systematic combining, and abduction. It is of no avail to deny that the researcher heavily taints the outcomes of the research. For example, observation is theory-laden and research is therefore to some part hermeneutic (i.e., constructionist ontology, see Healy and Perry, 2013, p. 119). This dimension should not be criticized, unless the observers are ignorant and apply an unexamined and dogmatic view on the character of their knowledge (Sayer, 1992, p. 65). This leads to one thing, but not another. One thing: it is likely to assume that another researcher, with the same starting point, would arrive at different research questions, define different cases, and ultimately come to different conclusions. Another thing: the subjectivity that guided the research does not infer that the findings and results are invalid due to researcher bias. The two researchers might just have been drawn towards different generating mechanisms and different causal contexts.

The main quality goal of this research is to allow the reader transparency to the processes, so that he or she is able to evaluate the path of the research and to determine if the findings are trustworthy, which is considered to be the most important criterion when evaluating qualitative research (Lincoln and Guba, 1985). Just like the subjectivity of the research, trustworthiness is also subjective to the readers’ perception of the presented research. This is individual to each reader and cannot be determined prior to reading the research. However, since the trustworthiness criteria are related to the planning and execution of the research, it is presented prior to the research.

Lincoln and Guba (1985) propose four criteria for trustworthiness: credibility, transferability, dependability, and conformability. Credibility is considered to be most important and consists of seven activities: prolonged engagement, persistent observation, triangulation, peer debriefing, negative case analysis, referential adequacy, and member checks (Table 3.1). Research is not usually strong in all criteria and some may even be bypassed. According to the idea that trustworthiness is subject to the reader, the criteria and activities will be presented prior to presenting the research, but the application will be presented at the end of the research. This will allow the reader to form his or her own opinion before attempts to create trustworthiness are outlined. In line with this idea the decision was made to allow the structure and presentation of the thesis to reflect the course of the research, and not imply a false sense of a deductive approach where the path of the research was
known at the start.

Table 3.1: Trustworthiness criteria described, based on (Lincoln and Guba, 1985)

<table>
<thead>
<tr>
<th>Trustworthiness criterion</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credibility</td>
<td>Being involved in the empirical setting long enough to understand the context in which the phenomenon is being studied.</td>
</tr>
<tr>
<td>Prolonged engagement</td>
<td>Take the time needed to reach sufficient depth in the research.</td>
</tr>
<tr>
<td>Persistent observation</td>
<td>Crosschecking data to ensure a true picture. According to Flick (2009) there are four types of triangulation: data, investigator, theory, and methodological.</td>
</tr>
<tr>
<td>Triangulation</td>
<td>The activity of exposing the researcher and the research to a disinterested peer with the purpose of exploring aspects of the research that may otherwise remain implicit within the researcher’s mind.</td>
</tr>
<tr>
<td>Peer debriefing</td>
<td>To revise the hypothesis with hindsight.</td>
</tr>
<tr>
<td>Negative case analysis</td>
<td>The activity of keeping some of the data raw to facilitate the findings to be revisited.</td>
</tr>
<tr>
<td>Referential adequacy</td>
<td>Allow informants to review the data.</td>
</tr>
<tr>
<td>Member checks</td>
<td>The ability to provide a thick description that allows someone interested to determine if a transfer of the findings is possible.</td>
</tr>
<tr>
<td>Transferability</td>
<td>The opportunity for the reader to examine the process of inquiry.</td>
</tr>
<tr>
<td>Dependability</td>
<td>The assessment of the product of the research and the consistency between theory, framework, data, and findings.</td>
</tr>
</tbody>
</table>

The thesis is written as a story of how the research progressed to better allow the reader to determine the trustworthiness of the research. Which is also why the application of the techniques presented above is discussed in subsection 9.1.1, after the presentation of the appended papers. It was long intended to present the final theoretical framework following the appended papers, and small parts of the initial framework together with the first appended paper. One of the last decisions made was to move the frame of reference to Chapter 2. This was done to make the thesis easier to read. To be open with the process the development of the framework is clearly presented. The structure chosen here is designed to invite the reader to take part in the research process, including the thoughts of the author. It follows that the author’s thoughts have guided the subjective decisions that have progressed the research, and the presentation of the research is an attempt to display the process in a trustworthy manner. The case study is an accepted research tool with strength to document and understand contemporary events that the researcher cannot control (e.g., Aastrup and Halldórsson, 2008; Yin, 2009). It is my belief that the context dependence of the case study is mirrored by researcher dependence. A case situated in two different contexts may yield different research results and directions and the same case investigated by two different researchers would likely result in two different research agendas and outcomes.

Within the frame of subjectivity it has been important to assure that the research is performed in a proper manner. The research is strongly related to established
theories of knowledge creation and is thoroughly motivated in relation to ongoing research in the field. The outcomes of the research are also related to the field. The methodology, method, data, and purpose of the research are presented both in the structure of the thesis and in the presentation of the papers. These are efforts devoted to increase the trustworthiness of the research.

The issues discussed above might be better understood if related to an ontology/epistemology discussion. Ontology describes what reality is and epistemology is the theory of knowledge within that ontology. I have described my view of reality, which is also what has guided me through my studies. I will surely not convince everyone that my ontological assumptions are right, nor is it my goal. However, the openness with my subjectivity and thorough explanation of the research process will hopefully convince the readers that the knowledge created is accurate, given my ontological assumptions.

### 3.4 Summary of the Chapter

This chapter is important to be able to understand how the research was conducted and why the approach was chosen. An illustration that summarizes the main points is presented in Figure 3.2.

![Figure 3.2: Summary of research assumptions](image)

Generative mechanisms in the real domain create events in the actual domain. Researchers study a part of the actual domain, in other words the empirical domain. The real domain cannot be studied directly, but only through theory-laden observations of the events it generates. Collection of new empirical material includes more of the actual domain in the empirical domain. In this process researchers are guided by their own skills, other researchers, and knowledge available in the field.
The ultimate decision of how to continue is always made by the researcher. The body of knowledge that is created makes it possible to deduce information about the generative mechanisms in the real domain. If they are correctly understood it is also possible to suggest causal explanations for events (Figure 3.1, p. 38).
Chapter 4

Paper One - The Birth of a Concept

The start of this research may be described as an important crossroad discovered when working on the licentiate thesis. The research had thus far focused on how supply chains contribute to value creation, but was to deviate and focus on how supply chains are related to social responsibility. The presentation of the first research paper begins with the idea of moral decoupling followed by a presentation of the first appended paper.

4.1 The Idea of Moral Decoupling – The Author’s Thoughts

So far during my engineering education my interest was mainly confined to supply chains, value creation, and innovative business models, especially in mature markets. My analytical framework was largely based on the connection between strategy and supply chain configuration. The presentation of these topics in Chapter 2 is somewhat extensive for the knowledge creation of this dissertation, but nevertheless important to understand how the research began and was shaped. In 2007, there was a report in the Swedish media about misconduct in an African mineral mine that sparked my interest in a new area of research. The mineral was used in the manufacture of circuit boards and could thus be found in many companies’ products across several industries. The same year H&M found themselves in the limelight when their cotton was traced back to child labor carried out for the regime in Uzbekistan. A company representative from the electronics industry commented on the misconduct in the African mines and tried to explain that they had no control over the mines due to both their location and local conditions. Based on my bachelor-level studies of supply chain configuration, especially the concept of decoupling, I had a cynical idea: ‘Of course the companies do not want to take responsibility. It is like they are constructing their supply chains with moral decoupling points.’

My idea was centered on companies being able to blame supply structures, or create points in the supply chain beyond which they did not need to take social responsibility for events that take place. This was underpinned by a belief that upstream activities often take place in under-developed countries where the workers are mistreated, do not have any power against their employer, and live in conditions
that force them to accept their strenuous work. Without considering future research I began looking for media reports on misconduct and companies that had made efforts to improve social responsibility in their supply chains. If certain companies decoupled moral responsibility, responsible companies should, adversely, pay extra attention to, and take responsibility for, their upstream supply chain.

During my bachelor and master studies multiple companies were visited in various supply chain courses and projects. Several such projects included mapping the company’s supply chain and this would become the starting point for the empirical research for this PhD thesis. It was not until 2010, when I became aware of the theory moral disengagement, that the research took the direction that it has today. At this stage, it was a side-project to PhD-studies focused on value creation and supply chain configuration. The intent was to use moral decoupling points to explain how the upstream supply chain was disconnected to avoid accountability for activities that are not socially acceptable in the Swedish consumption market. The explanation was closely related to my earlier studies and my licentiate thesis in the sense that I looked for explanations centered on how supply chain management can result in a desired outcome. The outcome, however, shifted from value creation and competitive advantage to social responsibility.

4.2 Presentation of Paper One


4.2.1 Paper Outline

The purpose of the first paper was constructed prior to knowing that this topic would result in a PhD thesis. It is very similar to the over-all purpose of the thesis, but more actionable within the limits of a research paper. The motivation hinges on two discoveries in literature: (i) ethical guidelines are relatively easy to create, but hard to implement (e.g., Gimenez and Tachizawa, 2012; Mamic, 2005; Wolf, 2011), and (ii) despite large academic attention to the field of sustainability and corporate social responsibility it is mainly based on empirical findings and lacks theoretical explanatory models (e.g., Ashby et al., 2012; Hoejmose and Adrien-Kirby, 2012; Miemczyk et al., 2012; Winter and Knemeyer, 2013). The paper was largely inspired by a quote of Svensson and Bååth (2008, p. 398).

“In many of these cases, we have seen impassioned and eloquent defenses of the companies’ behavior: behavior that to many others has been reprehensible. The main perpetrators appear to be less than contrite in their acceptance of responsibility for their actions and that of their companies. How can a company perpetrate acts of deceit with an apparent disregard for those individuals that they would affect? How is it that their business ethics can be so far removed from acceptable business conduct? How can they have so misread the mood of the marketplace and society as to the severity of their behavior?”
It is, however, not the company that perpetrates acts of deceit or shows disregard for those affected – it is individuals who are responsible for the outcomes generated by the company. If social responsibility in a supply chain is to succeed it needs to be understood why ethical guidelines are easy to create but hard to implement. Here, the explanation is believed to be found using a theoretical lens that is new to the field. The purpose of the first paper is formulated as follows:

“…explore if and how supply chain configuration affects moral disengagement” (Eriksson et al., 2013c, p. 720)

The explanatory model used to fulfill the purpose is moral disengagement (Bandura, 1999; Bandura et al., 1996). The theory provides explanations as to why individuals accept actions that they would normally consider immoral. It thus holds potential to explain why members of an organization can jointly create ethical guidelines from their own rationalization on what is right and what is wrong and still disregard these guidelines and accept conduct they would normally condemn.

The data collection had a two-fold approach. (i) Media coverage on corporate misconduct was investigated by focusing on how companies responded to reports of misconduct. The main focus was to determine if the misconduct was explained using mechanisms of moral disengagement and if the explanations were related to the supply chain structure or activities within the supply chain. (ii) A case study including three supply chains (see Table 4.1) was used to identify how Swedish companies close to the consumption market constructed their supply chains. Both the structure of the chain and the reasons for choosing a certain structure were analyzed to, once again, see if there were reasons similar to the mechanisms of moral disengagement. Even though one case company is part of a long and still ongoing relationship, the presentation of data here is sparse. The brief presentation of data is a result of what was necessary to provide illustrations of typical supply chain structures. Perhaps it could have been sufficient to provide hypothetical cases, or use cases available in literature? However, the choice fell on including empirical cases due to their geographical location in Sweden, their industry, and the possibility of verifying the presented findings. In all cases, the supply chains were mapped in other projects, and the findings were corroborated for this paper.

4.2.2 Results and Conclusions

The media investigation revealed several instances where the companies used moral disengagement to justify their behavior. Out of the eight mechanisms, seven could be identified. Attribution of blame was the one that could not be identified. The case study revealed several reasons and principles that had guided how the supply chains had been configured, among them resource availability, relative power between actors in the chain, and consumer requirements. Three types of relations could also be distinguished: (i) transaction-based without insight into upper tiers, (ii) transaction-based with insight into upper tiers, and (iii) vertical integration with insight into upper tiers.

Several similarities were found when the media investigation and case study were compared. The transaction-based relations in one of the supply chains corresponded to the structure of the chains reported on in media. The configuration facilitated opportunities to deny knowledge about misconduct in the upper tiers of the supply
<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Turnover</th>
<th>Ownership</th>
<th>Informants</th>
<th>Time Period</th>
<th>Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha</td>
<td>Textile</td>
<td>€3 Million</td>
<td>Family</td>
<td>Owner family, production manager, production staff</td>
<td>2006 - ongoing</td>
<td>Continuous interactions, semi- and unstructured interview, financial reports, observations</td>
</tr>
<tr>
<td>Beta</td>
<td>Textile</td>
<td>€19 Million</td>
<td>Investment Company</td>
<td>CEO, product development manager, supply chain manager, management team</td>
<td>2009 - 2013</td>
<td>Sporadic interactions, brain-storming, semi- and unstructured interviews, financial reports, consult reports, observations</td>
</tr>
<tr>
<td>Gamma</td>
<td>Textile</td>
<td>€30 Million</td>
<td>Family</td>
<td>Marketing manager, purchasing manager</td>
<td>2009 - 2010</td>
<td>Seminars, unstructured interviews, financial reports</td>
</tr>
</tbody>
</table>
chain. Insight and vertical integration, however, removed possibilities to claim that conditions upstream in the supply chain were unknown. It could thus be concluded that the configuration of the chain in some way was related to the use of moral disengagement. Notable configurations include closed barriers between tiers, cultural differences in attitudes towards workers and animals, low traceability, production in countries where child labor is considered to improve the welfare of the child, and the long distances in the chain.

Moral disengagement is a psychological process used to accept behavior that is normally considered inappropriate. It separates morality from responsibility and the effects of actions. The research showed that moral disengagement could be related to and even induced by the configuration of the supply chain. To explain this phenomenon the concept moral decoupling was formally proposed (Eriksson et al., 2013c, p. 730).

“Proposition 1: Moral decoupling is a psychological process, used to separate morality from transactions so that materials, information, and money may be transferred, while the moral responsibility is diffused or separated from the transaction.”

Moral decoupling could also be pinpointed to certain structures and points in the supply chain and would thus benefit from an expansion that includes a structural definition. The expansion drew inspiration from two other supply chain concepts that are related to the structure of the chain: postponement (e.g., Christopher and Towill, 2000; Dapiran, 1992; Feitzinger and Lee, 1997) and decoupling points (e.g., Alderson, 1950; Bucklin, 1965). Moral decoupling points was proposed to explain the structural point where moral decoupling occurs (Eriksson et al., 2013c, p. 730).

“Proposition 2: A MDP [moral decoupling point] is a place where materials, information, and money may pass, but not the moral responsibility.”

(Figure 4.1)

![Figure 4.1: Moral decoupling point, adapted from Eriksson et al. (2013c)](image)

Accordingly, the paper had provided a concept that explained how the supply chain configuration affects moral disengagement and fulfilled its purpose. Next, it will be addressed how it contributes to the progression of the thesis.
4.2.3 Progression of the Thesis

Before discussing the progression of the thesis, it should be stressed that the idea of a thesis on the topic of moral decoupling had not begun when the paper was first written. My own thought on moral decoupling at this stage was that it could be a side-project. I figured that if the concept was given more attention, and if it was elaborated on, it could result in a new theoretical lens that could provide insights and explanations to research on sustainability, ethics, and corporate social responsibility in supply chains. In the paper, animals are discussed in relation to the mechanism of dehumanization. Surely, animals are not humans. However, there is a discourse used when promoting animal rights that is intended to humanize animals, and there also exists an opposing side using a discourse that strips animals of human attributes. I therefore stand by my choice of using the mechanism with regard to animals, considering that it is used in the same way towards animals as with humans.

