Sustainability Criteria, Communications, and Competitive Advantage:

A Case Study from the Textile Supply Chain

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A Thesis

Presented to

The Honors Tutorial College

Ohio University

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In Partial Fulfillment

of the Requirements for Graduation

from the Honors Tutorial College

with the degree of

Bachelor of Business Administration

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by Katherine Lasco

April 2015

This thesis has been approved by

The Honors Tutorial College and the College of Business

_____

Dr. Ana Rosado Feger

Professor, Management Systems

Thesis Advisor

_____

Dr. Raymond Frost

Honors Tutorial College, DOS

Business Administration

_____

Dr. Jeremy Webster

Dean, Honors Tutorial College

Table of Contents

Abstract

Through in-depth multi-site case study, this research explores evolving trends of corporate sustainability in buyer-supplier relationships in the textile industry with respect to three areas: social and environmental supplier criteria, prevalence of communication strategies, and perception of competitive advantage. Findings show U.S.-based textile suppliers may perceive that communicating about sustainability is less relevant to competitive positioning. Conversely, textile firms with international operations demonstrated higher levels of sustainability communications proactivity. Overall results provide relationships to examine in future research.

Introduction and Literature Review

In the past decade, the concept of sustainability has emerged as a highly prevalent topic both in academic work and business practice. While researchers have examined evolving constructs such as corporate social responsibility (CSR) and sustainable supply chain management (SSCM), large companies seeking to meet stakeholder expectations have developed comprehensive programs to reduce environmental and social impacts. Due to numerous supply chain violations, such as the 2013 collapse of the Rana Plaza production facility in Bangladesh, the textile industry has faced significant levels of media scrutiny for corporate sustainability practices. The production of textiles is highly energy- and water-intensive, often using harmful chemicals to dye and finish fabrics (DyStar Ecology, 2010). Most sewing and manufacturing activities occur overseas, where there are often less stringent social

regulations to ensure proper working conditions, equitable pay, and prevention of child labor. Furthermore, the textile industry is experiencing the trend of "fast fashion", as large apparel brands seek to design, create, and sell clothing that keeps pace with rapidly evolving social preferences (Peng et al., 2015).

Several decades of academic work has examined the idea of corporate social responsibility (CSR) and its relationship with variables such as financial and stock market performance. Substantial work has also been completed in areas of supply chain sustainability, investigating drivers, methods, and outcomes of integrating sustainability requirements into organizational purchasing strategies. A small, but growing, body of research has looked at CSR and sustainability communication practices, and there have been several articles that focus specifically on CSR communications within the textile industry.

The purpose of this research is to provide an in-depth analysis of sustainability communication strategies used by suppliers to the fashion and textile industry, by looking at the influence of environmental and social customer requests, levels of communication proactivity, and perceptions of resulting competitive advantage. This paper will first provide an overview of relevant research, then describe the research methodology and content analytic framework. Next, results will be presented and briefly discussed. Finally, this paper will outline four key findings, discuss management implications, and suggest relationships to examine in future research.

History and Emergence of Corporate Sustainability

The idea that businesses have a responsibility to society began to emerge in academic work in the 1950s. Regarded as a pioneer of the concept (Kashyap et al, 2014; Madrakhimova 2013), Howard Bowen was first to promote corporate social responsibility as a business priority, stating there are "obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (1953). Early research considered corporate social responsibility to be an extra cost to firms; beginning with Milton Friedman's 1970 assertion that the social responsibility of business is to increase shareholder wealth, academics in ensuing decades reported a plethora of mixed results and opinions as to whether corporate social responsibility was relevant, beneficial, and necessary for business. In 1984, Drucker was first to suggest that social responsibility worked in alignment, not in opposition, to firm profitability (Kashyap 2014).

With the Brundtland Commission's formal definition in 1987 of *sustainability* as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs", a new wealth of terms began to emerge in the literature, including "sustainable development", "corporate citizenship", "stakeholder management", and "corporate reputation" (Madrahimova, 2013). Today, most academics and practitioners regard "corporate sustainability" as the generally accepted definition for business practices that align profitability with environmental and social responsibility.

The Modern-Day Corporate Sustainability Landscape

In the past decade, debate over the validity and relevance of corporate sustainability

has lessened, replaced by questions of "how" rather than "why". Broad institutional

support exists for helping firms to integrate triple-bottom lines practices into business

models, including reporting frameworks such as the Global Reporting Initiative (GRI)

and Carbon Disclosure Project (CDP), benchmarking organizations like KPMG and

SustainAbility, non-profit associations like the World Business Council for

Sustainable Development (WBCSD) and Business for Social Responsibility (BSR),

and stock indexes such as the Dow Jones Sustainability Index (Milne & Gray, 2013).

Over 8,000 companies in 140 countries have signed onto the UN Global Compact,

which outlines ten principles for business in areas of human rights, labor, the

environment, and anti-corruption. In a 2012 survey of compact signatories, the United

Nations reported that 65% of 2,000 respondents had implemented sustainability

training for their CEOs, while 83% set sustainability performance expectations for

suppliers (United Nations Global Compact, 2013). Furthermore, the 2015 State of

Green Business report produced by GreenBiz.com found that 54% of U.S. companies

reported their 2013 profits from environmental activities.

Sustainability in the Textile Supply Chain

The global textile industry presents a particularly rich source for investigation because

it contains a multitude of environmental and social concerns across an international

context. According to reports by the European Commission, textile production is the world's second biggest economic sector, producing 7% of global exports (2013). In the U.S. market, production is divided among several industry segments, including apparel knitting, textile mills, and cut and sew manufacturers. (Haider, 2014), and is highly fragmented, with many small to medium-sized business geographically concentrated in the rural southeast (Carter, 2015). Since the 1990s, there has been a significant decrease in number of operating firms and employment levels as manufacturers have transitioned overseas to lower-cost suppliers, but there is continued demand for American-made fabrics for purposes of sustainability, higher quality, and community support (Bernard, 2012).

Steps of production.

The creation of a textile product begins either with the farming of cotton or the construction of man-made polyester fibers from crude oil. These raw materials are knitted into yarns, a process which today occurs using industrial machinery, and then woven into two-dimensional fabrics. Next the cotton or polyester fabrics are sent to dye houses, where they are colored and often finished using a variety of additives. Lastly, the fabrics are manufactured into apparel items (or into products for other textile applications, such as home fabrics or furniture), by adding buttons, zippers, or closures. The clothing items are then distributed and sold through wholesalers, brands, and retailers (Seuring, 2004).

