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AN EMPIRICAL INVESTIGATION OF SUPPLY CHAIN SOCIAL SUSTAINABILITY IN LABOUR- INTENSIVE INDUSTRIES

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Complete List of Authors:	Giang N. T, NGUYEN, ; The University of Newcastle, Faculty of Business and Law Venkatesh, Mani; Montpellier Business School, Kha M., KIEU, ; Becamex Business School Papadopoulos, Thanos; University of Kent, Kent Business School
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12 NGUYEN, Giang N. T.

13
14 ¹Faculty of Business and Law, The University of Newcastle, Newcastle, Australia

15 ²School of Business and Management, RMIT University, Vietnam

16
17 Email: giang.nguyenngotinh@gmail.com
18
19

20
21 ***Venkatesh Mani**

22 Montpellier Business School, 2300,

23 Avenue des Moulins, 34185 Montpellier Cedex 4, France

24
25 m.venkatesh@montpellier-bs.com
26
27

28
29 KIEU, Kha M. (Mr.)

30 Becamex Business School,

31 Eastern International University, Vietnam

32
33 Email: kha.kieu@eiu.edu.vn
34
35
36
37
38

39 Thanos Papadopoulos

40 Kent Business School, University of Kent.

41 Sail and Colour Loft, The Historic Dockyard, Chatham, Kent ME4 4TE

42
43 United Kingdom

44
45 Tel: +44 1634 88 8494

46
47 E-mail: A.Papadopoulos@kent.ac.uk
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54 *Author for correspondence
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SUPPLY CHAIN SOCIAL RESPONSIBILITY IN LABOUR- INTENSIVE INDUSTRIES: A PRACTITIONER'S PERSPECTIVE

ABSTRACT

Social responsibility in labour-intensive industries of developing countries is always a controversial issue among academics and practitioners. Although several studies have conceptualised or empirically examined social responsibility in developing countries, there is limited research that investigates social responsibility issues spanning the entire manufacturing supply chain. Using stakeholder and Resource-Based View (RBV) theory, this study examines the barriers, enablers, motivations, and the current social responsibility facts of the garment and textile industry from knitting suppliers to apparel or garment manufacturer to fashion retailers in the Vietnamese context. The exploratory research design was used through content analysis, panel discussion, and in-depth interview. Our results show that most of the companies have not implemented any significant policies to promote social responsibility but only to adhere to labour law. Since managers realize the crucial social responsibility role in the performance of their operation, merchandisers and intermediaries have a compelling role in improving their social responsibility, and the role of government and NGOs seems to be faded. We also provide the managerial implications and directions for future research.

Keywords: social responsibility; supply chain management; labour-intensive industries; qualitative study

1. Introduction

Nowadays organisations are urged to consider the practices for sustainable supply chain management as they assist to raise their trustworthiness, bolster their relationship with stakeholders and achieve more capital or goodwill. Sustainability is obtained by equally addressing environmental, social and economic goals to satisfy the needs of today without sacrificing the needs of future generations (Brundtland, 1987). Economic and environmental aspects have received significant contributions from practitioners and academics compared to social responsibility (Ashby, Leat & Hudson, 2012; Zhu & Sarkis, 2006; Taticchi, Tonelli & Pasqualino, 2013; de Sousa Jabbour et al., 2015; Jabbour et al., 2016). Social responsibility is defined as managing social issues to ensure the long-term development of the organisation. Current studies investigate the enhancement of social responsibility with upstream suppliers (Walker and Jones, 2012; Goebel et al., 2012) or downstream partners (Carter & Easton, 2011; Gimenez & Tachizawa, 2012). However, researchers have also emphasised that social responsibility issues include several