The paper has two main contributions to the progression of the thesis. Firstly, it explores if the configuration of the supply chain affects moral disengagement and secondly, it introduces moral disengagement as a theoretical tool. Moral decoupling is an intermediary step between moral disengagement and psychology, and supply chain structure and supply chain management. This far the concept was centered on how structures allowed companies to deny accountability, and the structure of the chain was mainly investigated in relation to quality requirements, resource availability, and power balance. The transparency and insight into different tiers of the supply chain were considered in particular. Moral decoupling was (and is) still a concept in need of further development, both to become more complete and detailed, and to gain acceptance and esteem in the supply chain field. The next paper focuses on the further development of the concept of moral decoupling.
Chapter 5

Paper Two - Refining the Concept

The second paper was to a large extent a continuation of the first paper focusing on further development of the concept moral decoupling. It used the same theoretical framework, but added more case companies. The presentation of the second paper begins with inviting the reader to the thought process behind the progression of the concept followed by a presentation of the second paper.

5.1 Refining the Concept – The Author’s Thoughts

After the first paper was written and when it started to become clear that it would be accepted for publication, the main goal of the concept had been achieved. I was interested in further developing the concept and also applying it in research or practice. I had a few ideas on how to further advance moral decoupling, but figured it would be done during my spare time. There was no rest, however, as the co-authors of paper one suggested that we should write a second paper for a special issue on sustainability and ethics in global transportation logistics networks.

One of the most interesting aspects in writing paper one was to see how the concept was shaped from one idea into a product that differed greatly from what was originally intended. Moral responsibility viewed as a flow in the supply chain led to a curiosity to investigate in more detail how the flow can be disturbed or interrupted. The concept states that moral decoupling is the separation of moral responsibility from the other supply chain flows, but exactly what, from a supply chain management perspective, causes the separation? One of the ideas on how to further elaborate the concept was to specify supply chain activities and structures that interfere with the flow of moral responsibility. The idea was a suitable next step developing the concept that also felt highly actionable.

The industries chosen for the second case study was based on explanatory purposes. I had heard about the cotton and textile industry during the first case study, the flower industry through a friend working at a flower retailer explaining the pricing model, and the furniture industry during earlier research. The framework from the first paper seemed sufficient, so the main progress was made through inclusion of more real world events into the empirics.
5.2 Presentation of Paper Two


5.2.1 Paper Outline

The purpose of the first paper was “…explore if and how supply chain configuration affects moral disengagement” (Eriksson et al., 2013c, p. 720). A main contribution from the paper was the concept of moral decoupling that established a connection between moral disengagement and supply chain structure. What motivated the first paper was the relative ease of creating, but problems with implementing, ethical guidelines (e.g., Gimenez and Tachizawa, 2012; Mamic, 2005; Wolf, 2011), and a lack of theoretical explanatory models in the research field (e.g., Ashby et al., 2012; Hoejmose and Adrien-Kirby, 2012; Miemczyk et al., 2012; Winter and Knemeyer, 2013). Paper two had the same motivation, but was also prompted by the conclusions from the first paper. Mainly to determine in detail what structures and activities that could be linked to specific mechanisms of moral disengagement. The purpose of the second paper is formulated as follows:

“…to identify if and how supply chain practices are linked to moral disengagement techniques and thus might cause MD [moral decoupling]”

(Eriksson et al., 2013b, p. 209)

The purpose is designed to allow a natural progression and development of the concept of moral decoupling. Bandura (1999) provides activities and structures, mainly confined to conflict context, that causes moral disengagement, so it was necessary to translate them into a supply chain context.

First, the context of moral disengagement was translated into similar conditions, but modified to supply chain management. Data collection consisted of a second case study including three supply chains (see Table 5.1). The companies included are all based in Sweden and focused on wholesale, and Delta and Epsilon are also active within retail. The goal of the case study was to find illustrative case companies representing structures and activities causing moral disengagement in a supply chain context. The activities and structures would thus be examples of moral decoupling and moral decoupling points, which would fulfill the purpose of the paper. The choice of using empirical cases, despite the small amount of data presented, was based on prior knowledge about the defining traits of the chosen industries. Only one company is active in the textile industry, as no empirical examples of the specific structures were known in the textile industry. Delta and Epsilon were interviewed to understand their supply chains, and Zeta’s supply chain was detailed in an earlier project. All case companies acknowledged that their supply chains had been mapped correctly.

5.2.2 Results and Conclusions

Even though moral disengagement is originally described in psychology, it was either possible to translate the description into a supply chain management context or
<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Turnover</th>
<th>Ownership</th>
<th>Informants</th>
<th>Time Period</th>
<th>Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta</td>
<td>Textile</td>
<td>€500 Million</td>
<td>Investment company</td>
<td>Quality engineer</td>
<td>2013</td>
<td>Unstructured interviews and e-mail follow-up</td>
</tr>
<tr>
<td>Epsilon</td>
<td>Flower</td>
<td>€27 Million  €100 Million</td>
<td>Investment company</td>
<td>Purchasing manager, sales manager</td>
<td>2013</td>
<td>Unstructured interviews and e-mail follow-up</td>
</tr>
<tr>
<td>Zeta</td>
<td>Furniture</td>
<td>€4 Million</td>
<td>Family</td>
<td>Board of directors, CEO, VP, marketing manager, quality manager, supply chain manager, product development manager, employees from economy, warehousing, customer support</td>
<td>2008 - ongoing</td>
<td>Frequent interactions, semi- and unstructured interviews, financial reports, observations, internal meetings, internal documents, case study includes +30 partners and competitors</td>
</tr>
</tbody>
</table>
illustrate supply chain management practices that are similar in description to the original descriptions of the mechanisms of moral disengagement. It was possible to use the data from the case study to illustrate real-world events that might result in either moral decoupling or moral decoupling points (Table 5.2). Note that even though the practices could be found in the case study, the case study companies have not been accused of poor social responsibility in their supply chains! The companies are merely used for illustrative purposes of supply chain practices. This implies that discovery of the practices mentioned does not by default constitute a sign of moral disengagement, rather that they are practices that are similar to how mechanisms of moral disengagement might be activated.

Despite several proofreads Table 2 in Eriksson et al. (2013b, p. 216) contains two errors. First, the practices linked with attribution of blame should be linked with displacement of responsibility. Second, the practices linked with attribution of blame are missing. These issues are corrected in Table 5.2 in the thesis, which corresponds to both the text and Table 3 in paper two.

The purpose of the paper was fulfilled through the identification of specific processes and points connected to moral decoupling. The case study could not find any practices linked with moral justification, advantageous comparison, or attribution of blame. The findings allow for a deeper theoretical understanding of the relation between social responsibility and supply chain management. Specific practices that are linked with moral disengagement provide explanations that can be used to increase the sense of personal responsibility instead of activating mechanisms of moral disengagement. For practitioners the specific activities provide a more hands-on guide to examine what practices that might need to be avoided, or at least might require higher monitoring, when trying to improve social responsibility.

5.2.3 Progression of the Thesis

This paper was first submitted to review in February 2013 and the first round of reviewer comments were received about three months later. Developing the concept, it became more and more apparent that I wished to write a thesis on the topic. More ideas for articles and the progression of the concept were in the starting blocks. In September, the article got the second round of review comments and it seemed like it was close to being accepted. It was during this time, with one published and one almost accepted article, that it was decided to write the thesis on the topic of social responsibility and not value creation.

The main contribution to the thesis is that the paper refined the concept from combining two research directions, which allowed deeper understanding and theoretical explanations to the specifics of how certain practices in the supply chain are related to deteriorating moral responsibility. This is an enhancement of the understanding, without the inclusion of a broader theoretical framework. Reviewing the paper, it is noticeable that the focus has shifted from supply chain structures and transparency to a focus on supply chain management - the latter includes the former. This change shows how the framework was matched with the empirical findings and the emergent results of the research.

In light of the decision to write the thesis on the topic of moral decoupling it was necessary to compare how the concept stacks up against state of the art supply chain research on social responsibility. The motivation of the papers this far was
<table>
<thead>
<tr>
<th>Moral Disengagement</th>
<th>Supply Chain Practice</th>
<th>Moral Decoupling</th>
<th>Moral Decoupling Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moral justification</td>
<td>Engaging in activities due to a greater good</td>
<td>Not found</td>
<td>N/A</td>
</tr>
<tr>
<td>Euphemistic labeling</td>
<td>Labels such as ‘low-cost country’ and ‘child labor’</td>
<td>Delta and Zeta produced in ‘low-cost countries’</td>
<td>No specific point</td>
</tr>
<tr>
<td>Advantageous comparison</td>
<td>Comparing working conditions with economical consequences for the workers if jobs are removed Claming to do business as competitors might have hidden agendas</td>
<td>Not found</td>
<td>N/A</td>
</tr>
<tr>
<td>Displacement of responsibility</td>
<td>Suppliers are responsible for upstream events</td>
<td>Delta had suppliers that were responsible for their own supply. Epsilon and Zeta had external companies responsible for upstream events</td>
<td>An upstream actor, no specific point</td>
</tr>
<tr>
<td></td>
<td>Buyers are responsible for downstream events Hunt for lower cost to increase competitiveness, managers push employees/suppliers to reduce costs</td>
<td>Not found</td>
<td>N/A</td>
</tr>
<tr>
<td>Diffusion of responsibility</td>
<td>Tasks are divided over the supply chain/within a company Aggregation of materials reduces traceability Auction-like settings where everyone takes part</td>
<td>Tasks were divided among several companies in the supply chains Delta’s supply chain has an aggregating structure that reduces traceability Epsilon takes part in auction that creates a setting that might create excuses</td>
<td>Production, if seen as a ‘long point’ Points of aggregation</td>
</tr>
<tr>
<td>Disregard or distortion of consequences Separation of extraction and production from purchasing and consumption</td>
<td>All companies had long and global supply chains</td>
<td>Transportation link</td>
<td></td>
</tr>
<tr>
<td>Dehumanization</td>
<td>Portraying employees as ‘working class’, producing where caste-systems are existent</td>
<td>Delta has production in India, problematic class and caste systems</td>
<td>Activities performed in settings where owners, managers, and workers are not considered equals</td>
</tr>
<tr>
<td></td>
<td>Using workers with mental disabilities for dull and repetitive tasks</td>
<td>Not found</td>
<td>N/A</td>
</tr>
<tr>
<td>Attribution of blame</td>
<td>Blaming workers for their living conditions and/or suffered accidents</td>
<td>Not found</td>
<td>N/A</td>
</tr>
</tbody>
</table>
mainly centered on the lack of explanatory models, but it was rather shallow in its review of social responsibility in the supply chain field. Consequently, it was decided to try and validate how well recommendations derived from moral decoupling would compare with how supply chain research suggests improvements and illustrates best practice examples.
Chapter 6

Paper Three - Analysis of Supply Chain Literature

This is the first paper researched and written after the topic of the thesis was decided. The topic required a deeper investigation into research on ethics, sustainability, and corporate social responsibility within the field of supply chain management. The presentation of the third paper first addresses the thoughts that directed the research and then the expanded framework.

6.1 Expanding the Framework – The Author’s Thoughts

So far the research had contributed the concept of moral decoupling. This concept explains how structures and activities, which have been identified, can affect how individuals feel moral responsibility for their participation in or relation to the supply chain. Using moral disengagement to explain the phenomenon is a novel approach that brings new theoretical tools to the field of supply chain research, but it also poses some problems. One of the most common comments I have faced is concerned with problems of publishing and gaining acceptance for the combination of research fields. My own biggest critique of the research at this stage was that I felt it was lacking in the theoretical connection to social responsibility research in the supply chain management field. The connection with the supply chain field was limited to supply chain strategies and structures, and used social responsibility mainly to motivate the need for the research. It was time to dive deeper into ethics, sustainability, and corporate social responsibility from a supply chain point of view. The goal was to compare how explanations provided by moral decoupling compare with supply chain research on social responsibility issues.

Some readers might find flaws in the research process for not including more theory from the field of supply chain management earlier, and I can agree. A broader framework from the supply chain field might have enabled a more specific analysis earlier on in the research. I do, however, perceive one big advantage with the inductive nature of how the research began: it reduces the risk of circular argumentation. If I had known how supply chain research suggests that social responsibility should be improved I could have formulated moral decoupling so that it fits with
both supply chain research and moral disengagement. At this stage research paper two already had specified activities and structures that are connected with moral disengagement, and a comparison with supply chain research might result in huge discrepancies.

I decided to try and recruit new co-authors for the coming papers. The purpose was two-fold. First and foremost, I wanted to write with someone who had more experience publishing papers on ethics, sustainability, and corporate social responsibility. A co-author who is experienced in that area was considered a test of the concept. Second, broadening the frame of reference can be seen as a triangulation effort. With regard to the frame of reference, it is theoretical triangulation and with regard to the co-author, it is investigator triangulation (Flick, 2009). Papers three and four were originally written as one paper, but co-author Svensson provided valuable insights and outlined how to separate the paper in two parts. At this point in the research I was, in all honestly, scared and concerned how the added theory would compare with, and how a new author would accept, the concept of moral decoupling. I figured that it must be done, hopefully it would work out, maybe there would be some discrepancies in need of explanation, and in the worst case, I might find that the concept was completely at odds with supply chain research on social responsibility.

6.2 Presentation of Paper Three


6.2.1 Paper Outline

The first two papers focused on explaining how the structure of the supply chain is related to moral disengagement. The main motivation from the supply chain field had been the dominance of practical illustrations and lack of prescriptive theoretical constructs (e.g., Ashby et al., 2012; Hoejmose and Adrien-Kirby, 2012; Miemczyk et al., 2012; Winter and Kneemeyer, 2013). The contributions were produced mainly through the use of moral disengagement (Bandura, 1999). The original intent with this paper was to create classifications of recommendations from supply chain management on how to improve social responsibility. It was slightly altered to focus on elements that drive, facilitate, and/or inhibit social responsibility.

The third paper is a review with conceptual contributions. Instead of using an isolated number of cases in a case study this paper includes a large amount of articles from relevant journals presenting how social responsibility can be improved in the supply chain. In contrast to recent literature reviews this paper presents an actionable framework instead of a summary of what type of research has been conducted (e.g., Ashby et al., 2012; Gimenez and Tachizawa, 2012; Winter and
Knemeyer, 2013). The purpose of the third paper is formulated as follows:

“... to assess and compile elements of social responsibility based on recent empirical findings and theory in the supply chain management (SCM) field” (Eriksson and Svensson, 2014a, p. 2)

The purpose is addressed through a literature review. It was guided by the work of Gimenez and Tachizawa (2012). Their literature review used two categories of keywords: (i) sustainab*, environment, green, and corporate social responsibility; and (ii) supply, purchasing, procurement, and logistics. The keywords used are very similar to the intended direction of this research. The most cited journals in their paper became the foundation for the review presented in this article. Papers published from 2009 to 2013 were included in the first review round. The selection was based on title and abstract prior to downloading and reading the paper. All interesting references contained in the included papers were also downloaded (if possible) and included in the review according to a ‘snowball’ principle.

6.2.2 Results and Conclusions

The review of the papers generated a framework that summarizes the findings in three layers: within a company, within a supply chain, and beyond a supply chain (Figure 6.1).