Environmental and social considerations

Due to the complex nature of textile production, the industry experiences significant exposure to environmental and social challenges. Harmful pesticides and fertilizers are often used in farming, and the production of polyester chips involves many additives. Chemical ingredients are also present in dyes used to color fabrics, which are then finished through energy- and water-intensive processes (DyStar Ecology, 2010). Throughout these steps, materials are shipped between many different countries before arriving at clothing retail stores, making the tracking and identification of sustainability compliance difficult (Seuring, 2004). On the social side, there is a deep history of violations throughout the textile supply chain, such as long working hours with no vacation days, child labor, abusive management, underpayment, and unsafety in factory environments (Rivoli, 2009). For example, Ross (2004) reported that textile workers earn just two-thirds of the wages paid in other sectors of manufacturing. As such, the industry is under pressure from trade associations, non-governmental organizations, shareholders, and other stakeholders to improve their environmental and social performance (Dickson et al., 2012).

Supplier Criteria for Sustainability

In many industries there is movement towards addressing sustainability concerns by setting social, environmental, and economic criteria for suppliers, and a significant portion of academic work has explored theories and trends related to sustainable supply chain management.

Sustainable sourcing in global supply chains

Growing stakeholder pressures have caused heightened accountability of not just

actions taken by textile brands, but the social and environmental practices of their

suppliers. Fully integrated firms have the ability to completely control impacts, but in

reality, most companies outsource operations and purchase raw materials from a

network of suppliers with differing levels of environmental footprints (Tate et al.

2012). In response to public pressure, as well as economic opportunities and legal

requirements, firms have begun to address these supply chain issues by adopting

socially-responsible purchasing practices (Worthington et al. 2008).

Within the literature, sustainable purchasing has garnered more attention in

past years as a central strategy for corporate supply chain practices, drawing from the

fields of operations, purchasing and supply chain management (Jayaraman, Klassen,

and Linton 2007; Cruz, 2008). Due to the interdisciplinary nature of sustainability, this

concept has appeared under names like sustainable supply chain management (Pagell,

Wu, and Wasserman 2010), environmental purchasing and supply management (Tate,

Ellram, and Dooley 2012), sustainable sourcing (Schneider & Wallenburg 2012),

socially responsible purchasing (Mont & Leire 2010; Worthington et al. 2008), and

socially-responsible buying (Maignan, Hillebrand, and McAlister 2002). When

implemented correctly, sustainable purchasing can positively affect the sustainability

performance of suppliers by setting environmental and social criteria. With specific

relation to textile production, Peng et al. have identified twelve key criteria that apply

to suppliers: cost, quality, on-time delivery, rejection rate control, toxic chemical usage control, water consumption control, energy usage control, pollution control, and restriction on underage labor, restriction on long working hours, human rights care, and safe guard mechanism for workers (2015).

Communicating CSR and Sustainability

While researchers have completed significant work on the topic of corporate social responsibility, only a small percentage have looked specifically at corporate social responsibility communication. (Ihlen et al., 2011). Morsing et al. (2008) outline different frameworks for corporate social responsibility communication; primarily, the "inside-out model", which begins with internal communication to align and engage employees before moving to external stakeholders. They distinguish between an "expert CSR communication" approach, in which social responsibility information is transmitted through facts and figures, and the "endorsed CSR communication" process, in which third party stakeholders are employed to verify and offer credibility to an organization's social responsibility initiatives. With respect to buyer-supplier relationships, Leppelt et al. (2013) found that top-tier suppliers used four types of strategies for marketing their responsible supply chain management capabilities: fact-based communication of CSR abilities, targeting indirect influencers, marketing through education, and positioning their CSR capabilities as a service. They argue that these combined forms of CSR communication can enhance a supplier's reputation and

image, but only if sustainability practices are integrated across marketing and purchasing functions, which promotes consistency in communication signals.

The corporate sustainability report

Since Ben & Jerry's released the first corporate sustainability report in 1989, this annual form of communication has emerged as a key strategy for informing stakeholders about company environmental and social initiatives (Crawford & Williams, 2011). Initially oriented towards environmental issues like acid rain and ozone layer depletion, the practice gained traction throughout the 1990s, and in 1997 the Coalition for Environmentally Responsible Economies (CERES) began facilitating development of a standardized sustainability disclosure framework. A first version of the Global Reporting Initiative (GRI) standards was released in 2000, and the system has since grown into the primary global framework for sustainability reporting. Today the majority of companies issue some type of sustainability disclosure, usually in correlation with their annual financial reporting, (Daizy et al., 2013).

Sustainability communications in SMEs

If the body of corporate social responsibility communication literature is limited, an even smaller portion has looked directly at communication in small and medium enterprises (SMEs). However, there are several trends that characterize differences in ways small businesses communicate about sustainability initiatives. Small enterprises are more naturally inclined than larger companies to adopt an inside-out approach,

perhaps because fewer employees are more easily managed from a communications perspective. They tend to struggle with direct communication through formal methods in business-to-business relationships, such as websites, product documentations, and marketing brochures (Nielson & Thompsen, 2009). For instance, SMEs are less likely to produce annual sustainability reports because they lack financial resources to track initiatives using formal indexes, and instead tend to engage in more informal reporting such as in-person conversation (Baumann-Pauly et al, 2013; Signitzer & Prexl, 2008).

Second, SMEs experience less pressure from media and other stakeholders to engage in sustainability activities, and therefore any communication activities are more directly related to reputation building rather than necessity (Fassin, 2008). One study on SMEs in Singapore reported that firms were more likely to choose sustainability initiatives that benefitted their direct stakeholders, like employees and customers, rather than considering a broader audience (Lee et al., 2009). Another study of Australian SMEs found that companies often included sector-specific information on website about environmental attributes of products and surveys, such as reusability and wash-ability of textiles (Parker & Fraunholz, 2011).