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3 entities and production stages as products move from suppliers to customers (Klassen & Vereecke,
4 2012). Thus, these social phenomena should not only be studied within the focal firms' internal
5 operations but also extended to the inter-organisational level from the downstream buyers to
6 upstream suppliers.
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10 Social responsibility research has mainly focused on developed nations and applied the same
11 assumptions and findings to developing countries even though the social issues and antecedents
12 are considerably different across geographic locations (Ashby et al., 2012, Huq et al., 2014; Gopal
13 and Thakkar, 2016, Golicic et al., 2020). Furthermore, very few researchers within developing
14 contexts consider the implications of theoretical perspectives on developing social responsibility
15 framework (Mani, Agarwal, et al., 2016; Mani & Gunasekaran, 2018; Mani, Gunasekaran, &
16 Delgado, 2018a; Nicoletti Junior et al., 2020). Notably, the existing studies have mainly
17 concentrated on firm-level perspectives, and very few research have investigated ecologically or
18 socially responsible management in the entire supply chain (Lee et al., 2014). Therefore, there
19 seems to be little knowledge of how and to what extent the environmental and social
20 responsibilities affect the supply chain in Asian nations.
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29 The majority of research focused on corporate social responsibility and its impacts on
30 economic and social performance, while the institutional determinants of social responsibilities
31 have not yet been considered seriously (Luu, 2012). Scholars have also acknowledged that in the
32 manufacturing industries, social responsibility is predominantly vital as stakeholders express more
33 concerns about “where”, “how”, and “in which condition” products being produced (Mani et al.
34 2016; McCarthy et al., 2010). The impacts not only influence the organisation and its society but
35 the whole supply chain and all related nations (Rao & Holt, 2005).
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40 Since the World Trade Organization (WTO) accession in 2007, Vietnam has witnessed
41 considerable growth in the garment and textile industry which ranked 4th among the top garment
42 exporters globally (Ambastha, 2017). With the export value of over \$31 billion in 2017, it has
43 become the second-largest export commodity in value (after telephones) (Association, 2018;
44 VITAS, 2018). Better economic performance of the industry has not, however, led to a comparable
45 improvement in social performance. According to Nguyen (2017), over 80 per cent of textile and
46 garment enterprises have violated minimum requirements of national labour law including wages,
47 working hours, health and safety standards. Moreover, several deadly work accidents have been
48 reported due to low working condition standards. Thus, it is imperative for the practitioners to
49 improve social standards in Vietnam's garment and textile industry. However, few researchers, if
50 any, examine social sustainability practice in the entire apparel supply chain, giving us the impetus
51 for this study.
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To address this research void, the aim of this research is to examine social responsibility issues in the Vietnamese context and in particular Vietnam's garment and textile supply chain from material suppliers, spinning, and textile, garment companies to merchandisers, exporters, or retailers. Furthermore, the research seeks to identify motivators, enablers, barriers, and distinct dimensions of social responsibility in different tiers of the chain as well as its impacts on the performance outcomes of the industry. Thus, the study intends to highlight the following key research questions:

1. RQ1: How are the social responsibility issues managed in each stage of the garment and textile supply chain with respect to Vietnam?
2. RQ2: How can social responsibility contribute to the operational performance of entire Vietnam's garment and textile supply chain?

This research has three contributions to the literature of social responsibility in developing countries: First, it determines the differences aspects in terms of barriers, enablers, motivators of social responsibility of each stage in the garment and textile value chain in Vietnam. Second, it uncovers dimensions of social responsibility in each stage and provides an analysis of impacts of social responsibility practices on the supply chain of Vietnamese garment and textile industry, thereby contributing incrementally to sustainability and operations literature. Third, in this study, by integrating different theories including stakeholder theory and resource-based view into consideration, a holistic framework of supply chain social responsibility is provided, attending to those stakeholders affecting and affected by the supply chain operation.

The remainder of this paper is presented as follow. The conceptual background is reviewed, and the description of the garment and textile industry in Vietnam is briefly mentioned. Next, the research methodology is described in section three. In section five, research findings are critically displayed. The implication discussion, limitations and further research direction are presented in section six and seven respectively.

2. Literature Background

2.1. Sustainability and supply chain social responsibility

The term 'sustainability' was first defined in the research of Carroll (1979) that includes four fundamental responsibilities of the organisation namely economic, ethical, legal, and voluntary. In later studies, Elkington (1998) and Carter and Rogers (2008) specified that corporations play a primary role in promoting economic, ecological, and social responsibilities that are resulted from their actions at the different level of the supply chain. Since Asian countries have become outsourcing factories of the world, sustainability issues have been examined in different

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3 geographic settings such as the Corporate Social Responsibility (CSR) practices of several
4 companies in China (Cooke & He, 2010; Jiang & Zhu, 2013) and Japan (Aman & Nguyen, 2012),
5 the environmental responsibility of Korean firms (Cho & Voss, 2011), and Indian firms (Luthra
6 et al., 2018). Social responsibility practices in the supply chain are defined as the perspectives of
7 product and process that influence the safety, wellness and welfare of people (Carter, 2005; Carter
8 & Easton, 2011). Social responsibility practices govern social issues such as equity, human right,
9 discrimination, adequate housing, wage, philanthropy in the whole supply chain and should not
10 only be restricted to the operations of the focal firms but expand from upstream suppliers to
11 downstream customers (Carter & Rogers, 2008; Yang, 2013). It is also essential to consider the
12 broader societies in with the whole supply chain operates or otherwise influences (Yang, 2013;
13 Yang, 2016).

