



Responsible Sourcing: A Perspective from Small Apparel Business Owners

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Introduction: Responsible sourcing, which is an integral part of sustainable supply chain management and is a relatively recent, but rapidly emerging field is certainly very relevant to the apparel industry (Caniato, Caridi, Crippa, & Moretto, 2012). However, a systematic empirical investigation of responsible sourcing in the apparel industry remains scarce; and the motives and the practices of responsible sourcing by small apparel business owners have been unexplored. The purpose of the study is to fill this gap by utilizing sustainable supply chain management theories in the US apparel industry and exploring the responsible sourcing issues from small apparel business owners' perspectives, including motives of responsible sourcing, supplier selection criteria, managerial approaches, and barriers to responsible sourcing.

Literature Review and Research Theoretical Framework: In the present study, a multi-theoretical perspective is used, including the natural resource-based view of the firm (Hart, 1995; Hart & Dowell, 2011) and the theory of dynamic capabilities (Helfat et al., 2007). Hart's theory takes into account a focus on the natural environment, and his idea of competitive advantage is based on the firm's relationship with the natural environment via three interconnected strategies: pollution prevention, product stewardship and sustainable development (Hart, 1995; Hart & Dowell, 2011). Dynamic capabilities were defined as the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments. Dynamic capabilities thus reflect a firm's potential to systematically solve problems, formed by its propensity to sense opportunities and threats, to make timely and market-oriented decisions, and to change its resource base (Teece, Pisano & Shuen, 1997).

The apparel industry is an ideal exemplifier of global supply chain (Su, 2013) and is a typical representative of small- and medium-sized enterprises (SME) in the US economy (Su & Gargeya, 2016; US Census Bureau, 2018). The apparel industry is characterized by the intense use of chemical products and natural resources, the significant issues with the generation of waste, and heavily criticized labor practices and conditions. Indeed, few industries have received as much public attention as the apparel industry, and few are more challenged by the sustainability concerns that have recently emerged in the media and public (Caniato et al., 2012). The scale of environmental and social impacts from global apparel production and consumption makes sustainable sourcing increasingly important in the contemporary business environment.

Research Method: To address the purpose of the study, Creswell's (2003) "inductive logic of research" approach was employed to explore responsible sourcing issues in the apparel industry from small apparel business owners' perspectives. Personal in-depth interviews were conducted as the primary data collection method. A qualitative research approach was used to analyze the information collected. Within the researchers' existing network with industrial practitioners, five small apparel business owners in the state of North Carolina were identified and took part in

semi-structured interviews, lasting approximately 45 minutes to one hour. The interviews were transcribed verbatim, and thematic analysis was used for this study.

Results, Discussion, and Conclusions: The small business owners interviewed were all in the sustainable apparel manufacturing business. The collected data was analyzed and categorized based on the following critical issues of responsible sourcing. (1) Regarding the *motives for engaging in responsible sourcing*, all the respondents indicated the following four themes: being passionate and feeling good about what they are doing when creating products; hoping to change the industry and do better things for planet and people; being ahead of the clothing industry sustainability evolution; and has a positive impact on its actors and the community it supports. (2) In terms of the *sustainable issues in small business firm's responsible supply chain management efforts*, all the interviewees explained that consumer demand, higher prices, limited options, and long-term vs short-term cost orientation as the major sustainable issues in their sustainable apparel business. (3) When asking the *key supplier selection criteria* in their responsible sourcing, all interviewees mentioned first that they rely on certifications and standards to make sure they purchase reliable materials and products. The certifications include GOTS, WRAP, B Corps, Confidence in Textiles Stamp (OEKO-TEX Standard 100), the Bluesign Standard, and ISO certifications. They all prefer domestic sourcing and use local textile production. For all the small apparel business owners interviewed, transparency and traceability in textile and apparel supply chain is also a key criterion when doing business with suppliers. (4) When asking *sustainability collaboration with supply-side*, all the firms interviewed indicated they hope to see more local mills willing to work with new sustainable materials. One respondent specifically mentioned that there needs to be incentives from government, whether it be from state, local, federal for firms to produce sustainable apparel products. When asking *sustainability collaboration with demand-side*, all the interviewees recognized the need to move the industry toward a demand-driven approach by educating the buyers and customers to understand the benefits of purchasing sustainable products and appreciate the costs associated with responsible business. One respondent emphasized the need to develop different tools that allow both consumers and buyers to measure those cost differentials and another is integrating 3D design as a demand model with zero waste. (5) In terms of the *barriers of responsible sourcing* in small apparel business, three themes emerged from all interviews including limited options (shortage of sustainable raw materials and local mills that will work with them), higher price due to higher costs associated with producing, distributing, marketing and retailing of sustainable apparel products, changing the mindset and educating the consumers about sustainable products' quality and costs. One respondent highlighted the idea that sustainable should be more fashionable.

This study explored small apparel business owners' perspectives on responsible sourcing, which is an emerging industrial movement in the apparel industry. The study contributes to the literature on sustainable supply chain management and sustainability in the apparel industry and the fashion industry at large. Furthermore, building on the findings from this qualitative study, future quantitative research could be conducted to specifically investigate the relationships between sustainable sourcing motives, sustainability collaboration, and business performance.

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