Lastly, managers and owners of SMEs often express a general hesitation towards communicating about social responsibility initiatives in fear they would be perceived as boasting (Lee et al., 2009; Nielsen & Thompen, 2009). For Asian firms, this attitude has been attributed to cultural belief (Zhu & Yao, 2008), but more work is needed to identify drivers.

Sustainability communications in the textile industry

A small segment of academic work has looked at sustainability communications in the

textile industry. Turker and Altuntas (2014) report that historically, very few studies

have considered the different sustainability indicators reported by apparel brands. For

example, one study by Fulton and Lee evaluated dimensions of sustainability content

on 156 "sustainable apparel websites" against the Global Reporting Framework and

found that very few companies addressed all key issue areas (2013). However, these

results cannot be extended to textile suppliers or to brands with more traditional

business models. A recently published study by Kozlowski et al. (2015) seeks to

bridge this gap by analyzing the sustainability indicators reported by 14 brand

members of the Sustainable Apparel Coalition, using the Global Reporting Initiative's

new Apparel and Footwear Sector Supplement. Results showed that the majority of

disclosures occurred in the area of sustainability supply chain management (SSCM),

followed by design practices and product sustainability.

Sustainability Communications and Competitive Advantage

The most widely accepted definition of competitive advantage stems from the work of

Michael Porter, who described the idea as the attainment of sustainable resources and

capabilities that provide firms either cost leadership, differentiated positioning, or

focus on a target market segment (1985). In the sustainability context, past decades

have shown a wealth of research linking corporate social responsibility to constructs

like financial performance (Santoso & Feliana, 2014; Dixon-Fowler et al., 2013;

Orlitzky et al., 2003). Other work has shown other organization factors to have a positive correlation with competitive advantage, such as corporate reputation (Flatt & Kowalczyk, 2008) and ethical communication (Bradley, 2004); however, relatively little research has linked sustainability or corporate social responsibility communications to competitive advantage. For instance, Borga et al. (2009) propose that small companies producing an annual sustainability report have potential to attract and retain higher quality of human resources, improve the market value of their brand, and foster stronger relationships with stakeholders. Similarly, after surveying Australian small businesses with environmental improvement information on their websites, Parker and Fraunholz emphasize that future studies are needed to determine whether these communication strategies result in competitive advantage (2011). With consideration to larger firms, Lubin and Etsy describe sustainability reporting and communication as one of five key strategy areas that companies will need to address to excel in building sustainability capabilities (2010). Overall, there seems be general consensus in the literature that sustainability and corporate social responsibility can provide benefits like improved operational efficiency, cost reductions, image enhancement, and credibility. However, it is still unclear whether strategic sustainability communication activities can directly build competitive advantage.

Methodology

This study seeks to supplement current knowledge about buyer-supplier relationships within the textile supply chain by answering the following questions:

1. How prevalent are social and environmental criteria for companies in the textile supply chain?

2. Through which methods and channels do companies in the textile industry communicate about their sustainability activities to potential customers?

3. Do companies in the textile industry perceive that effective sustainability communications contribute to a competitive advantage?

Research Protocol

This study combines two approaches to qualitative data collection. First, semi-structured phone interviews were conducted with marketing, sales, and sustainability personnel from eight firms. Second, communication materials addressing sustainability were gathered and analyzed for their correlation with interview results.

Semi-structured interviews

Over the course of several months, this study conducted phone interviews with representatives from each of the eight cases. Conversation lengths ranged from 15 minutes to one hour depending on variance in participation, and all gave verbal or written consent for interviews to be recorded. Survey questions were designed to measure constructs presented in each of the study's three research questions, and are presented below in Table 1.

Table 1

Prevalence of social and environmental criteria in textile supply chain
- To which types of customers do you sell? - Are you aware if your customers engage in environmental or social responsibility in their business? - Have customers ever asked you to disclose information about your sustainability activities? For example, your energy consumption, water usage, employee treatment, your supply base, etc. - Has a customer ever required you to change your practices or processes based on their sustainability standards? - Have you ever bid for a contract that explicitly stated you must meet certain environmental or social standards? What did the bid request ask for?
Methods and channels of communicating sustainability to potential customers
- Which stakeholders do you target in your communications? - Do you discuss sustainability in any type of annual report? Do you include information about sustainability on your website or in any other marketing materials? - Do you put advertisements in any trade magazines, and do you include sustainability information in those advertisements? - When making a sales pitch or contract bid, do you talk about your sustainability to potential customers? - What language do you use? Is it typically just verbal communication or do you use flyers, brochures, or other print materials? - Do you include written descriptions of your sustainability activities in contract bids? - Have you ever issued press releases or discussed your sustainability activities in external communications? What did you do?

Perception of the effect of sustainability communications on competitive advantage
- Which aspects of your product and service do you highlight most strongly when trying to win contracts? - Do you feel that your environmental initiatives give you an advantage over competitors? - Has a customer ever told you that you were awarded a contract because you were better able to meet their environmental standards than other potential suppliers? - Do you feel any of your communication activities about sustainability have given you a competitive advantage? In what way?

Content Analytic Framework

Data collected throughout this study was analyzed using qualitative methods of content analysis. All recordings of phone conversations were transcribed into text documents, and supplementary print and web materials such as sustainability reports, brochures, and webpages were collected and archived for analysis. Through an iterative process of evaluating texts against original research questions, multi-step frameworks were constructed to measure responses for each inquiry.

Framework for research question one

To provide context for each company's perception of sustainability, texts were first analyzed for:

- Stated definitions of sustainability and/or corporate social responsibility as expressed by the interview respondent

- Company-wide definition of sustainability as revealed through language used in web, print, or other written texts

- Geographic location of facilities as categorized by **U.S.** or **International**

- Structure of the company's customer base using the following categories: **Brands, Retailers, Manufacturers, Government,** and **Public Institutions**

Next, each firm was evaluated on dimensions to gauge responses to the first research question: how prevalent are social and environmental criteria for suppliers in the textile supply chain?

1a. Prevalence of environmental and social criteria: each firm was assigned a categorical variable of Y/N for the presence of environmental and/or social criteria from suppliers.

1b. Type of environmental and social criteria: texts were measured for the frequency of mention of different environmental and social sub-factors. Keywords included:

Environmental: recycling, energy efficiency, water usage, environmental compliance, and pollution

Social: equal opportunity, diversity, workplace safety, human rights, philanthropy, and community relations

Framework for research question two

The second research question was designed to investigate which methods and channels suppliers in the textile industry use to communicate about their sustainability activities to potential customers.