14
15 The discussion on social responsibility is to deeply understand what issues must be
16 highlighted and how these issues are emphasised at the different stages of the chain (Wood, 1991)
17 Moreover, scholars need to understand the related stakeholders whom a firm need to be socially
18 responsible too. However, the literature related to social responsibility is under-theorised, and the
19 current constructs are oversimplified (Khan et al., 2018). In the upstream of the supply chain,
20 social responsibility was practised as purchasing social responsibility by emphasising social issues
21 in the supplier's sites (Maignan & Ralston, 2002; Hilman and Keim, 2001). Meanwhile, downstream
22 social responsibility is achieved by social responsibility of buying behaviours (Ehrgott et al., 2011;
23 Cruz, 2013).

24
25 One of the most commonly employed tools to confirm social responsibility practice at
26 suppliers' sites in manufacturing industries is setting up codes of conducts and auditing at the
27 suppliers' sites (Lee et al., 2018). Codes of conduct are a key criterion for selecting suppliers who
28 address the most common social issues, including child labour, forced labour, civil rights, diversity,
29 health and safety of employees, and ethical responsibilities for the satisfaction of local communities
30 (Carter 2005). Furthermore, several support programmes including training and education,
31 information sharing and financial assistance are approved to implement social responsibility at the
32 suppliers' sites (Clair et al. 1997; Jeninngs & Entine, 1999; Chavez et al., 2020). Those programs
33 focus more on enhancing the long-term social responsibility of suppliers than on obtaining short-
34 term outcomes (Vachon & Klassen, 2006). Social responsibility audits may be conducted at the
35 suppliers' premises on a regular basis by buyers or a third party certified organisation. Various
36 certification schemes are more popular recently, such as the SA8000. However, different
37 certifications have different measurements.

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There has been lacking universal dimensions and measures the social responsibility issues in manufacturing supply chain to assist practitioners and academics in managing and evaluating the social responsibility, especially in developing nations (Gugler and Shi, 2009; Gopal and Thakker, 2016). In Vietnam, a survey conducted by Vietnam Academy of Social Sciences examining social responsibility practice among several businesses in Vietnam showed that most of local firms had not met the common social responsibilities standards. The most common offenses have been recognised includes the misconducts in businesses, lack of minimum benefits for employees and other causes to the environmental damages (Bilowol & Doan, 2015).

2.2. Theoretical background

According to Touboulic and Walker (2015), institutional theory, transaction cost theory (TCT), resource-based view, including the N-RBV, and stakeholder theory are the commonly referenced and employed in the literature of sustainable supply chain management. In this research, we frame 'social responsibility' building on the tenets of stakeholder and resource-based view theory to explain how organisations address stakeholders' social issues in different stages of garment and textile supply chain in an emerging economy, in consistent with Touboulic and Walker's (2015) work that proposed to include social/human aspects in sustainable supply chain research. Besides, the fundamental ideas of these two theories are used to evaluate the organisation's efforts in social practices that may contribute to performance outcomes, resulting in the social responsibility of the entire supply chain.

Stakeholder theory presents to an extent to which managers have responsibilities for the organisations, shareholders and stakeholders (Donaldson and Preston, 1995). Donaldson and Preston (1995) mentioned that stakeholders theory includes three forms named normative, descriptive and instrumental. While the descriptive form of the theory sometimes used to describe the specific characteristics of the firm, the instrumental form of theory in conjunction with the descriptive form used to recognise the connections of corporate and lack of stakeholder's management and traditional corporate objectives connection. On the other hand, the normative form is used to identify corporate functions through philosophical or moral guidelines to operate and manage the corporations. Each of these approaches uses stakeholder theory of some value, but each value differs in its use. Stakeholder theory also mentions that primary stakeholders including suppliers, employees, residents and customers, have a direct influence on the company. At the same time, the secondary stakeholders can impact the organisations through their impacts on the primary stakeholders (Agle et al., 2008). These stakeholders are considered to be the three main driving forces including normative motivators (from industry relationship and history),