![Figure 6.1: Structural layout of elements of social responsibility](image)

Each layer contains its own enabling elements of social responsibility that are classified as ‘driver’ (d), ‘facilitator’ (f) and/or ‘inhibitor’ (i) (Table 6.1). ‘Beyond supply chain’ contains two elements (i-ii): (i) ‘outside pressure’ (d) (e.g., non-governmental organizations, regulations, consumer demand) forces companies to comply with societal demands and requirements for sustainability – outside actors need to pressure companies to focus on all sustainability aspects; and (ii) ‘commodity’ (i) (e.g., low supplier interaction, competitive pressure) products are more prone to induce unsustainable behavior – a strategy focused on differentiation, instead of price, is preferable.
Table 6.1: Elements of social responsibility

<table>
<thead>
<tr>
<th>Layer(s)</th>
<th>Element(s)</th>
<th>Constituent Part(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beyond supply chain</td>
<td>Outside Pressure (d):</td>
<td>e.g., non-governmental organizations (Teegen et al., 2004), regulations (Walker and Brammer, 2009), consumer demand (Svensson and Wagner, 2012b)</td>
</tr>
<tr>
<td></td>
<td>Alblas et al., 2014; Awayshen and Klassen, 2010; Babiak and Trendafovka, 2011; Bansal and Roth, 2000; Barnett, 2014; Bernaz, 2012; Brower and Mahajan, 2013; Carter and Easton, 2011; Carter and Jennings, 2004; Crespin-Mazet and Donenwill, 2012; Santos, 2011; Galbreath, 2009; Gmelin and Seuring, 2014; Saunders, 2011; Hoejmose et al., 2013a; Hollos et al., 2012; Huq et al., 2014; Morali and Searcy, 2013; Ortolano et al., 2014; Ramanathan et al., 2014; Reuter et al., 2012; Sincic Bronn and Vidaver-Cohen, 2009; Soosay et al., 2012; Svensson and Wagner, 2012b; Teegen et al., 2004; Tencati and Zsolnai, 2008; Vermeulen and Seuring, 2009; Walker and Brammer, 2009; Walker and Laplume, 2014; Williamson et al., 2006; Wolf, 2011; Worthington et al., 2008; Zhu and Sarkis, 2006</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commodity (i):</td>
<td>e.g., low supplier interaction (Cousins, 2005), competitive pressure (Hoejmose et al., 2013a)</td>
</tr>
<tr>
<td></td>
<td>Cousins, 2005; Cruz, 2013; Hoejmose et al., 2013a; Huq et al., 2014; Pagell and Wu, 2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Collaboration (f):</strong></td>
<td>e.g., long-term engagement (Mamic, 2005), transparency (Carter and Rogers, 2008), partnership program (Strand, 2009), continuous improvements (Fang et al., 2010)</td>
</tr>
<tr>
<td></td>
<td>Andersen and Skjoett-Larsen, 2009; Carter and Easton, 2011; Carter and Rogers, 2008; Santos, 2011; Fang et al., 2010; Gimenez and Tachizawa, 2012; Gmelin and Seuring, 2014; Gold et al., 2010; Hoejmose et al., 2013a; Huq et al., 2014; Lee and Kim, 2009; Lim and Phillips, 2008; Mamic, 2005; Morali and Searcy, 2013; Pagell and Wu, 2009; Ramanathan et al., 2014; Sharifman et al., 2009; Strand, 2009; Svensson and Wagner, 2011; Tate et al., 2013; Hoejmose et al., 2013b; Vachon and Klassen, 2007, 2008; Verghese and Lewis, 2007; Walker and Jones, 2012; Wolf, 2011</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Transparency (d,f):</strong></td>
<td>e.g., information sharing (Eckerd and Hill, 2012), traceability (Pagell and Wu, 2009)</td>
</tr>
<tr>
<td></td>
<td>Awaysheh and Klassen, 2010; Carter and Easton, 2011; Santos, 2011; Eckerd and Hill, 2012; Hutchinson et al., 2012; Morali and Searcy, 2013; Pagell and Wu, 2009; Pedersen and Andersen, 2006; Ramanathan et al., 2014; Svensson, 2009; Svensson and Bååth, 2008; Svensson and Wagner, 2012b; Wolf, 2011</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Organizational length (f,i):</strong></td>
<td>e.g., globalization (Andersen and Skjoett-Larsen, 2009), complexity (Perry and Towers, 2013)</td>
</tr>
<tr>
<td></td>
<td>Andersen and Skjoett-Larsen, 2009; Awaysheh and Klassen, 2010; Carter and Easton, 2011; Hoejmose and Adrien-Kirby, 2012; Mares, 2010; Seuring and Müller, 2008; Perry and Towers, 2013</td>
<td></td>
</tr>
</tbody>
</table>

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### Table 6.1 – Continued from previous page

<table>
<thead>
<tr>
<th>Layer(s)</th>
<th>Element(s)</th>
<th>Constituent Part(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographical length $(f, i)$:</td>
<td>Andersen and Skjøtt-Larsen, 2009; Awaysheh and Klassen, 2010; Carrington et al., 2010; Carter and Easton, 2011; Elg and Hultman, 2011; Hojemose and Adrien-Kirby, 2012; Pedersen and Andersen, 2006; Perry and Towers, 2013; Seuring and Müller, 2008; Strand, 2009; Terlaak and King, 2006; Hojemose et al., 2013b; Wisner and Tan, 2000</td>
<td>e.g., information asymmetry (Terlaak and King, 2006), bounded rationality (Carter and Easton, 2011), decreased control (Hojemose et al., 2013b)</td>
</tr>
<tr>
<td>Cultural differences $(i)$:</td>
<td>Abbasi and Nilsson, 2012; Akamp and Müller, 2013; Cho and Kang, 2001; Ciliberti et al., 2009; Delavallade, 2006; Fang et al., 2010; Gold et al., 2010; Huq et al., 2014; Khan, 2008; Mamic, 2005; McDonald, 2010; Strand, 2009</td>
<td>e.g., globalization (Abbasi and Nilsson, 2012), communication issues (Fang et al., 2010), regulatory differences (Abbasi and Nilsson, 2012)</td>
</tr>
<tr>
<td>Holistic supply chain view $(d)$:</td>
<td>Abbasi and Nilsson, 2012; Ashby et al., 2012; Björklund et al., 2012; Cambra-Fierro and Ruiz-Benítez, 2011; Santos, 2011; Faruk et al., 2002; Gimenez and Tachizawa, 2012; Gold et al., 2010; Høgevold, 2011; Krause et al., 2009; Jensen et al., 2013; Mares, 2010; Miemczyk et al., 2012; Morali and Searcy, 2013; Pagell and Wu, 2009; Reuter et al., 2012; Schneider and Wallenburg, 2012; Sharma and Henriques, 2005; Simpson et al., 2007; Svensson and Wagner, 2011; Tate et al., 2010; Wagner and Svensson, 2014</td>
<td>e.g., supplier management (Reuter et al., 2010), broad system approach (Björklund et al., 2012)</td>
</tr>
<tr>
<td>Vertical integration $(f)$:</td>
<td>Alblas et al., 2014; Asif et al., 2011; Ciliberti et al., 2009; Faruk et al., 2002; Huq et al., 2014; Svensson and Wagner, 2012b; Walker and Laplume, 2014</td>
<td>e.g., discrepancy between area of responsibility and ownership (Faruk et al., 2002)</td>
</tr>
<tr>
<td>Power $(d, f, i)$:</td>
<td>Alblas et al., 2014; Huq et al., 2014; Ortolano et al., 2014; Pedersen, 2009; Spence and Bourlakis, 2009; Hojemose et al., 2013b; Walker et al., 2008; Walker and Laplume, 2014</td>
<td>e.g., company size (Spence and Bourlakis, 2009), dependencies (Hojemose et al., 2013b)</td>
</tr>
<tr>
<td>Holistic internal view $(d, f)$:</td>
<td>Alblas et al., 2014; Asif et al., 2011; Azzone and Noci, 1998; Bhattacharyya, 2010; Carter and Easton, 2011; Carter and Rogers, 2008; Santos, 2011; Hojemose et al., 2013a; Hutchinson et al., 2012; Keating et al., 2008; Lamberti and Lettieri, 2009; Lee and Kim, 2009; Maas and Reniers, 2014; Mamic, 2005; Mcdonald, 2009; Pagell and Wu, 2009; Porter and Kramer, 2011; Reuter et al., 2012; Reynolds and Bowie, 2004; Tate et al., 2010; Walker and Jones, 2012</td>
<td>e.g., economic allocation (Mamic, 2005), organizational culture (Carter and Rogers, 2008), openness between departments (Lee and Kim, 2009)</td>
</tr>
</tbody>
</table>

Continued on next page
Table 6.1 – Continued from previous page

<table>
<thead>
<tr>
<th>Layer(s)</th>
<th>Element(s)</th>
<th>Constituent Part(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial support (d,f):</td>
<td>Asif et al., 2011; Cantor et al., 2013; Carter and Jennings, 2002; Côté et al., 2008; Erhemjamts et al., 2013; Gimenez and Tachizawa, 2012; Handfield et al., 1997; Hoejmose et al., 2013a; Hoejmose and Adrien-Kirby, 2012; Høgevold, 2011; Keating et al., 2008; Lee, 2008; Mcdonald, 2009; Pagell and Wu, 2009; Park and Stoel, 2005; Schneider and Wallenburg, 2012; Vlachos et al., 2013; Winter and Kmeneyer, 2013; Wolf, 2011; Wu and Dunn, 1995</td>
<td>e.g., top management support (Carter and Jennings, 2002), dedication of resources (Côté et al., 2008)</td>
</tr>
<tr>
<td>Responsibility (d):</td>
<td>Lee and Kim, 2009; Reuter et al., 2012</td>
<td>e.g., employee accountability for decisions (Reuter et al., 2012)</td>
</tr>
<tr>
<td>Incentives (d):</td>
<td>Daily and Huang, 2001; Handfield et al., 2001; Pagell and Wu, 2009; Reuter et al., 2012</td>
<td>e.g., reward systems (Pagell and Wu, 2009), enforcement through culture (Reuter et al., 2012)</td>
</tr>
<tr>
<td>Measurement (d):</td>
<td>Asif et al., 2011; Azone and Noci, 1998; Carter and Rogers, 2008; Crespin-Mazet and Dontenwill, 2012; Foerstl et al., 2010; Høgevold, 2011; Morali and Searcy, 2013; Pagell and Wu, 2009; Pagell et al., 2010; Schneider and Wallenburg, 2012</td>
<td>e.g., go beyond financial metrics (Carter and Rogers, 2008), linking sustainability goals to corporate strategy (Pagell and Wu, 2009)</td>
</tr>
<tr>
<td>Education (d):</td>
<td>Cambra-Fierro and Ruiz-Benitez, 2011; Huq et al., 2014; Hutchinson et al., 2012; Mamic, 2005; Morris and Wood, 2011; Mysen, 2012; Starik and Rands, 1995; Pagell and Wu, 2009; Strand, 2009</td>
<td>e.g., sustainability training (Starik and Rands, 1995), visit actors in the supply chain (Mamic, 2005)</td>
</tr>
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</table>

‘Within supply chain’ contains eight elements (iii-x): (iii) ‘collaboration’ (f) (e.g., long-term engagement, partnership program, continuous improvements) is important for the chain to jointly improve sustainability – move from arm’s length relationships to partnerships; (iv) ‘transparency’ (f,d) (e.g., information sharing, traceability) helps to evaluate and improve sustainability – structures and activities in the chain need to be made visible; (v) ‘organizational (supply chain) length’ (f,i) (e.g., globalization, complexity) makes it hard to control and know what happens in upstream supply chain activities and shifts responsibility to the supplier base – supply chains with fewer tiers are preferable; (vi) ‘geographical (supply chain) length’ (f,i) (e.g., information asymmetry, bounded rationality, decreased control) makes it hard to control and know what happens in upstream supply chain activities – upstream activities that are located close to the consumption market are desirable; (vii) ‘cultural differences’ (i) (e.g., globalization, regulatory differences) can cause misunderstandings and contain different sets of standards – bridge cultural gaps to increase understanding; (viii) ‘holistic supply chain view’ (d) (e.g., supplier management, broad systems approach) acknowledges that an organization is no more sustainable than the weakest link in the supply chain – organizations need to improve activities of the entire supply chain; (ix) ‘vertical integration’ (f) (e.g., discrepancy...
between area of responsibility and ownership) helps to control and improve activities in the supply chain – use suppliers that perform several value-adding stages, integrate the organization with the suppliers; and (x) ‘power’ \((d,f,i)\) (e.g., company size, dependencies) can both support and hinder sustainability – companies need to work with actors they can either impose sustainable practices upon, or collaborate with to create them.

‘Within company’ contains six elements \((xi-xvi)\): (xi) ‘holistic internal view’ \((d,f)\) (e.g., economic allocation, organizational culture, openness between departments) removes different internal goals – companies need to have a shared and cross-functional approach to sustainability; (xii) ‘managerial support’ \((d,f)\) (e.g., top management support, dedication of resources) empowers sustainability and allocates resources – managers need to make sustainability a priority; (xiii) ‘responsibility’ \((d)\) (e.g., employee accountability) among employees is important for both accountability and during decision making – employees need to have both support and mandate to opt for sustainable choices, even when costly; (xiv) ‘incentives’ \((d)\) (e.g., reward systems, enforcement through culture) help to reinforce sustainable practices on an individual level – incentives need to reflect the sustainable aspirations of the organization; (xv) ‘measurements’ \((d)\) (e.g., go beyond financial metrics, linking sustainability goals to corporate strategy) of economic performance are not sufficient – sustainability must be part of key measurement indicators; and (xvi) ‘education’ \((d)\) (e.g., sustainability training, visit actors in the supply chain) of employees allows them to understand the goals of sustainability activities and how the company impacts supplier regions – employees need to understand what they do and the results of their actions.

The paper reached its objectives with the presentation of the table of elements. The findings offer a toolkit for further progression for both practitioners and researchers. Supply chain configurations and activities that are likely to have a negative impact on social responsibility have been discovered. The knowledge may be used to detect and monitor areas that are critical to succeed with social responsibility efforts. The review has implicitly highlighted the need for a theoretical explanatory foundation of elements of social responsibility in supply chain management. Findings and conceptualizations revealed from the field of supply chain management are mainly based upon studies that provide insights and directions into what have been successful and thus might be successful in other contexts. The validity of the claims is not disregarded, they are derived from both qualitative and quantitative findings and, despite the large amount of findings, little to no contradicting claims are made. However, a theoretically derived concept could help to understand not only ‘what?’ should be done, but also ‘why?’.

### 6.2.3 Progression of the Thesis

The need for explanatory models for social responsibility has been supported by this study. Previously used references, mainly literature reviews, claimed that theoretical foundations for the field were missing, which is corroborated by this paper. By investigating how supply chain management affects social responsibility this study has identified several connections between social responsibility and both the structure and the management of the supply chain. The connections found are, however, focused on “what” affects social responsibility, not “why”.

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The first two papers presenting moral decoupling based on moral disengagement are based on psychology, supply chain management and case studies, and the third paper presenting the framework is based on social responsibility in supply chain management literature. It is now possible to compare the separate approaches and see the extent to which they agree. If they match it is reasonable to assume that moral decoupling is a valid concept for explaining how social responsibility is affected by supply chain management. If there are small discrepancies the concept might still be valid, but the discrepancies need to be addressed. If the implications are completely at odds it will require even further elaboration about what is incorrect. The comparison is performed and presented in the fourth paper.
Chapter 7

Paper Four - Full Circle

The fourth paper is both a continuation of the third paper and a paper that sums up the research conducted this far. Paper three provided the necessary expansion of the frame of reference needed to reach the goal of the thesis. The presentation of the fourth paper starts by explaining its role in the thesis.

7.1 Connecting the Dots – The Author’s Thoughts

The fourth paper was, as mentioned earlier, originally intended to be a part of paper three. Due to the length of the original draft and the intended contributions it was decided to split the paper into two papers. The goal of this paper is to test the concept of moral decoupling through comparison with recommendations from research streams focusing on social responsibility in supply chain management. First, I tried to make a pattern match diagram, but soon realized that there were too many boxes and links for the diagram to be useful. I ended up doing a matrix diagram comparing elements of social responsibility in supply chain management with moral disengagement mechanisms. I hoped that at least one moral disengagement mechanism would match up with one element.