2a. Channels of communication: Through analysis of publicly available texts and interview responses, each firm was evaluated for channels through which they communicated about their sustainability or corporate social responsibility initiatives. Categories for communication channels emerged through an iterative process, and included:

- One-to-one or email

- Broadcast media

- Print media

- Annual report

- Website

- Trade show advertisement

- Social media

- Press releases/media relations

2b. Proactivity versus Reactivity: Interview transcriptions were evaluated per the following scale to determine the level or proactivity or reactivity each firm exhibited in designing comprehensive communication strategies about their sustainability initiatives.

Very proactive: evidence of comprehensive and deliberately designed communication strategies

Somewhat proactive: Exhibited proactive efforts to communicate, but may not have been part of strategic plan

Somewhat reactive: Had a few communication activities related to sustainability, but not very strategic

Very reactive: Minimal or non-existent sustainability-related communication activities

Framework for research question three

The last area of inquiry was designed to evaluate whether suppliers in the textile industry perceive that effective sustainability communications contribute to a competitive advantage for their business. Interview transcriptions were evaluated for perception of competitive advantage using the following framework.

3a. Interviewee perception of competitive advantage

Positive: Interviewee stated they perceived sustainability communications to contribute to competitive advantage

Mixed: Interview had mixed responses in their perception of competitive advantage

Negative: Interviewee stated they did not perceive sustainability communication activities to give them competitive advantage

Relational analysis

Following the conceptual analysis of responses to each research construct, results were measured against each other to produce several relationships.

RA1. Link between type of criteria and company size, customer base, and geographic location

RA2. Link between proactivity and competitive advantage

RA3. Link between geographic distribution and competitive advantage

RA4. Link between firm size, communication proactivity, and competitive advantage

Data Collection

To provide insight into these queries, eight companies with varying sizes, business activities, and locations within the value chain were selected for analysis. Potential participants were identified through a combination of methods which included cold contacting sales representatives from companies listed on membership pages of the National Council of Textile Organizations and the International Textile and Apparel Organization, utilizing connections through the Ohio University department of Retail Merchandising and Fashion Product Development, contacting Ohio University alumni through LinkedIn.com, and reaching out to member companies of the Sustainable Apparel Coalition. A profile of the eight cases can be found in Table 2.

Confidentiality statement

Each interview participant expressed verbal or written agreement to the contents of a

standard research consent form, which stated that company names and specific

identifying information would be kept confidential.

Case Illustration

Each case was positioned in varying locations throughout the textile supply chain. As

a result, firms demonstrated differing understandings and orientations towards

sustainability. The following section provides a profile of each case and definitions of

corporate sustainability as demonstrated by interviewee responses and documented

communications materials.

Table 2

Case	Employees	Business Activities
1	113,000 globally	Chemical/material supplier
2	12,000	Chemical supplier
3	10,000+ globally	Textile weaver and manufacturer
4	500	Yarn manufacturer
5	280 globally	Fiber and yarn manufacturer
6	175	Textile manufacturer
7	100-125	Textile manufacturer
8	Five	Apparel printer and distributor

Definition of sustainability

Sustainability and social responsibility are broad concepts, especially when applied in

the business context. Each interview respondent and case were systematically

analyzed for both stated and revealed definitions of "corporate sustainability".

Responses to consequent questions about communication strategies and competitive advantage were likely influenced by these perceived meanings, and variance in definitions should be noted while reviewing results of this research.

Case One

Case One is a chemical and material supplier with 113,000 employees globally and locations across North and South America, Europe, and Asia. Their solutions appear in almost all industries, including textiles, and their primary customer base is comprised of manufacturers and brands.

Stated understanding of sustainability	The interview respondent emphasized that supply chain engagement was a key focus of their sustainability strategy, and that *"we make a real effort to look at our suppliers globally…everything from environmental practices to human rights policies to child labor to their base of used materials."*
Company website	Analysis of the corporate website illustrated a comprehensive approach to sustainability that integrates *"social responsibility, environmental stewardship, eliminating energy and materials waste, and providing innovative, environmentally and socially responsible technologies."*

Case Two

This company is a chemical supplier with 12,000 employees across the Americas, Asia Pacific, Europe, Africa, and the Middle East.

Stated understanding of sustainability	When asked about sustainability, the respondent noted that *"everything can have a negative impact or positive benefit, even salt"*, and that *"if we're not investing in programs to deliver sustainability within the business, then it's not sustainable eventually"*. The respondent described a full range of sustainability issues that the company addressed, including water conservation and product innovation.
Company website	No information.

Case Three

This company is a textile weaver and manufacturer with 10,000+ employees globally, and manufacturing facilities dispersed across the United States, Pakistan, and Bangladesh. Textile materials are sold to a variety of home and commercial industries, and the company's primary customer base is comprised of brands and retailers.

Stated understanding of sustainability	Interviewee stated that the company sustainability mission included efforts in areas of raw materials, manufacturing, assembly and transport, global innovation, customer benefits, and social responsibility". The respondent also noted how their initiative to add American jobs is *"sustainable in itself... because you're saving in transportation and shipping which helps with greenhouse gas emissions and energy reductions"*
Company website	Exemplifies a deep and holistic understanding of corporate sustainability, including the adoption of a *"triple bottom line approach to measure our success: people, planet, and prosperity"*

Sustainability brochure	Emphasizes a "*commitment to sustainable business practices*" that "*extends to every facet of our organization and directs our plans for sustainable growth*"

Case Four

Case four is a yarn manufacturer with 500 employees in the Eastern United States. The company also has several sales offices distributed in Central and South America.

Stated understanding of sustainability	The interviewee described sustainability as a very "*wide, broad topic*" which a lot of their customers don't understand. He commented that "*sustainability to me is doing anything and everything you can to reduce your overall footprint, without using buzzwords, and generate a product*"
Company website	There was no information about sustainability or corporate social responsibility on the website.

Case Five

Case five is a fiber and yarn manufacturer with 280 employees globally. They primarily sell to other manufacturers who knit and weave the fabrics.