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3 cultural motivators (from traditions, norms and values) and regulatory motivators (clients, NGOs,
4 media and government) for social responsibility implementation in the supply chains (Huq et al.,
5 2014, Gaur & Mani, 2018). According to (Mani & Gunasekaran, 2018; Köksal, Strähle & Müller,
6 2018), regulatory factors influence social responsibility adoption of the whole supply chain the
7 most, especially in the emerging countries. On the other hand, the relationships between social
8 responsibility adoption and cultural values and normative forces are more significant in the
9 developed contexts where the sustainability culture are well-developed in the societies (Marshall et
10 al., 2015; Nakamba, Chan & Sharmina, 2017).

11
12 Similarly, the pressures from various stakeholders force an organisation to adopt social
13 responsibility practices that in turn, help organisations achieve social legitimacy (Ehrgott et al.,
14 2011; Park-Poaps & Rees, 2010). Waddock et al. (2002) and Branco & Rodrigues (2006)
15 emphasised that engaging stakeholders on social responsibility are positively driven by the potential
16 tangible, and intangible values gained later. Instrumental justifications pointed out the connection
17 between stakeholder management and corporate performance (Donaldson and Preston, 1995). It
18 is applied to investigate the motivations of the organisational social responsibility efforts as well as
19 influence and pressures of different stakeholders on the firms to behave socially sustainably
20 (Clarkson, 1995; Sancha et al., 2015). Thus, this paper examines the influence of different
21 stakeholders on improving social responsibility in entire Vietnam's garment and textile supply
22 chain through the stakeholder theory (instrumental form).

23
24 Further, Resource-based view (RBV) theory (Barney, 1991; Carter and Jennings, 2004;
25 Mani et al., 2016) was used to demonstrate the ability to enrich inimitable resources of the supply
26 chain that cannot be copied by adopting social responsibility in their management practice. The
27 firm's resources that are identified as value-creating resources are hard to reproduce. Resources
28 which are socially complex and time -path dependant fit this category. While these resources are
29 hard to reproduce or imitate, the organisation owning the asset is likely to possess a competitive
30 advantage over others. Based on complicated and thoughtful understanding, this advantage is
31 informational and not easily obtainable to outsiders (Peteraf, 1993). According to Garvin (1993)
32 and Sodhi (2015), the firms' ability to effectively discover and make the necessary changes on the
33 basis of what they have experienced over time will give the organisations competitive advantages
34 and sustainable development. Moreover, the learning process to improve social responsibility
35 including working to develop the minority business suppliers, improving living conditions of
36 workers may take time and cost significantly, but such learning can have a considerable beneficial
37 influences on supplier performance, operating cost reduction and relationship management
38 (Rogers & Carter, 2008; Klassen & Vecrecek, 2012; Carter & Jennings, 2011). Such supply chains
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3 integrate social responsibility practice may better avoid ramifications, be more secure and develop
4 higher levels of trusts amongst stakeholders (Carter, 2005; Morali & Searcy, 2013).

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6 Building upon stakeholder theory and resource-based theory, Shodi (2015) proposed and
7 conceptualised stakeholder resource-based view theory (SRBV). The theory suggests that there are
8 various stakeholder groups in operations, with their own resources, dynamic capabilities and
9 routines, pursuing to optimize their respective utilities over their respective time horizons, which
10 is a powerful idea to include both competitive advantage and dynamic capability given the presence
11 and absence of uncertainty. We further examine how firms manage these stakeholders with
12 inimitable resources to collectively achieve the objectives of corporates. Touboulic and Walker
13 (2015) and Shodi (2015) mentioned that theoretical perspectives from other disciplines impact the
14 way SSCM has been conceptualised. There has been a highlight on researching the relationship
15 amongst resources, performance, and power of firms. Notably, researchers focus on identifying
16 competitive advantage sources through deploying natural environmental and social dilemmas
17 within the structure of business capacity (Hart, 1995, Hart and Milstein, 2003) which fits with the
18 current sustainable development focus.