The recommendations based on moral disengagement explain ‘why?’ and ‘where?’ moral decoupling is likely to occur in the supply chain. The suggestions on how to improve social responsibility, with regard to moral disengagement, were written as a first step of the draft for what would finally become papers three and four. I tried to increase the trustworthiness of the research in two ways. First, the recommendations are easily connected with the structures and activities linked with moral disengagement in paper two. Second, a new co-author, with no previous commitment to the concept, received access to the earlier findings and helped to develop and finalize papers three and four.

In this paper the term ‘business sustainability’ was used instead of ‘social responsibility’. Both are defined similarly and the decision was taken to, hopefully, appeal to the targeted journal. ‘Social responsibility’ will be used in the thesis except for quotations.
7.2 Presentation of Paper Four


7.2.1 Paper Outline

So far two separate research directions have been focused on the same issue. Social responsibility in a supply chain context has been presented in a framework (Eriksson and Svensson, 2014a) and moral disengagement has been used to create and develop the concept of moral decoupling (Eriksson et al., 2013c,b). Moral decoupling addresses why supply chain structures and practices separate the flow of moral responsibility from the flow of goods, money, and information. Moral responsibility turns into moral disengagement at a place called ‘moral decoupling point’. The process of moral responsibility, moral decoupling points, and moral disengagement in supply chains is framed in Figure 7.1. Moral responsibility may deteriorate at a specific point, but the deterioration may also be too diffuse to single out one certain point where moral decoupling occurs. A ‘point’ can thus be seen as an area where several tiers or a geographical distance, for instance, are bundled together, or a location that encompasses several internal points.

![Figure 7.1: Framing the process of moral responsibility, moral decoupling points, and moral disengagement in supply chains](image)

Moral responsibility can be seen as the result of a process including the flow of moral responsibility, moral decoupling, and moral disengagement. Activities and structures in the chain are therefore important for the flow of moral responsibility. The flow of moral responsibility also affects what activities are carried out, and how the chain is (re)structured. Supply chain literature on social responsibility is primarily focused on what supply chain activities and structures are important to retain and improve social responsibility in the supply chain. While moral disengagement has been used to explain ‘why?’ and ‘how?’ supply chain management
contributes to deterioration of moral responsibility, supply chain management literature is mainly confined to stating that the management direction contributes to deterioration of moral responsibility (Eriksson and Svensson, 2014a). If the process of responsibility is examined from both directions, moral decoupling should overlap with the lessons learned and illustrated in supply chain literature. An overlap would indicate that there is credibility to moral decoupling and also provide a theoretical explanation of the empirical findings from the supply chain literature. The purpose of the fourth paper is formulated as follows:

“...to bridge the gap between the two starting points and evaluate the efficacy of MDec [moral decoupling] as a theoretical construct explaining the mechanisms underlying why certain elements of BSus [business sustainability] are important or are more important than others” (Eriksson and Svensson, 2014b, p. 3)

The case studies in combination with moral disengagement were used to create suggestions on how to improve social responsibility in supply chains. The suggestions were compared with the framework of elements of social responsibility in supply chain management in a matrix diagram.

### 7.2.2 Results and Conclusions

The comparison first and foremost focused on finding overlaps between moral decoupling and supply chain literature. All the elements of social responsibility could be matched with mechanisms of moral disengagement. The elements ‘managerial support’ and ‘education’ stand out as having overlap with all eight mechanisms of moral disengagement. ‘Cultural differences’, ‘holistic supply chain view’, and ‘power’ have the smallest overlap, each being paired with only one mechanism of moral disengagement. The results are presented in Table 7.1.

The combination points out an overlap between the research directions. The comparison is, for analytical purposes, simplified in two ways. First, it is possible to argue that more combinations match, but it has been chosen to only mark the most obvious. Second, the elements and mechanisms of moral disengagement are dealt with in isolation. In reality they have internal connections. Power has, for example, been shown to influence collaboration (Kähkönen, 2014) and transparency is often mentioned when describing collaboration (e.g., Lambert and Schwieterman, 2012; Mortensen and Arlbjørn, 2012). It could thus be argued that the overlap is even larger, but the overlap presented is sufficient to determine a connection between the two research directions and to provide explanations to why the elements of social responsibility are important.

The overlap between socially responsible supply chain management research and moral disengagement provides a theoretically based explanatory model for findings and proposals from supply chain management, which has otherwise been a primarily practitioner-driven field (Burgess et al., 2006). Awareness of moral decoupling provides valuable insights to how working conditions and living standards may be improved, and also to how environmental impacts may be decreased. Even though the level of analysis is on network level and not confined to a focal-company perspective the paper responds well to a statement made by Awaysheh and Klassen (2010, p. 1247): “...much remains unclear about how the structure of the supply chain
### Table 7.1: Comparing moral disengagement with elements of social responsibility

<table>
<thead>
<tr>
<th></th>
<th>Moral justification</th>
<th>Euphemistic labeling</th>
<th>Advantageous comparison</th>
<th>Displacement of responsibility</th>
<th>Disregard or distortion of consequences</th>
<th>Dehumanization of blame</th>
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<td><strong>10</strong></td>
<td><strong>7</strong></td>
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</tbody>
</table>

Influences the management of social issues between a focal firm and its suppliers. . .” Moral decoupling has, based on this paper, made major advancements towards understanding “how?” supply chain management affects social responsibility.

#### 7.2.3 Progression of the Thesis

Prior to this paper the thesis was able to both present a concept explaining moral deterioration in the supply chain and a framework of elements of social responsibility. This paper has continued the advancement by connecting the two loose ends and the research has come full circle. Moral decoupling is part of a causal explanation to how the structure of the supply chain influences social responsibility and this paper determines that it is also highly compatible with key elements of social responsibility found in supply chain literature.
Chapter 8

Answers and Analysis

This chapter is primarily focused on answers and analysis. Answers pertain to what became clear during the process, and the analysis tries to take a detailed look at separate topics that have been addressed throughout the appended papers. Finally, some insights on operationalization of the findings are presented.

8.1 Answers without Questions – The Author’s Thoughts

The analysis chapter of a PhD thesis is usually devoted to answer the research questions through analysis of the data and findings. Research questions are a great tool for operationalizing objectives that are too big to address at once. This research did not start out as a large undertaking, but grew from a small idea into a thesis over several years. The fourth paper is a synthesis and analysis of the research presented in the first three papers, and has similarities to what can be presented in the analysis chapter of a PhD thesis. It would be rather easy to do a post hoc construction of questions and provide answers, but that would not feel honest or be in line with the intended openness that has guided the writing process. One of the first things I remember being told about the thesis is that the last thing one does before sending it to print is to rewrite the research questions. Obviously that is not the case here. Instead I will focus on what answers I got along the way, even if the questions were never asked.

8.2 Answers to Questions not Asked

The addressed research gap was initially focused on one shortcoming of current literature: social responsibility in supply chain management is mainly based on empirical conclusions and lacks theoretical constructs (e.g., De Bakker et al., 2005; Miemczyk et al., 2012; Winter and Knemeyer, 2013). A theoretical understanding of the research area would increase the understanding of ‘why?’ certain practices related to supply chain management are beneficial for social responsibility and it would also pave the way towards allowing research to guide practice. Throughout the research the gap has been re-motivated, especially with paper three that was able to provide a framework of empirically derived recommendations and lessons,
but found no theoretical constructs that provided explanations. The research has so far answered that the research gap is properly motivated. The stepping-stone used to fill the gap, incorporation of mechanisms of moral disengagement, conforms to the suggestion by Miemczyk et al. (2012), to use a multidisciplinary approach when examining existing research.

The theoretical relevance is derived from the purpose. There is a lack of theory explaining why certain elements are relevant with regard to social responsibility, and increased knowledge can facilitate both theoretical progression as well as direction for practitioners. It also highlights the possibility for theory to overtake practice with regard to state of the art knowledge. If research is only devoted to capturing and explaining practice, researchers will inevitably always be one step behind practitioners. Despite a short presentation (if not including the research gap) the theoretical relevance has been ascertained, especially through the review presented and utilized in papers three and four. The review agreed with the lack of theoretical constructs, which has thus been identified recent literature, and established in this research.

The practical relevance is also derived from the purpose of the research and is similar to the theoretical relevance. Just like the theoretical relevance, the practical relevance was also supported by the findings of paper three; it reinforced the lack of prescriptive research that provides explanations. The research approached this dimension by stepping out from the confinement of only presenting illustrations on how to improve social responsibility in supply chains. In toto, any questions regarding the gap and relevance of the thesis has been answered and it is time to look closer into the answers given by the appended papers.

8.3 Summary of the Appended Papers

The first paper focused on the combination of moral disengagement and the configuration of supply chains. It was exploratory in nature and tried to determine if and how the chain affects moral disengagement. The investigation of media reports revealed that company representatives used moral disengagement when making comments to the press. Moreover, the comments had strong connections to the structure of the chain. It allowed the companies to, for example, deny accountability for social misconduct. Moral disengagement was found to be a potential tool to better understand how moral responsibility may deteriorate as a result of the structure of the chain. It became clear that moral disengagement and supply chain management was a fruitful combination and the concept of moral decoupling was proposed to explain the relation between moral disengagement and the structure of the chain.

The second paper was dedicated to identifying if and how specific supply chain practices are linked to moral disengagement. It is a continuation of the first paper, progressing the combination of the two research fields and the development of moral decoupling. It was possible to both link specific structures and activities to moral decoupling and, in doing so, develop a deeper understanding of the relation between social responsibility and supply chain management. The paper affirmed that it was possible to link mechanisms of moral disengagement with with specific supply chain management practices, and provided specific illustrations.

The third paper is a review focused on summarizing lessons and advices on how to improve social responsibility in supply chains. It provides an increased under-
standing of the context in which this research is conducted. It agreed with other literature reviews in that there is a lack of theoretical constructs (e.g., Ashby et al., 2012; Winter and Knemeyer, 2013), and it was also able to provide a framework that captures elements that drive, facilitate, and/or inhibit socially responsible practices in supply chain management.

The fourth paper is focused on exploring and assessing responsibility, decoupling point, and moral disengagement in combination with social responsibility. It is a combination of all previous efforts, especially focused on determining if moral decoupling and social responsibility literature reach the same conclusions. The paper found that the framework from paper three was a suitable tool for research and established that moral decoupling and supply chain management have the same suggestions on how to improve social responsibility. Two previously separated research directions thus came to the same conclusions. Psychology and theory agreed with supply chain management and practice. Table 8.1 summarizes the purposes, results and conclusions of the papers, and their contributions to the thesis. Columns three and four could have been joined together, but were not to better highlight the progression of the thesis.

8.4 Analysis of Moral Decoupling

One of the most interesting questions with regard to the research is if moral decoupling is a suitable concept for explaining how the structure of the supply chain affects social responsibility? The answer is no – and yes. The term ‘moral decoupling point’ was conceived before the first line on what was to become this thesis was written, but the concept that is presented here is not the same as the original idea. The progression of the concept has been told throughout the thesis and is at the core of how the thesis was operationalized.

The original idea was that companies used moral decoupling points to avoid accountability for the upper stages of their supply chains, especially raw-material extraction. The moral decoupling point was considered to be either the extraction stage, or the link following the extraction stage. Svensson (2009) became a great source of inspiration to continue with the concept due to great similarities between this research and how Svensson’s conceptual framework of the transparency of supply chain management ethics is illustrated with H&M and Ericsson. Both companies had, in their codes of conduct, clearly stated that they did not consider themselves responsible for the entire supply chain. H&M explicitly restricted themselves from responsibility for production of raw materials (p. 264) and Ericsson drew the line at their suppliers’ suppliers (p. 265). A moral decoupling point should therefore not only be a point close to raw material extraction, evidently companies create points in other places along the supply chain that allow them to avoid accountability for social misconduct. So far, it seemed that moral decoupling was a suitable name for the practice of creating points beyond which accountability is rejected. Giving the concept a name would not progress the research far enough, but place it in a large body of social responsibility research that fails to explain why social responsibility commitments are not upheld. It did not explain how the people in the supply chain suddenly accepted practices they would otherwise consider unacceptable. A new question is why moral decoupling allows people to bypass their moral standards?

After several years of not being able to explain the observed phenomenon moral
<table>
<thead>
<tr>
<th>Paper</th>
<th>Purpose</th>
<th>Results and Conclusions</th>
<th>Contributions to Thesis</th>
</tr>
</thead>
</table>
| 1     | “... explore if and how supply chain configuration affects moral disengagement” | • Companies use moral disengagement when communicating with media  
• The configuration of the chain facilitated different opportunities to deny knowledge about misconduct  
• Novel combination of psychology and supply chain management | • Explored if and how the configuration of a supply chain affects moral disengagement  
• Introduced moral disengagement as a theoretical tool  
• Presents the concept moral decoupling |
| 2     | “... to identify if and how supply chain practices are linked to moral disengagement techniques and thus might cause MD [moral decoupling]” | • Identified specific structures and activities that are likely to cause moral decoupling  
• Provided deeper understanding of the relation between social responsibility and supply chain management | • Linked moral disengagement with specific supply chain practices and activities |
| 3     | “... to assess and compile elements of social responsibility based on recent empirical findings and theory in the supply chain management (SCM) field” | • Presented a summary of current supply chain research focusing on social responsibility and sustainability  
• Identified enabling elements of social responsibility  
• Highlighted the need for theoretical constructs explaining the studied phenomenon | • Prepared a framework of elements of social responsibility  
• Facilitated comparison of moral decoupling and empirically derived contributions from the supply chain field |
| 4     | “... to bridge the gap between the two starting points and evaluate the efficacy of MDec [moral decoupling] as a theoretical construct explaining the mechanisms underlying why certain elements of BSus [business sustainability] are important or are more important than others” | • Application of a new framework of elements of social responsibility | • Compared suggestions based on moral disengagement with lessons learned from supply chain literature  
• Concluded that the theoretically and empirically derived implications are coherent  
• Gave support for the concept moral decoupling as an explanatory tool for how supply chain management affects social responsibility |
disengagement, (Bandura et al., 1996) was discovered. Bandura’s (1999) eight mechanisms were especially intriguing since they provided explanations of how morality is disengaged with regard to context. The first appended paper determined that the reasoning behind moral disengagement was prevalent in supply chain reasoning for accepting or rejecting immoral behavior. Also, several mechanisms are similar in description to how supply chains are structured. Moral decoupling became an explanation to how moral is disengaged by a supply chain. Moral responsibility is considered a flow and separation of the flow of moral responsibility from the other supply chain flows is moral decoupling. The point where it occurs is a moral decoupling point (see Figures 4.1 and 7.1). In the second appended paper, it was specified how certain practices are linked with specific disengagement mechanisms. The concept had thus grown and matured considerably from the initial idea of just decoupling the upper tier(s) of the supply chain, which is now only one example of moral decoupling. Moral disengagement was the key to explain why moral decoupling allows people to disregard their moral standards, but also played an important role in further developing the concept. There is one final question regarding the concept of moral decoupling that has been addressed during the thesis. Is the concept credible?

The idea was to evaluate credibility through a comparison with conclusions from the supply chain field, a sort of triangulation, and to try and get help from an authority in the field. The framework constructed in paper three, which is used in paper four, is a comparison with another field. The papers allowed a new researcher to make conclusions based on the research conducted so far. The comparison between guidelines based on moral disengagement and recommendations based on the review matched up unexpectedly well. According to state of the art knowledge in the field of supply chain management, the concept of moral decoupling seems credible.