Stated understanding of sustainability	The interviewee seemed to define sustainability as the need for business survival, commenting that "*you have to provide good working conditions, otherwise you don't get employees to stay with you*", that "*you need to be able to contribute to the school system or to organizations your community needs, so it's being a*

	good corporate citizen", and that the company approached sustainability *"in the sense that if you don't do it, you go out of business."*
Company website	Text on the company website seemed to focus on environmental dimensions of material use and energy efficiency, noting that the company is committed to *"ongoing recycling efforts in order to eliminate landfill waste",* maintaining an "*ecologically sound power supply",* and making efforts to "*conserve energy by using an electrical monitoring system".*

Case Six

Case six is a textile manufacturer with 175 employees, mostly in the United States but with several sales offices in Central America, South America, and Asia. The company's primary customers are brands in the athletics, swimwear, and intimate apparel industries.

Stated understanding of sustainability	When asked, the interviewee defined sustainability as meaning "*that we are aware and responsible for our actions and how they would affect future generations, and making sure that we don't deplete resources or cause pollution at rates faster than the earth is able to renew them",* and seemed to possess a deep understanding idea to balance present needs with those of the future.
Company website	The company website included no mention of sustainability or corporate social responsibility.

Case Seven

The seventh case is U.S. based textile manufacturer with between 100-125 employees. They solely work to fill government sub-contracts for textile dyeing and printing services.

Stated understanding of sustainability	The respondent specifically defined sustainability as the ability to "*adapt to the industry and change your model as you need to. So it means to maintain viability in the industry*".
Company website	The company website displayed near to nonexistent information about sustainability, though once mentioned the use of *"environmentally sound techniques"*.

Case Eight

This company is an apparel printer and distributor with five employees in the United States. They supply apparel to public and governmental institutions.

Stated understanding of sustainability	The respondent mentioned he perceived sustainability to be a "*word thrown around by a lot of people, but I don't know if they could spell it let alone know what it means*". He gave illustrative examples as to why sustainability is a counterintuitive concept, for instance, explaining how water based inks were not necessarily less detrimental to the environment than oil-based inks, "*if you look at the life cycle of it*"
Company website	The company website included no mention of sustainability or corporate social responsibility.

Results and Analysis

Using the content analytic framework outline in the methodology section, this research

produced the following results.

Research Question One

How prevalent are social and environmental criteria for suppliers in the textile supply

chain?

1a. Prevalence of environmental and social criteria

Analysis of interviewee responses determined the extent to which each case was

required by customers to disclose on their environmental or social programs,

initiatives, compliance, performance, or other activities.

	Face environmental criteria	Face social criteria
Case 1	Yes	Yes
Case 2	Yes	No
Case 3	Yes	Yes
Case 4	Yes	Yes
Case 5	No	No
Case 6	Yes	Yes
Case 7	No	Yes
Case 8	No	Yes

This data shows that 5 out of 8 cases experienced environmental-related disclosure requirements from customers, while 6 out of 8 cases were asked to provide information on their social responsibility performance.

Analysis

These results indicate that the majority of firms faced some type of environmental or social criteria from customers. Several responses were adjusted based on in-depth review of the transcription texts; for example, one interviewee responded negatively when asked whether his company had to comply with environmental criteria, yet later gave explicit examples of environmental requests received from several athletic apparel brands. These conflicting statements could result from a diverged perspective in defining "environmental" and "social" criteria, or could be attributed to the perception that firms meeting certain demographics are somehow "exempt" from these requests. For instance, one interviewee stated:

> *"Our plants are in the United States, and everybody around the world knows you can't be environmentally unfriendly because the U.S. is at such high standards…They'll put out a card-blanche to all of their vendors…but it's not really geared towards us."*

1b. Types of environmental and social criteria

Several interview respondents provided more specific insight into the types of environmental and social factors they addressed with customers:

Social Criteria	Number of Mentions
Equal opportunity	1
Equal pay/compensation	1
No child employment	1
Safe working conditions	1
American-made	2

Environmental Criteria	Number of Mentions
Recycling	1
Energy Consumption	1
Chemical safety and handling practices	1
Environmental compliance (Ex: local regulation, Restricted Substance Lists)	5
Water usage	1
Air quality	1

Analysis

These results indicate a diversity of issues addressed across the supply chain, and also suggest that compliance is still a key priority for textile manufacturers and suppliers. It is important to note that interview responses were by no means comprehensive; however the list provides insight into the dimensions considered to hold strong prevalence when communicating with customers.

Research Question Two

Through which methods and channels do suppliers in the textile industry communicate about their sustainability activities to potential customers?

2a. Channels of communication

A combination of document, media, and transcription text analysis were used to
determine which communication channels, if any, each firm used to communicate
about their sustainability activities.

Channel	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8
One-to-one or email	X	X	X	X	X			X
Broadcast media (TV & radio)	X	X	X					
Print media (brochures, flyers, etc.)	X	X	X		X		X	
Annual Report	X	X						
Website	X	X	X		X			
Trade show advertisement	X	X	X					
Facebook	X		X		X			
Twitter	X				X			
Press releases/media relations	X	X						

Analysis

This graph shows the most common strategy companies used to inform customers
about their sustainability efforts was one-to-one communication (6 out of 8 firms) and
print media such as flyers or brochures (5 out of 8 firms). Half of the companies had
some type of website information relating to sustainability or corporate social

responsibility. Even less (2-3 of 8 firms) used strategies like social media outreach, media relations, and trade show advertisements. The companies that did issue annual sustainability reports were the two largest in this case study, which supports previous findings which link prevalence of annual sustainability reporting to firm size. When considering these results, it should be noted that interview respondents may have failed to report all types of communication activities, which could be attributed either to a lack of scope due to their position or a lapse in fully effective internal communication activities.