19
20 And thus, this research uses the tenets of stakeholder theory and RBV to examine social
21 responsibility phenomenon in Vietnamese garment and textile products that we follow the
22 integrated theoretical approach of Touboulic and Walker (2015), and Shodi (2015).

3. Conceptual Model and Propositions

3.1 Drivers and barriers to the social responsibility in the supply chain

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24 In the research of (Huq et al., 2014, Gaur & Mani, 2018), there are 3 main driving forces
25 for social responsibility in supply chain management including normative motivators (from
26 industry relationship and history), cultural motivators (from traditions, norms and values) and
27 regulatory motivators (clients, NGOs, media and government). Scholars (Mani & Gunasekaran,
28 2018; Köksal, Strähle & Müller, 2018) argue that regulatory factors influence social responsibility
29 adoption of the whole supply chain the most, especially in the emerging countries. However, the
30 relationships between social responsibility adoption and cultural values and normative forces are
31 more significant in the developed contexts where the sustainability culture are well-developed in
32 the societies (Marshall et al., 2015; Nakamba, Chan & Sharmina, 2017).

33
34 In terms of barriers, Hussain, Rigoni & Cavezzali (2018) mentioned that depending on the
35 different eyes of stakeholder groups, there are several different barriers including lack of
36 accountability, lack of coordination, lack of knowledge, conflicts of interests, cost pressures,
37 organisational culture, lack of information and training. This discussion on barriers is varied by
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3 contexts and industries, and thus, a preliminary interview is conducted in this research to identify
4 the specific barriers for social responsibility adoption in the Vietnamese garment and textile supply
5 chain. We develop serious of propositions in the following sections
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10 *3.2 Social responsibility as the competitive advantages in the international market to maintain strategic* 11 *partnership.* 12

13 Sustainability refers to the use of social responsibilities activities to ensure sustainable
14 development, and the consideration of the triple bottom line. Acting in congruence with the triple
15 bottom line may lead to competitive advantage. License to operate considers explicit and tacit
16 permission from different stakeholders. Furthermore, reputation refers to the firms' engagement
17 in social responsibilities activities to strengthen the company's image and brand towards
18 stakeholders. Porter & Kramer (2006) recommended further research into the relevance regarding
19 social responsibilities and competitive advantage. Employing social sustainability practice to
20 manage internal and external stakeholders may become a long-term sourcing strategy to develop
21 long-term sourcing partnership with international partners. It can further be said that a firm needs
22 to weight one social benefit against another, and at the same time looks at the cost associated with
23 the activities. However, Porter & Kramer (2006) said that firms engaged in social responsibilities
24 activities due to pressure from society can, in turn, lead to increased profitability for the firm. Tran
25 & Jeppesen (2016) also proposed that implementation of social responsibility is not a financial risk
26 but strengthens strategic position, and financial strength of the organisation helps in achieving
27 organisational sustainability that fit the view of resource-based view theory. Therefore, proposition
28 1 is suggested as follow.
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42 *Proposition 1: Social responsibility is a gatekeeper to develop a long-term collaborative sourcing strategy.*
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45 On top of that, international organisations whose suppliers based in different nations with
46 different ethical standards have to be more compelled to be engaged in socially responsible
47 activities. However, because of lacking financial incentives and support from the local authorities,
48 local firms could not fully comply with these standards, and multinational brands try to avoid
49 sharing the costs in different ways (Tran & Jeppesen, 2016). Thus, formally written codes of
50 conduct for social responsibility practice are usually needed when collaborating with global brands
51 because it can help them mitigate the significant misalignments between cultures, languages, and
52 knowledge. Finally, social responsibility terms may help to transfer production risks to the previous
53 tiers of the chain, thus the following proposition can be arrived.
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5 *Proposition 2: Social responsibility is a risk transferred method from a firm to the previous tiers of the*
6 *chain*

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8 Porter and Kramer (2006) mentioned that social responsibilities activities in a firm can lead
9 to opportunity, innovation and competitive advantage, and the firm will gain sufficient advantage
10 when using its resources on social activities. Moreover, Knight & Harland (2005) confirmed that
11 evidence of social responsibility activities could help to make the best impression for a global
12 organisation when they look for the new suppliers in developing countries despite distance and
13 communication issues. Especially, apparel retailers mainly relied on the social responsibility
14 practice of suppliers in the developing nations to establish the distance collaboration. Moreover,
15 after joining WTO, Vietnamese firms need to employ socially responsible practice to integrate into
16 the world's ethical standards and achieve international collaborations. It can lead to the following
17 proposition