Analyzing the concept of moral decoupling it is thus possible to say that it both does and does not explain how the structure of the supply chain affects social responsibility. The original idea sure did not meet this requirement. But, with the current definition, it is able to explain the relation between the two research areas. Why ‘current’? The process of creating knowledge is not, if ever, complete. The process has been conducted according to critical realism (Bhaskar, 1978; Danermark et al., 2003) and is similar to what is called systematic combining (Dubois and Gadde, 2002). Time constraints demand that the gathering of data must cease at some point, and it is reasonable to assume that there are more real life events, not yet included in the research, that would require further elaboration of the concept of moral decoupling. Moral decoupling is adequate to predict supply chain management practices that are more likely to cause immoral behavior, it provides a causal explanation for why people act contradictory to their moral standards, aids practitioners to improve social responsibility in their supply chains, and increases our interpretive understanding of the phenomenon. So, according to the best knowledge available today, the answer to the final question about the credibility of the concept is ‘yes’, but to be scientific the concept must not be considered impervious to future scrutiny. The possibility to arrive at better explanations is one of the main strengths of critical realism (Easton, 2010).

So far, moral decoupling has been discussed as decoupling of a single flow of moral responsibility. This approach seems reasonable to avoid unnecessary complexity to a model. Models are, after all, simplifications of the reality to structure, understand,
and communicate the underlying idea. A few statements can be made about how moral responsibility flows in the supply chain.

Moral responsibility for the products can follow the product flow. Actors that receive products are, in some sense, funding the activities across the supply chain. If the demand for the products did not exist they would not continue to be manufactured. Individuals that take part in manufacturing also contribute to potential future detrimental effects caused by the products. In the intersection between product and information flows, labels on the product can inform the consumer that the product is produced under fair conditions or that it has a low environmental impact.

Turning to flows specifically related to information, consumer advocacy groups often create such flows from an area of interest to the general public. Several elements of social responsibility are centered on the visibility in the supply chain. Visibility in socially responsible supply chain management is essentially a recommendation to increase the flow of information about conditions in the supply chain. Moral responsibility can also be transferred between nodes in the chain that do not have any connecting supply chain links. Following the 2013 disaster at Rana Plaza in Bangladesh, H&M got media attention for agreeing to contribute financially to independent inspections and improvements in fire safety at factories in the region (Butler, 2013). The only reported connection between H&M and Rana Plaza, at the time, was a human-rights ad. It juxtaposed a picture of H&M’s chief executive officer with a picture of an anguished woman in the rubble of the collapsed building with the text “ENOUGH FASHION VICTIMS?” (Figure 8.1). No clothing from H&M was found in the collapsed building (Alderman, 2013). The flow of responsibility, consequently, found a way from the factory to an advocacy group, where it became an (mis)information flow to the public.

Connections between moral responsibility and financial flows are also identifiable. Discussing the product flow it was mentioned that the recipient of the product in some sense funds the supply chain, which implies a connection between these flows. Following the 9/11 terrorist attack, individuals with connections to the Somali banking system al-Barakaat had their assets frozen without any prior conviction. A treatment which has been criticized for violating legal rights (Wiese, 2005). Executives at TeliaSonera were removed from office and face investigation following bribery to gain entrance to the Uzbek telecom market (Milne, 2014). Investment funds face dilemmas pertaining to what investments are acceptable to make (Luckett, 2012).
Two less commonly discussed flows are suggested by Forrester (1958), manpower and capital equipment. If company A sends an employee to do work at company B, what kind of responsibility does company A have for the actions of the employee? Presumably they have a responsibility that the employee meets some agreed upon requirements. Company B, on the other hand, might be responsible for risk prevention, payment, and discretion towards company A. Analog assumptions can be made if a front loader is moved between the companies.

It might be easier to make sense of why moral responsibility is associated with these flows if the concept of political and liable responsibility (Young, 2004) is considered. Liable responsibility is either direct or indirect and thus explains how even marginal supporters (e.g., managers, employees, consumers) of a system share a small part of the responsibility for its results. Political responsibility pertains to ‘connections’, ‘power’, and ‘privilege’. H&M had all three political responsibilities to the Rana Plaza factory.

Following the analysis above, it becomes clear that mapping the flow of moral responsibility is a daunting task. In transportation research, foliated networks address how multiple connections can be made between a shared set of nodes. (For detailed information see Kalantari, 2012.) A map constructed for illustrative purposes is found in Figure 8.2. Mapping the three traditional supply chain flows independently provides a first insight into potential routes that moral responsibility can flow. Additional layers containing different flows of moral responsibility (e.g., political responsibility and moral awareness) need to be added for a more complete picture. Moreover, flows can seem to link the chain from source to sink, when the flow of moral responsibility is actually disrupted at each node. A chain where every dyad exchanges, for example, money and information does not necessarily connect the end user with the workers in the mine. Consequently, it is also important to understand the integrity of the flows.

With the flows superimposed in the same structure in Figure 8.2, keep in mind that moral responsibility can only be attributed to individuals! The figure implies that if a node is a company the moral responsibility may pass or be restricted, but the final recipient is always an individual, perhaps working for the company represented by the node. A company can never be the final recipient of moral responsibility, only establish connections for redirection or cause moral decoupling. A node connected with a moral-responsibility link requires a tie to at least one individual inside the node to find a recipient. Individuals inside a node can be represented with a network internal to the node (Figure 8.3).

In Section 3.1, it was discussed that individuals also not connected to the supply chain were of interest for this research. An individual that is not connected can be represented by node A in Figure 8.2. Node A is only connected through the flow of moral responsibility. Several other nodes can be thought to exists that are not connected by any link to the supply network. Consequently, a link of moral responsibility is able to link individuals to the network without them being involved with the conventional flows included in supply chain management. In some sense, moral coupling has occurred.

Before concluding this chapter, there are some last adjustments to the definition of moral decoupling that I wish to make. So far, moral decoupling has been defined as “a psychological process used to separate morality from transactions so that materials, information, and money may be transferred, while the moral responsibility
is diffused or separated from the transaction” (Eriksson et al., 2013c, p. 730). First, ‘psychological process’ does not feel appropriate. During the research, my knowledge about epistemology and ontology has increased, and moral decoupling is better suited to be explained as a context-dependent condition, to which moral disengagement is liable. Second, the three most common supply chain flows are listed, but other flows are also important. Flow of human resources, for example, can also be separated from the flow of moral responsibility. Third, this research has explained that individuals not related to the supply network can be connected via a link of moral responsibility, and that links of moral responsibility can be added between actors not previously directly connected in the supply network. Outside pressure
demonstrates how this can occur. Legislators and human rights groups, for example, are actors outside the supply chain that try to influence individuals both inside and outside of supply chains to both demand and take moral and social responsibility. I therefore propose the following adjustments of the present definitions of moral decoupling and moral decoupling points to better correspond with critical realism, and the addition of the term ‘moral coupling’:

*Moral coupling is a context-dependent condition, to which moral disengagement is liable, that creates moral-responsibility links between nodes.*

*Moral decoupling is a context-dependent condition, to which moral disengagement is liable, that restricts the flow of moral responsibility so that moral responsibility is diffused or separated from the transaction.*

*A moral decoupling point is a point or an area where moral decoupling occurs.*

Moral coupling and moral decoupling will henceforth be referred to as moral (de)coupling unless it is necessary to be specific.

### 8.5 Analysis of Moral Disengagement

While it was stated in Section 1.4 that the field of psychology will not motivate the research, the review of sources citing Bandura (1999) lends some credibility to tentative claims about the current state of moral-disengagement research. The theory seems to have been accepted positively by researchers, but the development of the theory seems to be limited. Moreover, the presentation of the theory is, despite some exceptions, very clinical. That is, it explains and investigates the mechanisms of moral disengagement in isolation. The application of moral disengagement in the intersection between supply chain management and social responsibility illustrates situations that are complex on several levels.

Table 7.1 establishes an overlap where all but two elements of social responsibility are linked to multiple mechanisms of moral disengagement, and all mechanisms of moral disengagement are linked with multiple elements of social responsibility.
Furthermore, in the presentation of the paper it was stated that more matches could have been argued, and that some elements can be viewed as subsets of other elements. For example, transparency could be argued to be an important part of successful collaboration. The empirical setting, in other words global supply chain management, is anything but clinical. While there are several benefits to reduce complexity in a model to make it useful, high complexity in the real world can be seen as a challenge to further improvements of the model.

It is not that strange that moral disengagement was able to provide plausible explanations for reduced moral responsibility. That is, after all, what the theory is created to do. The research has developed with the inclusion of more theory and observations. If explanations had not been found the research would likely have stopped, or taken another route. It was, however, positive for moral (de)coupling that moral disengagement had such a positive overlap with social responsibility. The overlap lends credibility to moral (de)coupling and has thereby contributed to the identification of a set of contingent factors to moral disengagement in supply chain management.

8.6 Connections between Elements of Social Responsibility

A suitable analysis for the thesis is to incorporate the complex and interdependent reality of supply chain management with the isolated explanations of mechanisms of moral disengagement. Before suggesting how to operationalize, it is important to understand the relationships between the elements. A careful suggestion of connections is presented in Figure 8.4. Many of the connections are explained in literature and also addressed in the thesis. It can with confidence be said that connections exists, however, the connections presented here are done so tentatively. More research is needed to fully determine the actual relations.

The supply chain that is most apt to reduce the likelihood of moral disengagement is saturated with moral coupling and stripped of moral decoupling. Starting with elements outside the supply chain it is important that actors outside the supply chain apply pressure to improve social responsibility in the entire supply chain (i.e. holistic supply chain view) (Perry and Towers, 2013), one factor that is positive is the quest for premium and not low-cost products. Pressure from the outside is also linked with the ability to review the actions of the supply chain and to detect misconduct, that is, it requires transparency (Awaysheh and Klassen, 2010). Transparency, in turn, is an important part of collaboration (Ramanathan et al., 2014) and collaboration is connected with increased possibilities to produce premium products (Cousins, 2005). Transparency is also increased through vertical integration (Ciliberti et al., 2009) and vertical organizations gain more outside attention for misconduct (Hojemose and Adrien-Kirby, 2012). Similar to collaboration, vertical integration is also positively connected with the ability to pursue a strategy of premium products (Guan and Rehme, 2012).

Power relations in the supply chain are related to collaboration, vertical integration, and holistic supply chain view (Hojemose et al., 2013b). Through vertical integration, the actual power structure of the supply chain is changed, power determines how easy it is to motivate another party to engage in collaboration, and power
Figure 8.4: Connecting elements of social responsibility

determines how easy it is to enforce the necessary actions from a holistic supply chain view. Formal power through vertical integration, or informal power through collaboration, may be seen as two manifestations of how it is possible to take a holistic supply chain view on social responsibility issues.

Geographical distances have increased while processes have become more frag-
mented across actors in the chain (Giunipero et al., 2012), which reduces transparency (Terlaak and King, 2006) and also makes it more difficult to take a holistic view of the supply chain (Ciliberti et al., 2009). In similar fashion, the geographical length of the supply chain also affects transparency (Perry and Towers, 2013) and the holistic supply chain view (Mares, 2010). Moreover, with increased geographical supply chain length, especially in European markets with Asian manufacturing, the probability of cultural differences increases (Fang et al., 2010). One element that addresses cultural differences is education (Cho and Kang, 2001), which can also be used to understand the importance of a holistic internal and external view (Starik and Rands, 1995; Strand, 2009). It could be argued that holistic internal view is a subset of holistic supply chain view (Ashby et al., 2012), and the sum of the two bridge a gap between intra- and inter-organizational aspects of socially responsible supply chain management.

Inside the organization it seems as if managerial support is important for other elements. Managerial support can be manifested with allocation of resources (Carter and Jennings, 2004), for example directed towards educational efforts and the implementation of a holistic internal view (Hoejmose and Adrien-Kirby, 2012). The latter can be reinforced through measurements (Reuter et al., 2012), incentive structures (Pagell and Wu, 2009), and personal responsibility (accountability) for decisions (Reuter et al., 2012). The holistic internal view can also be supported through measurements and incentives. Incentives can be based on important measurements and reward employees for taking their responsibility, which should, in turn, be included in performance measurements (Pagell and Wu, 2009).

8.7 Operationalization

Increased moral coupling and reduced moral decoupling can be operationalized based on the findings in this thesis, but it is also possible to analyze real world events with the lens provided by this thesis. Suggestions on operationalization based on the thesis will be presented and followed by evidence of operationalization in the empirical domain.

8.7.1 Based on the Findings

Operationalization of the findings for best-case supply chain management is focused removing elements in the context that are linked to causing moral disengagement. Mechanisms of moral disengagement are grouped into four main processes: cognitive restructuring (moral justification, euphemistic labeling, and advantageous comparison), minimizing one’s agentive role (displacement of responsibility and diffusion of responsibility), disregarding or distorting consequences (disregard or distortion of consequences), and victim attribution (dehumanization and attribution of blame) (Bandura, 1999; Thornberg and Jungert, 2013). Following the findings presented in the previous section and the complexity of social sustainability in global supply chain management, it might be better to address the operationalization with regard to these main processes.

A supply chain that is vertically integrated from source to zink removes possibilities on organizational level to escape accountability. While this might not be feasible it is advisable to advocate vertical integration, and collaboration to remove
opportunities for cognitive restructuring, minimization of one's agentive role, and disregard or distortion of consequences. Pressure from external stakeholders plays an important role in keeping the organization and its employees responsible. Such pressure is easier applied if the supply chain is transparent. It is important to ensure that the individuals in one location feel connected with individuals in another location if there are long geographical distances in the chain. Education, knowledge sharing, and company trips are a few suggestions on how to bridge such gaps. Companies also need to carefully consider the power balance in the relations in the supply chain. Companies that want to take social responsibility should work with companies of equal, or less power. Certainly, companies with more power might force socially responsible practices upon the other company, but it is logical that the company that is situated in the culture with the ‘best’ ethics should have the upper hand when it comes to negotiation.

Inside the company, it is important that employees feel responsibility. Besides what is mentioned above the sense of moral agency can be enforced through incentives and measurements, and education and bridging of cultural distances can reduce victim attribution. Increased knowledge of the effects of the supply chain can also be mediated to stakeholders with transparency. Traceability of materials and manufacturing are two practical examples of increased transparency. Managerial support seems to be vital for allocation of economic resources to socially responsible efforts.

8.7.2 Evidence in the Empirical Domain

Whereas the theoretically derived suggestions on how to improve social responsibility are centered on reducing moral decoupling, industries seem to take a different approach. For example, ‘Better Cotton Initiative’ and ‘Sweden Textile Water Initiative’ address social responsibility focusing on problem areas in the upstream supply chain. In relation to Figure 8.2, these initiatives can be conceived to perform moral coupling, and to group actors in different parts of the supply chain in clusters of benefactors and beneficiaries (Figure 8.5).

Figure 8.5: Illustration of moral coupling
Moral responsibility between the two areas in the network can flow in two ways as a result of the initiative. The first is through the initiative where the initiative links benefactors with beneficiaries. This link can include several supply chain flows, to which moral responsibility can be a secondary flow. It can also be considered that moral responsibility is the primary flow and that other flows are merged as responsibility is taken. As soon as the benefactors are aware of the situation in the other part of the network it stands to reason that a link between the two areas has been created. In the figure, the link is made between groups of benefactors and beneficiaries, which is a simplification. Moral responsibility is always attributed to individuals, and the cluster contains nodes, which have internal networks of individuals (see Figure 8.3).

Organizations have also started to increase the transparency in their supply chains. Supplier lists, for example, are made available for the public by companies such as H&M, KappAhl, and Nike. Doing this they more or less create a direct link between the Internet population and the suppliers. A supplier list, however, does not inherently connect the consumer all the way to raw-material extraction, and could be a moral coupling of consumers with a part of the supply chain that has low probability of social misconduct.
Chapter 9

Interpretation of the Research

This chapter focuses on the meaning of the research. First, the consistency of the research approach and its trustworthiness will be addressed so that the meaning of the research process for knowledge creation can be discussed, then the implications for researchers, practitioners, and society will be presented. Finally the chapter will be concluded with the author’s reflections on the research.