2b. Proactivity versus reactivity

As described in the previously outlined content analytic framework, each case was measured for their level of proactivity in communicating about sustainability using the following scale:

> **Very proactive**: Evidence of comprehensive and deliberately designed communication strategies
>
> **Somewhat proactive**: Exhibited proactive efforts to communicate, but may not have been part of strategic plan
>
> **Somewhat reactive**: Had a few communication activities related to sustainability, but not very strategic
>
> **Very reactive**: Minimal or non-existent sustainability-related communication activities

	Level of Proactivity	Support for Proactivity in Communications	Support for Reactivity in Communications
Case 1	Very proactive	Global company with entire team dedicated to designing communication strategies, which included sustainability.	
Case 2	Very proactive	Values of sustainability were fully embedded into company vision, mission, and culture. Actively communicated about sustainability across multiple channels.	
Case 3	Somewhat proactive	Company demonstrated active effort to communicate about sustainability, but didn't appear to be embedded in strategic plan.	
Case 4	Very reactive		Interviewee stated they do minimal communications and only reply to generic requests from customers.
Case 5	Somewhat proactive	Had sustainability section on website, produce monthly energy report, and posted sustainability-related content on social media	Did not appear to be tied to a strategic plan.

Case 6	Very reactive		Interviewee specifically stated they engaged in no sustainability-related communications, except to reply to disclosure requests from customers
Case 7	Very reactive		Interviewee stated there was no proactive effort to engage in sustainability communications, and mentioned brochure as an afterthought. Online content showed no proactivity towards communicating sustainability.
Case 8	Somewhat reactive		Demonstrating minor communication activities about sustainability.

Analysis

These designations show that half of the firms (4 out of 8) were "very" or "somewhat" proactive in their strategic sustainability communications. One firm exhibited "somewhat reactive" strategies, while the rest (3 out of 8) were found to be "very reactive". Levels of proactively seemed to exhibit a general correlation with the size of the firm. For instance, interview respondents from several of the smaller firms made statements such as "*to be honest I don't remember talking about it", "it's basically*

just word of mouth", and *"I know you're asking me do I use sustainability in marketing. And I would say probably not".* On the other hand, larger cases in the study responded that *"we use some of all of it, to be honest"*, and that *"[our sustainability communication activities] all start at the corporate message".*

Research Question Three

Do suppliers in the textile industry perceive that effective sustainability communications contribute to a competitive advantage?

3a. Interviewee perception of competitive advantage

As described in the previously outlined content analytic framework, each case was measured for their level of proactivity in communicating about sustainability using the following scale:

> **Positive**: Interviewee stated they perceived sustainability communications to contribute to competitive advantage
>
> **Mixed**: Interview had mixed responses in their perception of competitive advantage
>
> **Negative**: Interviewee stated they did not perceive sustainability communication activities to give them competitive advantage

	Perception of competitive advantage
Case 1	Mixed
Case 2	Positive
Case 3	Mixed
Case 4	Mixed
Case 5	Positive
Case 6	Negative
Case 7	Negative
Case 8	Negative

The following chart outlines rationale and interviewee quotes that support these

designations.

Perception of competitive advantage	Rationale
Case 1	Respondent stated that *"sustainability isn't quite competitive advantage rather than something you just have to do"*, then later expressed that *"It turns out that maybe there is competitive advantage because the program has been so incredibly successful, and maybe other companies will model similar programs from it"*
Case 2	The interviewee replied that *"in theory, yes it does"* bring competitive advantage. *"The brands prefer to work with companies like us who can comply with RSLs and have the global reach to work with our customers"*. However, the respondent seemed to be talking about corporate sustainability in general, not specifically about communication strategies.

Case 3	Had no comprehensive and strategic sustainability communications, but did express there was competitive advantage resulting from certain corporate social initiatives. Note: the question was not explicitly asked in the same manner as other case interviews.
Case 4	The interviewee stated that communicating about sustainability gave them an advantage "*in certain avenues, to certain customers*" but that "*financially, the payback isn't one to one, or one plus one.*" They continued, to say that "*it's not a great payback to do sustainability practicing in our industry*"
Case 5	The respondent said that "*it definitely gives us a competitive advantage*", yet was referring more to their high emphasis on sustainable product quality rather than communication activities.
Case 6	The respondent stated that "*environmental compliance is a disadvantage when evaluated purely on price*", and that they do not experience competitive advantage because the company is not "*differentiating [them]selves, just complying with requests for information*".
Case 7	Interviewee expressed that sustainability communication activities would not make a difference in dealing with government contracts.
Case 8	According to the interviewee, the case's customers do not have environmental or social concerns, and therefore it is not an advantage to communicate.

Analysis

Results indicate that most firms showed a mixed (3 out of 8) or negative (3 out of 8) perception of the competitive benefit that communicating about sustainability could

bring to the value of their business activities. Only two interviewees expressed an explicit opinion that sustainability communications gave them a competitive positioning compared to other companies in the industry. This phenomenon could be explained by the significant variance in interviewee understanding of constructs of competitive advantage, sustainability, and corporate social responsibility.

Relational Analyses

RA1. Link between type of criteria and company size, customer base, and geographic location

Results were combined in a relational analysis to produce connections between the type of criteria faced and several other company factors.

	Type of criteria	**Company size**	**Customer base**	**Geographic location**
Case 1	Environmental and social	113,000 globally	Manufacturers, brands	U.S. and international facilities
Case 2	Environmental	12,000 employees	Manufacturers	U.S. and international facilities
Case 3	Environmental and social	10,000+ employees	Brands, retailers	U.S. and international facilities
Case 4	Environmental and social	500 employees	Brands, retailers	Only U.S. facilities
Case 5	None	280 globally	Manufacturers	U.S. and international facilities

Case 6	Environmental and social	175 employees	Brands	Only U.S. facilities
Case 7	Social	100-125 employees	Government	Only U.S. facilities
Case 8	Social	5 employees	Public institutions, government	Only U.S. facilities

Analysis

Examination of these relationships produces several provoking insights. First, 4 out of the 4 companies that supplied to textile brands reported they faced both environmental and social requests from customers. This result is consistent with previous research, and fairly intuitive; brands are largely held in the public eye and are often held accountable by social and non-profit groups for failures of their suppliers to act with environmental and social responsibility. More than other customer segments, their reputation, brand equity, and consequent financial performance is at stake. Secondly, there is seemingly no correlation between types of criteria faced and the company size and geographic distribution. This could likely be attributed to a sample size limited to just eight cases. Lastly, the data presents an interesting relationship between social priorities and primary customer bases of public or government institutions. Both interview respondents from Case 3 and Case 5 placed strong emphasis on social dimensions of sustainability, such as equal opportunity practices and striving to keep manufacturing activities and employment within the United States. For example, when speaking of their government contracts, the respondent from Case 3 mentioned:

"Their concern is more on the employee side…But nothing about environmental responsibility."