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27 *Proposition 3: Socially responsible practice become a competitive advantage for local processing factories to*
28 *look for international collaboration in garment and textile industry.*

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32 Burke and Logsdon (1996) mentioned that escalating competitive pressure in the
33 international market have caused organisations to concern their social responsibilities. In many
34 cases, societies often expect solutions from businesses to deal with the social problems that the
35 government failed to tackle (Burke & Logsdon, 1996; Smith, 2003). Munilla and Miles (2005) also
36 emphasise the importance of the today's media intensity and globally connected social
37 environments. In the same lines, Graafland and van de Ven (2006) suggest that due to the risk of
38 having a bad reputation among different stakeholders, forces in the industry and the competitor's
39 engagement, corporates are forced to be engaged in different social responsibilities activities.
40 However, employing social responsibilities requires complicated procedures and extra costs that
41 those companies would try to avoid as much as possible and social responsibilities may become a
42 problem of tokenism to tackle with stakeholders' requirements. Thus, proposition 4 can be
43 mentioned as follow:

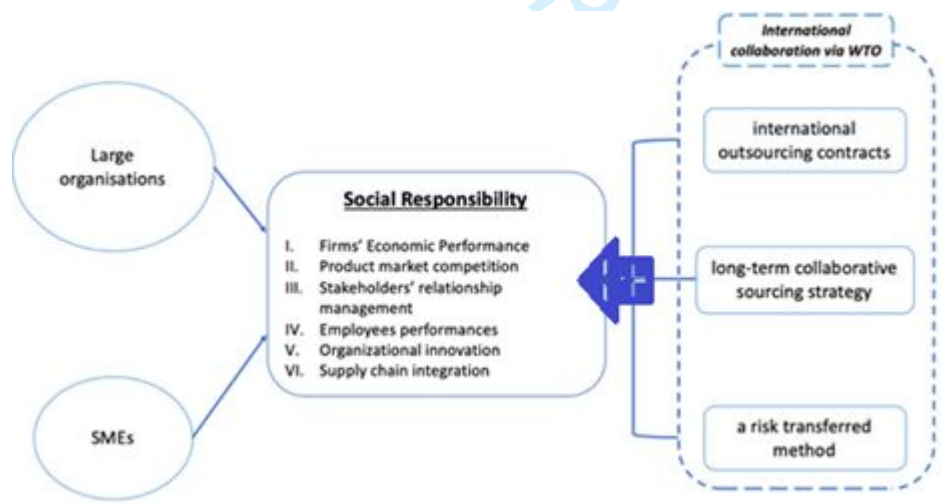
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53 *Proposition 4: Social responsibility, to a large extent, is the problems of tokenism to win the international*
54 *outsourcing contracts.*

Finally, large companies have more investments and pressures to adopt social responsibility practice better than small and medium scales companies. Their supply chain is more integrated and transparent so that social responsibility adoption is easily regulated and followed. However, in the context of developing countries, most of the employees are currently working in the small and medium scales enterprises, and thus, they do not fully enjoy the benefits of social responsibility. The next proposition is as follows:

Proposition 5: Large organisations have better social responsibility performance than SMEs, but a large proportion of employees do not enjoy the benefits of the socially responsible practice.

The proposed framework describing the propositions is summarized in Figure 1. The framework illustrates the different barriers and drivers of firms in Vietnam's garment and textile industry that link to social responsibility practices and their impact on the firms' performance.

Figure 1. A proposed framework for supply chain social responsibility



4. Research methodology

Given the limited research on social responsibility research in developing countries such as Vietnam, a multiple case study method design including 'how' and 'why' questions (Yin, 2014: 14) with the grounded theoretical approach of Strauss (1987) was adopted. According to Ridder et al. (2016) and Ridder (2017), this research design can specify gaps in existing theory and advance the current theories. Ridder classified case study research design into four different categories: 1) no theory first; 2) gaps and holes; 3) social construction of reality; and 4) anomalies. We followed

Ridder's 'gaps and holes' research design which helps the investigator identify and shape the research questions using literature to narrow down the topic of interest. Ridder also asserts that propositions and frameworks provide clear direction, guide the search for relevant evidence and reflect on theoretical perspective (Ridders, 2017).