9.1 Research Approach

Chapter 3, research approach, applied a big-to-small approach. It started with meta-methodological assumptions and was concluded with application. Quality criteria are often linked to application (e.g., Eisenhardt, 1989; Lincoln and Guba, 1985; Yin, 2009) and were thus presented after the meta-methodological assumptions. The order of presentation was to reflect on how the author’s ultimate assumptions relate to how research is carried out and how knowledge is created in accordance with those assumptions. The discussion of the research approach will be performed in reverse, so that the application can be related back to how knowledge is defined. It might seem that meta-methodological assumptions have dictated the research and it is therefore important to stress that a consistency between ultimate assumptions, methodology, application, and the research purpose has been the goal.

9.1.1 Trustworthiness

The quality of this research is guided by trustworthiness (Lincoln and Guba, 1985). How each stage of the research is related to the four criteria of trustworthiness will be discussed. The trustworthiness can only be determined by the reader and the author’s role is to provide sufficient information to allow the reader to determine if he or she considers it trustworthy. Techniques applied to improve trustworthiness are presented below and summarized in Table 9.1.

The first product of the research, the draft of what became appended paper one, was written in 2010. It was preceded by roughly three years of ideas and thoughts, and in that sense the process started in 2007. The research has passed through several crossroads ending up at a point not foreseen at the onset. Data, literature, and co-authors have changed according to the needs of the research. This has had several implications on the research. For example, it has helped to ensure
### Table 9.1: Trustworthiness and application

<table>
<thead>
<tr>
<th>Trustworthiness criterion</th>
<th>Application</th>
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<tr>
<td><strong>Credibility</strong></td>
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| *Prolonged engagement*    | • Idea for research in 2007  
                           | • First draft for paper written in 2010 |
| *Persistent observation*  | • Long time given to the conceptualization  
                           | • Some studies rather short, but sufficiently long for the purpose |
| **Triangulation**         | • Converging results from two different research directions  
                           | • Converging results from empirical research and review of literature  
                           | • Co-authored papers three and four with an experienced researcher not previously involved with the topic |
| **Peer debriefing**       | • The appended papers have undergone double blinded peer-review  
                           | • The cover letter has been critiqued by experienced researchers |
| **Negative case analysis**| • Not formally applicable, no hypothesis tested  
                           | • Systematic combining is centered on always questioning and redefining how and why the research is carried out |
| **Referential adequacy**  | • Raw data not presented, but empirical data used is generic and may be compared to common supply chain knowledge |
| **Member checks**         | • Material from interviews has been checked by informants |
| **Transferability**       | • The product of the research is created from a theoretical model, empirical findings, and state-of-the-art knowledge found in literature  
                           | • Focused the thesis on providing the reader with in-depth information about the research process |
| **Dependability**         | • Reasoning behind research constantly presented  
                           | • Shifts in method, framework, and analytical efforts are explained |
| **Confirmability**        | • Systematic combining and critical realism is centered on keeping consistency between concepts, findings, and data  
                           | • All efforts have been dedicated towards one single purpose, which has helped to create parsimony |

Consistency between the empirics used, the case, the literature, and the framework, but also between why the research is being conducted, how it is being conducted, and what type of conclusions are desired.

The consistency is reflected by the empirical data presented from the case studies. Cases are only briefly presented and the data presented is generic. Still, the data used is both sufficient in depth and specificity to arrive at meaningful conclusions. Throughout the research process informants have been allowed to review the empirical findings and subsequent conclusions to reduce the risk of incorrect interpretations.

The literature review in appended paper three was guided by recent work of Gimenez and Tachizawa (2012). Drawing from their review, it was possible to determine where to find suitable literature for what would be the creation of a framework of elements of social responsibility. The process is described in greater detail in the appended paper.

It was not chosen to use systematic combining (Dubois and Gadde, 2002) at
the beginning of the research. The approach used is the one that felt suitable for the purpose of the thesis. Systematic combining has, however, given support and confidence to the research process. When systematic combining was first presented by Dubois and Gadde the feedback they got from the research community was that they had outlined and made previously tacit processes explicit (Dubois and Gadde, 2014). Accordingly it is not strange that this research first followed a similar implicit process, which could later be understood and reinforced with the help of their concept. The evolution of the case depends on how a case is viewed. To avoid getting stuck in the process of casing it is probably adequate to point out that additional cases have been included along the way. Similarly, the empirics have increased and changed with the cases. The theory used started with supply chain structure, and came to include both psychology and a review of corporate social responsibility and sustainability. Finally, the analytical concept moral (de)coupling has evolved into a framework for understanding the studied phenomenon.

Knowledge creation through systematic combining is included in the abductive method (Kovács and Spens, 2005) and is similar to the description of knowledge creation in critical realism (Bhaskar, 1978; Danermark et al., 2003). Knowledge creation according to critical realism requires thinking, reflection, reason, creativity, abstraction capacity, and a theoretical framework to find structure in the empirical reality. Knowledge is created through a process in which we strive to understand reality through a process of expanding the empirical domain and while constantly matching findings with the available body of knowledge. Knowledge is an increased understanding of underlying forces and mechanisms that is only observed through the empirics (Danermark et al., 2003). Evidently, there is coherence between systematic combining, abduction, and critical realism. Applying the three consistently and in concert implies that it is harmony between the knowledge that has been created and how it has been created.

9.1.2 Meaning of the Research Approach to Knowledge Creation

The identification of generative mechanisms is considered by critical realism to be one of the core goals of scientific inquiry. Abduction is an important application in the knowledge creation process (Rotaru et al., 2014). The focus in this research has been on systematic combining instead of abduction, which is similar in its application. Most importantly, it describes the process dedicated to what Sayer (1992, p. 251) claims to be the aim of social science: “to construct a coherent description and explanation of the world”. The process of knowledge creation in critical realism consists of five steps. (i) Resolution, theory-free classification of empirical data; (ii) redesription, representation of the empirical data through the prism of a selected theory; (iii) retroduction, postulation of underlying generative mechanism(s); (iv) elimination, isolation of hypothetical generative mechanism(s) and elimination of alternative one(s); and (v) identification, identification of most relevant generative mechanism(s) (Rotaru et al., 2014). The research approach has been presented throughout the thesis, and is also illustrated in Figure 9.1. One important deviation from this process is related to resolution. Sayer (1992) claims that observation is theory-laden, and theory-free classification is thus not possible. With regard to the same issue, Kovács and Spens (2005, p. 139) argue that “a closer examination of this
starting point leads to the conclusion that even if prior theories are given, abductive reasoning starts at the point at which an observation in the empirical research does not match these prior theories”. Observations at the start of this research process could not be explained with the existing theory. The addition of moral disengagement allowed the studied events to be matched with theory, and the findings were framed with moral decoupling. Even though it deviates from the first step suggested by Rotaru et al. (2014), it is consistent with research methods focused on bringing closure between empirical findings and existing theories (e.g., Kovács and Spens, 2014a).
The initial resolution of the research was the identification of companies that appeared to try and avoid accountability for social misconduct. Redescription with available supply chain management theories offered no postulation of underlying generative mechanisms. When the theory moral disengagement was included it resulted in two similar ‘loops’ in the research process. Empirical findings were compared with theory (a second and third round of resolution) and redescription. Retroduction postulated moral disengagement as the generative mechanism. Elimination was to validate moral disengagement against both empirical data and research evidence from supply chain management literature focused on social responsibility. The validation is similar to the suggestion proposed by grounded theory. That is, to “test ... tentative ideas and conceptual structures against ongoing observations” (Suddaby, 2006, p. 635). Finally, the validation could identify moral disengagement as a relevant generative mechanism. Since there were no competing theories available, the most relevant generative mechanisms could not be determined. The research approach has thus followed a suggested procedure for knowledge creation according to the epistemology critical realism. The context dependence of the research and the possibility of improving the findings through future identification of most relevant generative mechanism(s) is a suitable combination because both subject and researcher changes over time (Tsang and Kwan, 1999, p. 765). Subsequently, the process of creating knowledge can and should continue over time.

Whereas purely inductive or deductive reasoning may look for one theory or framework to explain or predict events in the empirical domain, that is not the case with critical realism and abduction. It should therefore not be argued that moral disengagement is the best theory to explain the studied phenomenon. Redescription with a new theoretical prism, followed by reproduction, elimination, and identification are important steps in an ongoing research process. The fact that social science takes place in an open system where the contexts (and conditions) are always changing (Aastrup and Halldórsson, 2008; Sayer, 1992; Tsang and Kwan, 1999) is compelling enough. So, moral disengagement is not the best possible theory to explain the phenomenon, it is however the best theoretical lens identified at this time. The close connection between events and theory is also an effect of successful application of one of the main goals of systematic combining (Dubois and Gadde, 2002, 2014).

It is suitable to refer back to Sayer (1992) and Figure 3.1 on page 38, in order to understand and relate the implications for knowledge creation. The studied events (e) are manifested as social misconduct when individuals seem to overlook or act contrary to their morality. Individuals are thus the object (X). Individuals have power (p) to act morally, but moral actions have liabilities (l) that are subject to conditions (c). Moral disengagement explains how individuals disregard their morality, but that process is context dependent. That is, it is a liability subject to other conditions. Moral (de)coupling explains such conditions in relation to supply chain management. Creating knowledge is related to connecting generative mechanisms with events in the empirical domain. The approach centered on systematic combining has been crucial to achieving this goal. Especially since the research was initiated through an observation that could not be explained with current theories and the path to explaining the phenomenon emerged during the research.
9.1.3 Reflection on Human Behavior

Moral (de)coupling is centered on the idea that a system can impact human behavior. For the understanding of the concept it is important to address determinism and voluntarism. Determinism states that there is no free will and all choices and actions are inevitable results of earlier events. Voluntarism, on the other hand, is centered on free will as the decisive factor for determining choices and actions (Burrell and Morgan, 1979). Bandura (1978, p. 346) analyzes interaction as a process called reciprocal determinism where “behavior, internal personal factors, and environmental influences all operate as interlocking determinants of each other . . . the process involves a triadic reciprocal interaction rather than a dyadic conjoint or dyadic bidirectional one” (Figure 9.2, see also Lee, 2008; Pastorino and Doyle-Portillo, 2013). We choose the environment in which we place ourselves and the environment is then able to influence our behavior and personal characteristics, personal characteristics can also guide what environments we choose to be in and what behavior we exhibit, and the behavior may change the environment and our personal characteristics.

This research has been mainly operationalized with a deterministic focus, which is sometimes necessary even though not reflective of reality (Hellström, 2007, p. 78).

Figure 9.2: Reciprocal determinism, “B signifies behavior, P the cognitive and other internal events that can affect perceptions and actions, and E the external environment” (Bandura, 1978, p. 345)

For this thesis, the issue is not what is right and what is wrong with regard to determinism and voluntarism. The issue is much more pragmatic. Haidt (2008, p. 67) explains Bandura and the potential of his theory: “…people are modeled as complex self-regulatory systems that feel, believe, reflect, and exert self-control in the service of action. By keeping the focus on action, Bandura has been able to study many real-world applications, such as the moral-disengagement strategies used by those who commit genocide and perform legal executions”. Think about the elements of social responsibility in supply chains! Several are evidently under the control of the company (e.g., incentives and responsibility), but others are harder to influence (e.g., commodity and power). This research has not tried to evaluate the extent to which elements of social responsibility or moral (de)coupling provide a deterministic context. These concepts have instead been used to identify ‘what?’ to do and ‘why?’ it should be done. The issues are addressed through moral responsibility and disengagement. Other researchers have focused in more detail on how contextual factors limit the freedom to make decisions and act upon them, in other words individuals are forced to act contrary to what they believe is right and wrong (e.g., Butterfield et al., 2000; Jensen, 2010). What can be stated is that the longer individuals operate in environments signified by high moral decoupling, the
more likely they are to reject moral responsibility. Bandura (1999, p.203) called this phenomenon “gradualistic moral disengagement”.

Determinism and voluntarism appear to change depending on where the analysis is made. It is complicated even further by reciprocal determinism. A manager in the textile company has the ability to run in a political election, which has the potential of changing the sphere of influence for that individual. The pragmatic view of moral disengagement is that it explains action. Through an understanding of action, and how action is created, it is possible to use moral (de)coupling to identify and explain ‘how?’ and ‘why?’ supply chain management can affect moral responsibility, and in turn social responsibility. It is possible to distinguish between elements that are viable to address in the short or long term and what elements are not available to address from the current context, or to use the words of Bandura (1978), external environment.

9.2 Implications

Even though interconnected, the implications will be presented in a manner similar to how the relevance was argued in Section 1.2. That is, based on whether the implication is mainly theoretical, practical, or social.

9.2.1 Theoretical Implications

Theoretical implications are concerned with the meaning of the findings in relation to the body of theoretical knowledge in the field. The research has fallen back on one specific motivation several times, the lack of theoretical constructs with regard to moral and social responsibility in supply chain management (e.g., Ashby et al., 2012; Hoejmose and Adrien-Kirby, 2012; Miemczyk et al., 2012; Winter and Kneemeyer, 2013). Empirical illustrations have allowed researchers to provide lessons and examples of both failed and successful implementations of social responsibility (e.g., Lim and Phillips, 2008), and frameworks of drivers and inhibitors are available. The framework by Perry and Towers (2013, p. 492) is illustrative of the shortcomings, and strengths, of current literature. Their framework is constructed from a multiple-case study that is very insightful. They conclude by requesting more research investigating specific elements with a broader geographical focus. Regardless of how much empirical data is added, it is not likely to create theoretical constructs that can explain with any depth why certain factors are drivers, facilitators, and/or inhibitors. With this approach, research is confined to follow practice and not lead the development of the field (see Figure 1.2, p. 10). This is not to disrespect the empirical research conducted, this thesis has benefited greatly from the available research in the field. Empirical research is also important to identify additional elements of social responsibility and unique practices that have been successful or unsuccessful, but accelerated advancement is possible if theoretical lenses, such as the one provided by Bandura, are applied to analyze the data.

Moral (de)coupling presents a tool for researchers that try to find explanations for their empirical findings or earlier frameworks and concepts such as demoralizing processes (Jensen, 2010), ethical distance (Shepski, 2013), and liable and political responsibility (Young, 2004). The concept is created, applied, and explained in a
supply chain context and is a bridge between two research disciplines. The theoretical foundation of moral (de)coupling increases the transferability of empirical findings. In their literature review, Ashby et al. (2012) found case studies, followed by surveys/questionnaires, to be the most common research methods in the sustainability supply chain management field. Among the case studies, more than half were conducted with one or two cases. It was stressed earlier that case studies should be evaluated on their own merits (Aastrup and Halldórsson, 2008), but a theoretical construct that explains the findings from studies with low transferability increases the understanding of how the findings are applicable in a different context.

In relation to the research conducted about moral disengagement, this research seems to add a new dimension that suggests much more complexity than what the theory might communicate. Continuing the development of moral disengagement, applications that acknowledge the complex and heterogeneous settings in which much management research is currently being performed are important. Research in social responsibility and supply chain management could greatly benefit from such refinements.