RA2. Link between proactivity and competitive advantage

The level of proactivity in communicating about sustainability was compared to each interviewee's opinion as to whether communications activities led to competitive advantage. The purpose of this comparison was to examine whether more proactive firms had a higher perception of competitive advantage.

	Level of Proactivity	**Perception of Competitive Advantage**
Case 1	Very proactive	Mixed
Case 2	Very proactive	Positive
Case 3	Somewhat proactive	Mixed
Case 4	Very reactive	Mixed
Case 5	Somewhat proactive	Positive
Case 6	Very reactive	Negative
Case 7	Very reactive	Negative
Case 8	Somewhat reactive	Negative

Analysis

In this analysis, 4 out of the 8 firms were determined to be "somewhat proactive" or "very proactive" in their sustainability communications. Of these, 2 of the 4 expressed a positive perception of competitive advantage, and 2 expressed a mixed perception. On the other hand, of the 4 cases determined to be "somewhat reactive" or "very

reactive", the majority (3 out of 4) believed that communicating about sustainability did not create a competitive position for the company.

These results suggest that if the strategic planning team for a company does not believe that informing stakeholders of environmental or social responsibility efforts will bring any benefit, they are less likely to be proactive in comprehensive communication efforts using sustainability content. For instance, the interviewee from Case 8 stated that *"financially, the payback isn't one to one, or one plus one. It's not a great payback to do sustainability practicing in our industry"*. Examining the company's communication activities, the firm was found to be very reactive and only reported using one channel (one to one responses to generic requests) to communicate about their sustainability attributes.

RA3. Link between geographic distribution and competitive advantage

Lastly, the geographic distribution of firms' facilities was compared to perceptions of competitive advantage, to determine when companies with international operations were more likely to perceive sustainability communications to create competitive advantage.

	Geographic Distribution	Perception of Competitive Advantage
Case 1	U.S. and international	Mixed
Case 2	U.S. and international	Positive
Case 3	U.S. and international	Mixed
Case 4	Only U.S. facilities	Mixed

Case 5	U.S. and international	Positive
Case 6	Only U.S. facilities	Negative
Case 7	Only U.S. facilities	Negative
Case 8	Only U.S. facilities	Negative

Analysis

This data shows that of the 4 cases with solely U.S.-based facilities, 3 expressed a negative perception of competitive advantage due to sustainability communications, and 1 expressed a mixed perception. Conversely, of the 4 cases with international facilities, 2 reported a positive perception and 2 expressed a mixed response. This suggests that companies with international locations may be more likely to perceive sustainability communications to build competitive advantage.

RA4. Link between firm size, communication proactivity, and competitive advantage

Five of the eight cases in this studied can be classified as small or medium enterprises, using the definition of having 500 employees or less.

	Level of Proactivity	Perception of competitive advantage	Firm size	SME status
Case 1	Very proactive	Mixed	113,000 globally	--
Case 2	Very proactive	Positive	12,000 employees	--
Case 3	Somewhat proactive	Mixed	10,000+ employees	--
Case 4	Very reactive	Mixed	500 employees	SME

Case 5	Somewhat proactive	Positive	280 globally	SME
Case 6	Very reactive	Negative	175 employees	SME
Case 7	Very reactive	Negative	100-125 employees	SME
Case 8	Somewhat reactive	Negative	5 employees	SME

Analysis

Of the 5 cases classified as small or medium enterprises, 3 demonstrated a "very reactive" approach towards sustainability communications and one demonstrated a "somewhat reactive" approach. On the other hand, each of the 3 cases classified as large businesses showed a "very proactive" or "somewhat proactive" strategy. This generally indicates that larger companies are more likely to have strategic sustainability communication strategies.

With regard to competitive advantage, 3 of the SMEs expressed a negative perception, while 1 demonstrated a mixed response and 1 responded positively. Results from the larger companies were equally diverse, with 1 respondent showing a positive perception and 2 expressing mixed perceptions. These findings seem to indicate a lack of full understanding and agreement in the textile industry on the benefits of communicating about sustainability.

Discussion

Through synthesis of information presented by each of the eight cases, several trends

emerged that have implications towards the current state of sustainability

communications in the textile industry.

1. Inconsistent firm understanding of corporate sustainability

Content analysis of verbal responses and textual materials revealed strong

inconsistencies in each firm's definition of sustainability. While the Brundtland

Commission described sustainability as "development that meets the needs of the

present without compromising the ability of future generations to meet their own

needs" (1987), and the World Business Council for Sustainable Development defines

corporate social responsibility as a "commitment by business to contribute to

economic development while improving the quality of life of the workforce and their

families as well as of the community and society at large" (2015), results of this

research showed interesting variances. A few firms defined sustainability using

concepts such as "triple-bottom line" management and the preservation of resources

for future generations. Several considered sustainability in the sense of "continuity",

or being able to maintain continuous competitive positioning and survival in the

market. Several smaller firms defined it in terms of "community responsibility", and

gave examples of their efforts to support community groups and provide opportunities

for employee volunteerism. And many spoke of sustainability with regard to "quality",

or providing textile materials with higher quality fibers that would last longer after

washing. This finding is particularly interesting when considering that textiles have been trending towards practices of "fast fashion", where buyers demand shorter lead times and lower-cost materials to keep pace with frequent turnover in fashion styles (Peng et al., 2015). Overall, results indicate there is still a wide lack of consensus between textile suppliers about the meaning of sustainability and its relevance and applicability to business activities.

2. *Social criteria more prevalent for government and public institutions*

All cases that supplied to brands and retailers reported they received both environmental and social criteria from customers, and to a significant degree. This is consistent with numerous past findings that brands and retailers demand higher levels of sustainability disclosure than firms at other stages of the supply chain because of stakeholder pressures and high public visibility. However, both cases that primarily filled government contracts expressed they only receive disclosure requests for social factors. For instance, one case dealt solely with military sub-contracts, and reported their only requirements were on the "*employee side*". Or as another interviewee explained it, *"the way Congress decided they were going to save the American public was demand [the customer] only carry American-made t-shirts".* Both seemed to be largely affected by past mandates that government institutions use only American-produced textiles and certain social criterion. Interestingly, neither firm reported receiving requests for disclosure on their environmental performance. Past research has shown that the government has begun to implement responsible purchasing

practices on a localized level, for example, in 2008 New York State issued an executive order to establish a green procurement program which included strategies for integrating environmental criteria into purchasing categories (Case, 2008). However, it seems that influence from any national environmental purchasing programs has not trickled down to either supplier in this study.