Ridder (2017) mentioned that the existing theory contains research gaps identified in the theory, leading accordingly to the basis for frameworks and propositions to be 'tested' by the interview data. The authors followed the guidance of Yin (2014), taking the RBV and stakeholder theories as the starting point and using the above propositions or frameworks as the research direction. This study also used the processes suggested in the operations management research to ensure the rigor (Voss et al., 2002; Ketokivi and Choi, 2014).

4.1 Data collection strategy

In-depth interviews with directors and supply chain managers of companies at different levels from the material suppliers to the apparel merchandisers of garment and textile chain were conducted. Firms were chosen from the Vietnamese garment and textile industry where interviewers could also interview and visit at least one of its international and domestic buyers and suppliers. The participants were required to be available to be accessed on-site in order to meet the triangulation requirements and allow the explicitness of observation and interpretation process. In total, 18 participants met the requirements, which is large enough to meet the satisfactory level of theoretical saturation.

All of the interview questions were open-ended questions that encouraged participants to share their perspective and experience related to social responsibility. The discussions were focused on confirming the current social responsibility practices of the companies in Vietnam's context to response to the study questions. The interviews were undertaken in Vietnamese and by Vietnamese authors, because they are acquainted with the research context (inter alia, language, sign, and socio-cultural norms). The formal interviews lasted for 1 ½ hour on average. The informants had to fulfil all the sample selection criteria before participating in the face-to-face interviews. Participation was voluntary. Interview content was guaranteed to be confidential and used only for research purposes. Besides, the researchers also observed the socially responsible practice at some companies' sites to verify the collected data. The authors sought the help of some interviewees who have advanced commandment of the English language to reread the translation transcript to check if their answers were correctly translated to ensure the objectivity, credibility, and trustworthiness of the received data. The interview data and other digital information provided by the interviewees were stored in the research database. Extensive collection of archival data such

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3 as company websites, news, public social responsibilities reports and internal documents have
4 helped and kept as reminders of field experience, whenever permitted. These multiple sources of
5 data were applied as a way for triangulation (Eisenhardt, 1989).
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10 4.2 Selection of the sample

11 *The informants were selected based on the following criteria*

- 12 1) He/she is knowledgeable in social responsibility implementation in garment and textile
13 supply chain in Vietnam
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- 15 2) He/she is a manager/ director who has an in-depth understanding of the supply chain
16 and social responsibility implementation of the companies
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- 18 3) He/she is willing to honestly responding to the discussion's questions
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23 *The selected companies for research need to satisfy the following requirements*

- 24 1) They have physical business located in Vietnam and employ at least 1000 Vietnamese
25 workers (except for merchandisers)
26
- 27 2) They are at different supply chain stages from the spinning process to merchandisers.
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- 29 3) They involve various practices of social responsibility in the international garment and
30 textile supply chain.
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33 To avoid the bias and ensure the reliability in qualitative responses, several preliminary
34 discussions, observations and examinations of educational qualifications were considered. The
35 authors also compared the answers of different potential candidates to the current situation of the
36 companies through the observations to select the best informants for the study. The profile of the
37 participants and interview questions are presented in the Annexure 1 and 2.
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43 4.3 Coding and data analysis

44 The coding process was used to analyse data in order to allow authors to connect new
45 concepts, transform data into meaningful information, and reconceptualize the relevant theories.
46 Applying codes to interview data helps the authors examine how the data supports or conflicts the
47 theory that the researchers follow and improve the current literature. Codes are from three sources
48 including theory-driven codes, data-driven codes, and structural codes (Ridder et al., 2016). In this
49 research, as we follow the grounded theory, data-driven codes were used to assist in the coding of
50 interviews. The process of developing data-driven codes involved identifying themes within
51 subsamples is described as below.
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3 At the beginning, the open coding phase explored initial data themes (Strauss, 1987). This
4 aimed to prepare interview questions in advance and to collect some preliminary materials. Content
5 analysis of the recent literature was employed in this stage to identify and summarise all the drivers,
6 barriers and social responsibility concerns in the supply chain from previous research under
7 different business sectors in developing and developed countries. It allowed researchers to
8 unbiasedly investigate the value of the existing published evidence before developing a new
9 measurement (Tranfield et al., 2003). We examined the relevant publications in popular online
10 databases including Elsevier (sciencedirect.com), Sage (sagepub.com), Wiley (wiley.com), Emerald
11 (emeraldinsight.com), and Springer (springerlink.com) and ProQuest. The following keywords
12 were chosen: ‘supplier relationship management’, ‘supply chain performance’, ‘social
13 responsibility’, ‘social responsibility’, ‘sustainable supply chain’, ‘supplier collaboration’, ‘supplier
14 assessment’, ‘ethic’, ‘code of conduct’, ‘Vietnam’, ‘developing countries’, ‘emerging nations’, and
15 ‘garment and textile industry’ with the snowball effect starting from the existing literature
16 (Creswell, 2014).