9.2.2 Practical Implications

Practical implications are concerned with the meaning of the findings for professionals in the field. The findings presented can be used as a resource as to what actions to take (elements of social responsibility), but can also increase the understanding of why they should be taken (moral (de)coupling). Practitioners can use the research to investigate social responsibility in their current supply chains to detect configurations and practices that are likely to cause undesired behavior. It also provides a roadmap of pitfalls and possibilities if a supply chain is to be (re)constructed. A company that strives to conform to ethical demands from consumers can use moral (de)coupling to guide its choices when creating their supply chain so that employees in the company are more likely to act in a socially responsible manner. Moral (de)coupling is also a straightforward concept for individuals and organizations that advocate social responsibility. It allows them to advocate structural changes that reduce organizations’ abilities to deny responsibility for misconduct. Potential changes can also be evaluated against the standards of ethical behavior presented by Rabin and Payne (1990). Awareness of critical areas that are not, at least for the moment, possible to address is also important for future improvements and can be used in communication with stakeholders. See for example the quote by Gina Tricot presented in Section 1.2.

With increasing consumer demand for a diversity of value adding layers, including socially responsible products and innovative value, the old cliché ‘one size does not fit all’ (Koudal et al., 2003) is revitalized. It might not be possible for a single supply chain to comply with both demand for social responsibility, and low cost or innovativeness in one single configuration. Companies that decide to compromise with a supply chain structure that is prone to social misconduct are, with moral decoupling, given tools to both monitor and reduce the likelihood of undesired behavior.

The line of reasoning presented in Sections 8.6 & 8.7 illustrates the immense difficulty of removing moral disengagement as a consequence of moral decoupling. This should not, however, detract practitioners from always striving to make im-
provements. Suggestions on how to improve are available. Figures 8.2 and 8.4 along with Table 7.1 provide practical approaches on how to untangle the complexity related to social responsibility, and reasons to why certain elements are important to address. Conducting such an analysis of a supply chain could help practitioners begin to make sense of their flows of moral responsibility and understand the practical elements that can help to reduce moral decoupling and moral disengagement. Høgevold (2011) places a lot of emphasis on how a case company needed to work with the entire supply chain to improve sustainability. A holistic supply chain view is also one of the elements of social responsibility identified in paper three. Moreover, he especially stresses decisions that are related to the design of the supply chain. He states that “a more appropriate way [to improve sustainability] is to design new products and incorporate the environmental focus in the design process” (Høgevold, 2011, p. 396). Concurrent engineering (e.g., Gunasekaran, 1998; Hong et al., 2005, 2009) thus appears to be a suitable approach to facilitate the need to apply a holistic supply chain view when trying to improve social responsibility.

The main empirical setting used is the textile industry. It has previously been explained that this industry was chosen based on three of its defining characteristics: (i) labor intensive production with low automation, (ii) increased pressure to decrease costs, and (iii) complex, multilayered supply structures (Park-Poap and Rees, 2010). These traits are prevalent in, not unique to, the textile industry. Rather than focusing on industry, when transferring the concept to another context, it is wise to assume that the phenomena are more likely to occur in industries or parts of supply chains that have traits similar to the defining characteristics of the textile industry. Transferability is often also discussed in relation to the geographic location where the research was conducted. While the empirical findings are limited to downstream supply chains in Sweden, moral disengagement and the literature used are global. Social responsibility is not a static concept, but context dependent with time, place, and circumstance (Epstein, 1987). Some elements may thus be more prevalent in one setting than another. At the core of the research is the discrepancy between what one says is morally correct and what one actually does. This discrepancy is not geographically confined to Sweden. This, and the connection with theory, strongly suggests that the implications have high transferability to both different industries and countries.

9.2.3 Social Implications

Finally, social implications are concerned with the meaning of the findings to society. The findings provide a guide to the ‘whats?’, and ‘whys?’ of how to improve social responsibility. However, the research has not focused on the effects of the decisions. Some structures that are linked with moral decoupling are concerned with location. Surely, there will be societal effects if manufacturing units are relocated. But the extent to which it is possible, and what the effects are, could probably fill a thesis of its own.

In Subsection 8.5, it was addressed how companies have made attempts to improve social responsibility, which could be interpreted with moral (de)coupling. The context dependency of time and morality can perhaps also be related with moral decoupling. Perhaps it is not possible for companies to hide behind moral decoupling points that shelter them from critique of misconduct throughout the supply chain?
Outside pressure might, over time, have highlighted moral decoupling points to such an extent that both individuals inside the companies feel moral responsibility and other individuals do not accept the points as excuses.

## 9.3 Author’s Thoughts

Throughout the thesis I have tried to invite the reader to take part in the research journey. I think that this is an approach suitable to increasing trustworthiness, and being open with the decisions that have guided the process. Knowledge is considered a product of the process devoted to study the empirical domain and incorporate more of the actual domain, and at the same time interact with the available body of knowledge. Consequently, the process itself is important.

One revelation I have gotten during the research is that it is practically impossible to construct a supply chain eliminated of all risks of moral disengagement. Moreover, it is difficult and sometimes counter intuitive to know what is good. Röös and Karlsson (2013), for example, conclude that, according to strict sustainability principles, Swedish tomatoes should only be consumed three months per year. Should we want tomatoes the rest of the year, it is better to import them. This might seem illogical, but is supported by data. Further, de Mesquita and Smith (2007, 2009, 2012) show that aid benefits the leaders, but not the citizenry of donors and recipients. Temporary, non-democratic, members on the United Nations Security Council can use ‘easy money’ (traded resources for policy favors, foreign aid, loans, etc.) to pay off their close coalition without having to rely on a productive economic activity of the citizenry. Actions that might appear morally sound can thus, in reality, have pernicious effects on democratization and the long-term welfare of the citizens. These examples also show how what feels moral might not be good. Rationalization, that is ethics, leads to a different conclusion on what is good, and perhaps such rationalizations change the morality of individuals so the next moral judgment is better aligned with what is good.

It never was my intention to explain the implementation of moral (de)coupling, but rather to find an explanatory model for immoral behavior, the question of implementation is often posed to me. Young (2004, p. 383) addresses the exact same issue, but from another theoretical foundation:

> “Most of us participate in a number of structural processes that arguably have disadvantaging, harmful or unjust consequences for some people by virtue of jobs, the market choices we make, or other activities. Surely it is asking too much, the objection runs, for each of us to worry about all these modes of participating in structures and how we might adjust our lives and relationships to others so as to reduce their unjust effects. Our relationship to many of these structural processes is so diffuse, and the possibility that our own action can effect a change in outcomes is often so remote, that it is more reasonable to limit our moral concern to matters where we stand in direct relation to others and can clearly see the effect of our action on them.

By this point, the attentive reader has noticed that the quote presented is largely motivated with moral disengagement. The quote reinforces my earlier statement; it
is impossible to completely eradicate all risks of moral disengagement. I also stretch my assumption to pose that, if we could not disengage our morals, we would not function in our daily life.

There are a few things with the process that I would have preferred to do in another way and some things that I do not know if I would have wanted to do in another way. The interest in the relationship between the supply chain and a desired result has been at the heart of the research since the beginning of my PhD studies, but the desired outcome has shifted. Sometimes it feels like it would have been better to focus on social responsibility from the beginning, and sometimes it feels like the change in focus has been beneficial to interpret the results from a specific perspective. It is also hard to know where the research would have ended up if it had not started with value creation and supply chain management. The words of Campbell (1975, p. 182) come to mind. I, as a researcher, ended “up finding out that his [my] prior beliefs and theories were wrong”. Finding a crossroad in research and reformulating the task is, however, a natural progression of allowing the findings to shape the course of the research (Alvesson and Sandberg, 2011).

Some may argue that there is little data presented in this research. Certainly, literature and existing theory may be considered data in research (Kaufmann and Denk, 2011, p. 65), but gathering empirical data is a crucial part of research and that craft is important to showcase in a PhD thesis. Writing the thesis data collection was always focused on what was needed for progression of the research, and I saw no need for large case studies, questionnaires, experiments, or other commonly used research techniques. It was sufficient to present brief details from two case studies. This is in stark contrast to the licentiate thesis, which had a strong focus on understanding one company and how their decisions improved value creation and competitiveness. When presented, the licentiate thesis included over 30 companies located in China and Sweden, 35 interviews, participation in workshops, meetings, a fair, trips and social events, and a database consisting of over 600 documents. I would have loved to display this experience and knowledge in this thesis, but the research never demanded it. Instead, snippets of data from a few larger studies have been presented. Regardless of earlier research and the depth of the data presented, I consider it more important to properly motivate, pursue, and conclude research in a focused manner than to add empirical data for the sake of the data itself, which is a central part of a tight and emerging framework in systematic combining (Dubois and Gadde, 2002, 2014).

Finalizing the PhD thesis has been a journey of discovery for me. I have been intrigued by critical realism for several years and the thesis provided an opportunity to better understand its views on the nature of the world and what is considered knowledge. I have come to consider knowledge not as a final product, but rather an increased understanding of the world. This is a direct consequence of social science being conducted in an open system that is always susceptible to changes and external influences. Knowledge is largely centered on understanding generating mechanisms, or on understanding these mechanisms at a greater depth, and providing causal explanations. I see several efforts that contribute to the generation of knowledge. Empirical illustrations in themselves might not unravel mechanisms, but they help to expand the available body of knowledge that is important to understand what creates the studied events (see Figure 3.2). In order to claim more knowledge about mechanisms that generate observable events, it is vital to do exhaustive investiga-
tions of current knowledge, or rely on similar efforts of other researchers. Only then can one claim to have identified more relevant mechanisms. In this research, three new conditions have been proposed and one old mechanism has been discovered. The three new mechanisms proposed are moral coupling, moral decoupling, and moral decoupling points. Moral coupling is a contribution made in the thesis that was conceived when writing the analysis and mapping supply chain flows. Moral decoupling started as a cynical description of an empirical observation, and later became an elaborated description of conditions for moral disengagement. Moral decoupling points have evolved together with moral decoupling. Moral disengagement is the old discovered mechanism. After years of not being able to explain a phenomenon, the theory provided a potential resolution. Arguably, the most important part for me in the research was the combination of different ideas. The eclectic approach, from which I have gained assistance, might be helpful for other researchers as well. Maybe knowledge is best created through comparison and combination of already existing knowledge?

One shortcoming that some might perceive in the thesis is that it started out with the name of the concept. Even though the concept was named early on, I have been open with the process. I think that it is possible to evaluate the relation between moral disengagement and the recommendations based on the theory. The issue of the name of the concept is thoroughly addressed in Section 8.4. Even though the concept was named early on the meaning of the concept has changed. One reason for keeping the name is that I like it. I think that it is a name that sticks and feels familiar for those involved with supply chain management. Despite the change in meaning the initial idea can be seen as a part of the final concept. Companies that want to try and escape blame for social misconduct can try to do so by, for example, constructing moral decoupling points close to raw material extraction. Besides the internal consistency the research has also been subject to scrutiny in double-blinded peer-review processes and the criticism of a new co-author with no previous commitment to support the concept.

I have both wondered and been asked under what conditions I could have come to the conclusion that moral decoupling is not a suitable concept. The discussion above actually shows that moral decoupling was initially not a suitable concept. However, the concept as it stands today is suitable to explain the observed events. The first idea of the concept was a malicious structural tool used to create points of no accountability. It is possible that the concept could have become a more elaborate description of such a phenomenon, but at a crossroad where I found Bandura’s research, the research took the path presented in this thesis.

Findings related to greenwashing (e.g., Bhaskaran et al., 2006; Egels-Zandén, 2007; Hamann et al., 2005) might have taken the research on a completely different path. ‘Greenwashing’ is activities related to trying to appear environmentally friendly, something that could also be done with regard to all aspects of social responsibility. In theory, it could be the case that all discrepancies between ethics and morals are results of greenwashing and being caught. Pure maliciousness and not moral disengagement would then be the reason for the discrepancy between words and actions. In a slippery-slope argument it could be interpreted as everybody is lying, all the time. An argument that is hard, if at all possible, to falsify and the burden of proof must lie on the one who makes such a claim. If this pure evil was the cause for the discrepancy between espoused theories and theories in use moral dis-
engagement would not fill any explanatory purposes at all. Moral (de)coupling and especially moral decoupling points could, however, still be used to explain structures that facilitate greenwashing. The argument presented in this paragraph is similar to Russell’s (1952) teapot, which addresses how the burden of proof lies on the one making the claim. If evidence for the argument presented in this paragraph could be brought forth it would most likely shake the foundations of several research theories and not only this thesis. However, I do not think that this argument of exclusive greenwashing holds water. In Subsection 1.1.1, several sources that identify the gap between what consumers ask for and what they pay for are listed. All of these imply that consumers have a feeling of what is right, but that they, for different reasons, do not act accordingly. Moreover, Young (2004, pp. 366-367) lists the following practices in the apparel supply chains: ten hour shifts six days a week, forced overtime, restrictions on talking and bathroom breaks, abusive supervisors, working conditions that are dangerous, poorly ventilated and heated, lack of protective equipment, sexual harassment and verbal abuse, intimidation, beating and the risk of being fired for speaking up, wages that do not cover the cost of living, no health benefits or pension plans, and insecure forms of employment. I do not think that it is an outrageous assumption by me to conclude that most individuals consider these practices to be immoral.

What I like most of all with the thesis is something that others might not like at all. I decided early on to try and write the thesis the way I wanted, and to start and explore ontological and epistemological issues. I considered it to be suitable to write the thesis in a way that clearly shows the continuous process of going between the real and empirical domains. A result is that most chapters include a section with my thoughts. I think that this approach has provided me with an opportunity to learn more about both critical realism and applied techniques, such as systematic combining, and that the sections on my thoughts are beneficial to the reader in order to assess the trustworthiness of the research.
Chapter 10

Conclusion

This chapter will conclude the research by first presenting contributions for academics, practitioners, and methodology. Research that is being conducted, or about to be conducted will then be presented. Finally, future research venues for the research community will be proposed.

10.1 Contributions

Contributions of the thesis will be presented in relation to the purpose of the thesis. The purpose is presented in Section 1.3, but is repeated here for easier reading:

Investigate how supply chain management is related to moral disengagement and explain how the relation affects social responsibility.

In conclusion, the explanation to how social responsibility is affected by the relation between supply chain management and moral disengagement is perhaps easiest to describe as a stepwise process (i-vi). (i) Ethical guidelines are designed, perhaps by companies in response to a demand from stakeholders. It may, for example, be legislative forces, consumer demand, and the wish of the owners, in combination and/or isolation. Ethical commitments are to some extent a social construct based on moral values. (ii) Ethical guidelines are implemented internally and externally to the company. There are certain elements (see Table 6.1, p. 62) that are important for the success of the implementation. (iii) Moral responsibility is considered a flow in the supply chain. (iv) Certain structures and activities have been linked to the restricted flow of moral responsibility in the supply chain, moral decoupling, which is a causal condition to moral disengagement. (v) Individuals that do not receive the flow of moral responsibility, due to moral decoupling, illustrate a liability between object (the individual) and other conditions (supply chain management) that can cause events where their behavior is not consistent with their morals. (vi) Individuals take part in and/or support behavior that contradicts the ethical guidelines and, consequently, social responsibility is compromised. The research has focused on deterministic explanations. In reality, it is a reciprocal relationship between environment, behavior, and personal characteristics (Lee, 2008). This research never focused on what came first, but on how the environment affects the behavior. An illustration is presented in Figure 10.1. Remember the meta-methodological assumptions presented in Section 3.1 and Figure 3.1! The presence of moral decoupling
does not guarantee that there will be moral disengagement. However, if the supply chain is managed with the aim of removing liabilities to moral disengagement, the likelihood of immoral behavior can be reduced.

Moral coupling is only partly and implicitly included in Figure 10.1. Moral coupling explains how connections can be made both internally, and to parts external to the supply chain, in order to increase moral responsibility. The flow of moral responsibility in the link can, of course, also be subject to moral decoupling.

Before discussing theoretical, practical, and social contributions with regard to the purpose of the thesis, it is important to mention that there are other contributions made in this thesis. These have been outlined in Table 8.1 and are presented as contributions made during the process.