3. Sustainability communications less relevant to U.S.-based companies

All of the cases which operated solely in the United States expressed a strongly negative or mixed perception that communicating about their sustainability initiatives would result in a competitive advantage. Conversely, cases with international distribution of facilities were more likely to demonstrate a positive perception towards competitive advantage. These results seem to indicate that sustainability communications are less relevant to textile firms that only engage in U.S.-based production. There could be several possible explanations for this phenomenon. First, the United States has a significantly higher level of social and environmental regulations than do other economies, for instance, textile manufacturers are required to comply with Restricted Substance Lists (RSLs) for chemical usage. It is possible that the U.S.-based cases do not perceive sustainability communication strategies to bring competitive advantage because they already operate at a high-level of compliance. Exerting extra resources to design comprehensive, strategic communications plans may violate the law of diminishing returns for these firms, generating less additional benefit than the added cost. For instance, one interviewee remarked that although their

customer issued a disclosure request for social factors like child labor and safe working conditions, *"It's not really geared towards us. Because our plants are in the United States, and everybody around the world knows you can't be environmentally unfriendly. Because the U.S. is at such high standards".* Similarly, another respondent commented that "*our competitors are doing the same thing we are domestically. But globally there's a whole different set of rules. So I feel we're at a disadvantage, in regards to the products we put out because we have to meeting higher standards".* However, firms with international operations lack the credibility offered by the U.S. regulatory system, and must bridge both a geographic and conceptual gap by designing strategic customer-directed communication activities about sustainability.

A second explanation for stronger perceptions of competitive advantage could be related to firm size. Companies with facilities in other countries are more likely to be larger, have more employees and revenues, and therefore more resources to dedicate to strategic communication activities. Larger firms might perceive sustainability-related to bring competitive advantage in part because it is an agenda item for which they have money. Smaller, domestic firms are less likely to have extra resources allocated to strategic communications.

More research is need to uncover causal relationships in perceptions of competitive advantage, yet overall, textile firms with only U.S.-based operations seem to perceive that sustainability is less relevant because of their high compliance levels. However, this effect could prove risky, as U.S. textile firms still have significant impacts on the environment through their material and water usage. These findings

support Baden, Harwood, and Woodward's idea of a "ceiling effect" in supply chain sustainability, which depicts environment and social requirements to have a potential negative effect if small and medium enterprises perceive these procurement standards to be the highest level of sustainability they must obtain (2011). As a result, these firms may not engage in voluntary action.

4. *Lack of strategic sustainability communications at the SME level*

Most of the cases in this study classified as small or medium enterprises demonstrated a "very reactive" or "somewhat reactive" approach towards sustainability communications, and these generally correlated with low perceptions of competitive advantage. Most used very few channels to communicate about sustainability, relying primarily on email and one-to-one interactions rather than formal approaches such as annual report generation or press releases. There seemed to be a mild level of distrust that strategic communication activities would be beneficial. For instance, when asked about his firm's social media strategies, one respondent commented that he didn't *"see the need to be constantly communicated with by a corporate supplier".* Another interviewee expressed that *"we're not really a company to toot our own horn a lot".* These findings strongly support existing research that shows small and medium enterprises are less likely to have the resources, time and capabilities to engage in strategic sustainability communications (Baumann-Pauly et al, 2013; Nielson & Thompsen, 2009).

Implications for management

The eight cases in this study demonstrated a strong lack of consistency in understanding about the benefits of sustainability and sustainability communication practices. There was a clear disconnect between expressed understanding and actual practices; many firms that engaged in activities to reduce environmental and societal impact did not perceive their actions to be worthy of communications. For managers, this suggests there is still an internal communications disconnect. Sustainability should be embedded within company policies, mission statements, and formal and informal employee messaging before it can be perceived as relevant for external communication.

Limitations and future research

Using a case study design, this research provides rich insight into trends, phenomena, and perceptions of eight firms throughout the textile supply chain. However, this approach presents several limitations. First, due to the limited sample size, results are not generalizable to all firms within the textile supply chain or to firms in other industries, and it is difficult to draw conclusions from just eight cases. Each firm was assessed usually textual materials and interview responses from one individual per company; this single-respondent design could result in less accurate portrayals of company tendencies due to lack of cross-validation by other perspectives. Lastly, results may be limited by the inconsistency in interviewee understanding of sustainability and corporate social responsibility. Though definitions were given

verbally throughout the phone interviewing process, interviewees may have been considering a wide variance of issues – energy, social issues, quality, or chemical use – when responding to questions about their communication activities and perceptions of competitive advantage.

Future research may study each of the construct relationships outlined in this study in specificity, using a large sample size and survey-based research design with explicit definitions of "corporate sustainability". For instance, more research is needed to determine whether it is an industry-wide trend for textile firms with international operations to have stronger perceptions of competitive advantage from sustainability communications. Or, further studies may examine the differences observed in stronger social criteria stemming from government contracts in the textile industry. Due to the inconsistencies in intra-firm perceptions of sustainability, future research may also look at internal communications related to perceptions of competitive advantage, both from a managerial-employee and a purchasing-marketing function perspective.

Conclusion

Sustainability is a new concept for many suppliers in the textile industry. This study examined marketing content and interview data from eight different firms, and found an overall lack of consistency in the understanding, application, and perception of sustainability communication strategies. While textile suppliers face a moderate level of requests from customers to engage in environmental and social responsibility, there is uncertainty as to whether communicating about sustainability activities could

generate competitive benefits. Formal sustainability communications seem to be more prevalent in textile firms with international operations, and while differences in country regulation levels may be a factor, more research is needed to determine causes for this trend. Small and medium enterprises (SMEs) in this study demonstrated a significantly weaker level of engagement and proactivity in sustainability communications, as is consistent with previous research. Overall, the in-depth investigation of these cases presents primary results for several relationships, such as the link between geographic distribution and firm perception of competitive advantage, which future research may isolate and examine.

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