### 10.1.1 Theoretical Contributions

The theoretical contributions of the research are connected to the explanation above. Moral (de)coupling explains why and how an individual, on one hand is able to take part in construction and agree with ethical guidelines, but on the other hand act as if he or she did not agree with them. Moral (de)coupling explains how consumers on one hand can be vividly outspoken against child labor, sweat shops, animal cruelty, and pollution, but on the other hand purchase products that have entirely or partly been manufactured under those circumstances. The concept has also linked the explanations to the field of supply chain management.

Moral (de)coupling is a middle ground between moral disengagement and supply chain management, which have been found to play an important role in explaining the success of implementing ethical guidelines. In this intermediary step the research...
contributes an explanation as to why supply chain management is important for the success of social responsibility. The concept draws on theoretical knowledge from a separate field and thus contributes a theoretical lens to a field that is otherwise centered on creating knowledge from empirical findings. The theoretical lens fills an important gap in supply chain management knowledge with its explanatory potential. Foliated networks are a supply chain tool that helps to better understand the flow of moral responsibility and thus also moral (de)coupling. Connections between elements of social responsibility have been proposed humbly and should not be seen as a final mapping of connections, but as an initial mapping.

In what seems to be a positivistic line of reasoning, Svensson (2013, p. 468) argues that a theory should be, in sequential order, describing, explaining, and predicting reality. Moral (de)coupling has, so far, complied with the first two traits of a theory. The predictive capabilities of the concept are yet to be tested. Considering that, while the concept lacks this third trait, it is grounded in both theory and practice. Thus, the concept is a major improvement in a research area mainly based on empirical illustrations with a lack of theoretical models that explain the underlying mechanisms to why certain practices affect social responsibility. Sayer (1992, p. 205) argues for a realist view on what social theory should be adequate for. He includes prediction, practice, causal explanation, interpretive understanding, social self-knowledge, and emancipation; and contends that social science should strive for the ‘high standards’ of natural science. Moral (de)coupling strives for practice, causal explanation, and interpretive understanding. I believe that moral (de)coupling has been determined to be adequate for these purposes.

The inclusion of a theory from psychology should be seen as a contribution in itself. Novel combinations of research fields are important for the progression of the field. This is true even if it had not been possible to develop the concept to the extent done in this thesis. The fact that it was possible to match conclusions from both psychology and supply chain management with such great success strengthens the contribution made by the combination of the research fields.

While the main motivation throughout the thesis has been the contribution to supply chain management and social responsibility, some contributions to psychology will also be claimed. Social responsibility in supply chain management has not been identified to use moral disengagement or other psychological theories focused on generating mechanisms explaining why people accept immoral events. The review of citations to Bandura (1999) implies that this research constitutes a contribution to psychology through the application of moral disengagement in supply chain management. This research has shown that moral disengagement in supply chain management is complex and far from straightforward. Consequently, the contribution made to psychology is twofold. First, it contributes an application. Second, it contributes a challenge to address moral disengagement in complex and global real-world situations. These claims of contributions are supported by Treviño et al. (2014) who note that research on moral responsibility and several intra-organizational aspects has received little attention. Structural features in organizations that may contribute to unethical behavior are specifically pointed out to lack research.
10.1.2 Practical Contributions

The conclusion made above provides both explanatory and prescriptive advice to practitioners. Moral (de)coupling is the first theoretical construct that, according to recent literature reviews on the topic, is able to explain why certain supply chain management practices are positive or negative for social responsibility and not only make descriptions based on empirical findings. The concept is able to provide practitioners with a deeper understanding of how to succeed with social responsibility and implementation of ethical guidelines. Practitioners can investigate their supply chains to detect where moral decoupling is likely to occur and if they have a supply chain constructed with moral decoupling points. This can be done in a proactive manner to investigate the current state of the supply chain, but also to evaluate future directions. Foliated networks, connections between elements of social responsibility, and comparisons between elements and moral disengagement provide practitioners with a set of tools for such endeavors.

Moral misconduct could be seen as a risk. If so, moral (de)coupling allows practitioners to reduce uncertainty about potential risk areas. When the risks are better known, it is also possible to decide how they should be managed.

10.1.3 Methodological Contributions

Before anything else is claimed, let it be known that the methodological contributions are made in the most attentive manner. It was never the intention of the thesis to make methodological contributions, which is reflected by the introduction of the thesis. The research has some significant methodological features that deserve mentioning. Moreover, philosophy of science is usually not addressed in Swedish PhD theses within this research area (Zachariassen and Arlbjørn, 2010), which makes the features of this thesis interesting to reflect on here.

This research has relied on the subjectivity of the researcher as a strength for the research itself and the research process. Subjectivity has been allowed to guide the applied research through a process of systematic combining and it has been connected with the meta-methodological assumptions of critical realism. Instead of hiding the subjectivity, and the fact that the process was not pre-defined when embarking on the research, it has been openly displayed. Instead of referring to quality criteria used to create generalizability, it was chosen to use trustworthiness, which was considered more suitable for this approach. Finally, the research has never made any excuses for the lack of attempts to create generalizability, but rather highlighted the importance of allowing the reader to determine if it is transferrable to a different context. The combination of the openness of the process, critical realism, systematic combining, trustworthiness, and the choice to not crumple to the perceived positivism of the field is highly unusual for a PhD thesis in the field. The thesis presents a methodological approach that is not common in the field, and might encourage other researchers to be more daring in their research.

10.2 Note on Ongoing Research

Besides the research presented in the appended papers, there is ongoing research with relevance for the thesis. It is, however, not yet sufficiently processed or com-
plete to be included in the appended papers, or as a separate paper. Two main areas of research are important: codes of conduct and managing corporate social responsibility.

### 10.2.1 Codes of Conduct

When papers three and four were initially drafted as one paper another topic was considered for a fourth paper. It was intended to investigate the practical relevance of moral decoupling through analysis of codes of conduct. Codes of conduct are written statements that declare the organization’s commitment and intent to a safe workplace, social issues, and the environment. The language used in these codes might facilitate moral decoupling. Svensson (2009) found that H&M and Ericsson had supply chain points, specified in their codes of conduct, beyond which they did not accept responsibility. Are these companies exceptions, and are more examples of avoiding moral responsibility present in codes of conducts of international corporations?

The codes of nine companies in the textile industry have been analyzed and it is considered that empirical saturation is reached. Two preliminary findings have been made. (i) Companies do not accept responsibility for the entire supply chain, but usually limit it to their suppliers. Their suppliers, in turn, are responsible for their supply. It is often written that suppliers that do not comply and enforce the code of conduct need to improve, and that it constitutes grounds to revoke any contracts. (ii) Child labor is defined according to the International Labour Organization and United Nations definition of what a child is and when it is acceptable to use child workers. Children should be able to finish school before being employed. The acceptable working age can be as low as fourteen. A comparison of attitudes between such young workers in developing countries and, for example, Sweden could reveal rationalizations based on moral disengagement.

### 10.2.2 Managing Corporate Social Responsibility

The second ongoing research area focuses on interviewing managers of purchasing and social responsibility to understand the codes of conduct and to present the preliminary findings from papers three and four. Four companies have been included and there are interesting findings. I had a somewhat cynical view that codes of conduct are mainly a marketing tool. That view has completely changed. Managers seem to be more than eager to make honest improvements and show great concern for the employees in their supplier base. Moreover, the moral decoupling of upstream responsibility found in codes of conduct is better understood. There has been a development from not accepting responsibility to a hope that, even though there is no formal power, it is possible to influence both suppliers and their suppliers to improve in all dimensions of social responsibility.

There are several problems with improving social responsibility in countries with completely different cultures and views of human value and the meaning of life. Another challenge is also to efficiently inform the downstream chain and the consumers about the efforts put forth to improve conditions in the upstream supply chain. Social responsibility is a selling point, but it is difficult to explain over intra and inter organizational borders. A high return on investment, with regard to corporate social
responsibility, thus relies on both upstream and downstream supply chain management. The assumption ties back to the licentiate thesis. It seems to be possible to analyze social responsibility in a similar manner to value creation for increased consumer-perceived value. A gap model for social responsibility may help to understand where social responsibility is lost, but also determine how organizational borders are related to the gaps.

Interviews conducted after the data collection for the thesis also imply that companies have problems with marketing the value of social responsibility and sustainability of their products. Social responsibility is not a tactile feature of a t-shirt, for example. It is possible to try and communicate the social responsibility with tags, in advertisement, and with the help of employees in the store. The nature of the socially responsible value offering thus seems to be obscure (see Figure 1.5). It implies that the level of collaboration with retail is important, or that the value needs to be made obvious, for product success.

10.3 Future Research

It follows from the adopted research approach that the research is never complete. It is always possible to expand the empirical domain to better understand and revise the findings of this research. The explanations of this research are heavily dependent on the research of Bandura and moral disengagement. There are other theories available in psychology, such as moral rationalization (Bhattacharjee et al., 2013; Tsang, 2002). A suitable approach would be to conduct joint research across fields.

The conclusions of this research have not yet been thoroughly presented to practitioners, and several studies that are constructed to investigate the concept in a practical setting are possible. For example, how the elements of social responsibility and their explanations derived from moral disengagement are interpreted by professionals and if they agree with them. The framework of elements is also subject to further development. Practitioners might, for example, be able to provide additional constituent parts that need to be grouped in existing or new elements. It is also important to investigate whether the different levels (internal to the company, internal/external to the supply chain) are sufficient, or if more are needed? Currently, several elements could be argued to cross between different levels, and for now the simplification is accepted as it makes the model more accessible. Maybe it needs more complexity?

The licentiate and doctoral theses present two different goals linked with supply chain management. It is indeed interesting to investigate the extent to which innovative, competitive, and socially responsible supply chains are compatible. The elements have given some indications, but much more work can be done. If the statement that one size does not fit all holds true it is important to evaluate compromises. Both what compromises to make, and what the implications of the compromises are.

A dream scenario for the concept of moral decoupling would be an action-based research project aimed at creating ‘the moral supply chain’. Such a project would give insights into the feasibility of acting upon the guidelines deduced from moral disengagement. Smaller projects with similar agendas are also of interest. For example, to use moral (de)coupling as a part of the decision-making process when managing a supply chain.
How to implement the findings raises several questions. Is it, for example, important to address a certain mechanism of moral disengagement depending on the social-responsibility issue that is being addressed? For example, moral justification to reduce carbon emissions, child labor, unsafe work conditions, etc. Additionally, different organizational types in different markets can manifest moral (de)coupling in different ways. Therefore, moral (de)coupling might benefit from specific development towards, for example, multi-national corporations, family-owned businesses, restaurants, wholesalers, and so forth. If some elements are targeted for improvements it is reasonable to assume that other elements are affected, see for example the connections suggested in Figure 8.4. Perhaps there are key elements to address when reducing moral decoupling. Managerial support is a central element internal to an organization. Several cases showcasing successful implementation of social responsibility stress collaboration. The element manifests through long-term commitment, often results in increased transparency, and is important for innovation in products and processes towards a premium segment.

There are several sustainability concepts that are interesting to evaluate with the new theoretical understanding provided by this thesis. Svensson (2007) discusses sustainability in second-hand supply chains, which is interesting for moral (de)coupling. What happens with moral responsibility once the product is consumed and given to a second-hand supply chain? Has moral responsibility for the first chain continued into the second chain and is the first chain responsible for what happens in the second-hand market? The point where consumption and the second-hand supply chain meets is likely a moral decoupling point, but should different order chains really feel responsibility for the other or is it a small overlap of great importance?

Even though this research has not had a directional focus per se, it has mostly been conducted with an upstream focus. There are several interesting downstream dilemmas worthy of research. The weapons industry is one obvious setting, but recently the pharmaceuticals industry illustrated issues of moral responsibility for downstream activities with regard to the drugs used administrating capital punishment (e.g., Pilkington, 2013, 2014). White et al. (2009) have performed similar research in the tobacco, lead, vinyl chloride, and silicosis-producing industries and found evidence of moral disengagement. Its seems as if their research could benefit from the perspective of socially responsible supply chain management.

Supply chain management without moral disengagement seems not only unlikely, but impossible (Raiborn and Payne, 1990; Young, 2004). Would we even function as individuals if we were not able to overlook all the disastrous events that take place in the world as a result of our consumption patterns and our daily lives? Moral (de)coupling is, in that sense, directed towards a goal which is not possible to achieve in practice. That is, it is a theoretical concept with implications for practitioners. Explanations on how to constantly move practice closer to the pinnacle of good behavior seems more applicable than unattainable demands on how a network should become saturated of moral coupling while moral decoupling is completely removed.

Moral disengagement is mainly discussed as a responsibility through direct or indirect effects of actions. But through collective efforts it is possible to make changes in systems that we are not previously involved with. Is there not also a responsibility in that doing nothing helps to perpetuate the suffering? Moral (de)coupling includes both aspects of responsibility. Non-governmental organizations, for exam-
ple, consists of individuals that do not need to have political responsibility toward the destitute of sufferers. However, through their advocacy they affect the context that can generate or prevent moral disengagement. Such considerations present interesting venues for further combination of supply chain management and psychology, and perhaps other research areas such as philosophy and politics.

It has been stated over and over again in this thesis that research is an ongoing process dedicated to creation of knowledge. As put by Auger and Devinney (2007, p. 379): “Research is fundamentally a process that builds and tries to improve upon previous work.” Critical realism, abduction, and systematic combining agree that better explanations should always be searched for.

Theory areas that might contribute to understanding why people do not act according to their morals, which could be applied in a socially responsible supply chain management context, include attachment theory (Chugh et al., 2014), cognitive moral control and locus of control (Trevino and Youngblood, 1990), consumer behavior with regard to socially responsible products (e.g., Bray et al., 2011; Öberseder et al., 2011), demoralizing processes in companies (Jensen, 2010), ethical blindness (Palazzo et al., 2011), ethical fading (Tenbrunsel and Messick, 2004), liable and political responsibility (Young, 2004), moral approbation (Jones and Ryan, 1997), moral awareness (Butterfield et al., 2000), moral identity (Weaver, 2006), moral intensity (Jones, 1991), and organizational goal-setting (Barsky, 2008, 2011). Several of these have also been included in a framework of antecedents of moral disengagement (Detert et al., 2008), which might be a suitable approach in trying to apply the theory in supply chain management.

The utility of moral (de)coupling should also be investigated in relation to other events. These include corruption in organizations, financial fraud, price fixing, and disregard of warranty claims. Moral responsibility has been considered a flow in the supply chain and, even though not stated explicitly, it has mainly related to the flow of goods and information in this thesis. The flow of monetary resources is often included as one of the three main flows in supply chain management, but manpower and capital equipment are also moved across the supply chain. There might also be differences with regard to the directions of these flows and at what tier in the supply chain an investigated focal company exists. The flow of moral responsibility may, consequently, have a foliated structure that is relative to the position of the individual.

A better understanding of the work to which moral disengagement is connected, such as cognitive dissonance and utilitarianism, could further increase understanding of why people seem to take part in and/or support activities with immoral consequences. In line with the research process it is also important to both continue development and evaluate deployment of moral (de)coupling through empirical research. Empirical observations can reveal if companies have actively worked to reduce moral decoupling and increase moral coupling, and can also aid refinement of both moral disengagement and moral (de)coupling.
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The Earth is a very small stage in a vast cosmic arena. Think of the endless cruelties visited by the inhabitants of one corner of this pixel on the scarcely distinguishable inhabitants of some other corner, how frequent their misunderstandings, how eager they are to kill one another, how fervent their hatreds. Think of the rivers of blood spilled by all those generals and emperors so that, in glory and triumph, they could become the momentary masters of a fraction of a dot.

The Earth is the only world known so far to harbor life. There is nowhere else, at least in the near future, to which our species could migrate. Visit, yes. Settle, not yet. Like it or not, for the moment the Earth is where we make our stand.

- Carl Sagan, Pale Blue Dot