17
18 Then, the interviews were conducted. This step was to explore drivers, barriers and social
19 responsibility issues for all companies interviewed. The purpose of linking different data was to
20 improve the axial coding results. The findings of each interview were then transformed into model-
21 based of social responsibility to answer the research questions. Gauged on the schema theory
22 (McVee, Dunsmore, & Gavelek, 2005), in the translational process of interview content from
23 English to Vietnamese, semantic, syntactic, and discursual relationships were considered in the
24 selection of the best equivalent in the target language. Thus, the back translation procedure (Brislin,
25 1970) was employed. Finally, in the selective coding phase, a single element was implemented to
26 an integral analysis context. With the codebook prepared, the researchers tried to find the storyline
27 by considering the contextual impacts of the Vietnamese business environment by applying RBV
28 theory and stakeholder theory to explain the underlying themes of distinct enablers/ motivators,
29 barriers as well as identify the effects of those factors on the social responsibility practice at
30 different level of the supply chain to draw the conclusion. The whole research was validated
31 according to Yin’s (2008) approach. Construct validity was ensured by triangulating interview data
32 with field notes and observations and being corroborated by different perspectives of respondents.
33 Triangulation is widely accepted method to minimise bias and enhance validity (Oppermann, 2000).
34 Scholars have proposed distinguished approaches to triangulation: data triangulation, method
35 triangulation and investigator’s triangulation. In order to strengthen the construct validity of the
36 analysis results, a copy of the transcript was sent back to the representatives of each companies to
37 check accuracy and obtain ethical approval for publications. Internal validity was ensured by
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3 matching the pattern with the one developed from the literature. Using multiple cases enabled
4 replication of the findings, providing external validity. Reliability was ensured by rigorous use of
5 the case study protocol and developing a case study database. Authors have corroborated data
6 from different sources, and by different investigators to ensure the validity of the research.
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10 11 12 **5. Description of respondents**

13 This section describes the summary of different perspectives of interview data from
14 respondents of the lowest tier to the highest tier in the garment and textile supply chain.
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17 18 *5.1 The description of spinning and fabric milling enterprises - Tier 1 and 2 in the garment and textile supply chain*

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20 The first two stages of the chain are spinning and fabric milling enterprises which provide
21 materials for clothing manufacturers. The researchers interviewed the largest spinning and fabric
22 milling enterprises in the industry, and their social responsibility practice is considered the best in
23 the sector which can present the fact of the supplier level of garment and textile industry. A
24 majority proportion of products from these stages are for exports. In Vietnam, most
25 manufacturers import yarns and fabrics as per the requirements of the orders. They cannot control
26 the sources of material used. At the beginning, the interviewees discussed about drivers, they all
27 agreed that the most significant drivers at this first stage in the textile supply chain are not
28 normative (from industry and history) or cultural (from traditions, norms and values) but mostly
29 regulatory (clients and government). Public media also play a crucial role in promoting social
30 responsibility. Moreover, the participants underlined that pressures from buyers at this stage are
31 not significant. Buyers only require them to have international quality management certificates as
32 evidence, but do not strictly audit the operations. Only global clothing brands which have
33 sustainability initiatives for the entire chain such as Nike and Levi's would do the auditing at sites
34 of every stage of the chain. The participants also mentioned insignificant pressure from NGOs.
35 Respondents admitted that organizational culture towards sustainable development in Vietnam's
36 enterprises had just been established recently when the international companies entered the
37 market. Not many enterprises consider sustainability as a strategic development. Thus, its impacts
38 are minimal.
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52 Turning to the obstacles to implement social responsibility practices in their companies,
53 the most significant one always mentioned in the discussion at this stage but not at other stages is
54 the insufficient support from the government and inadequate legislation system. Lacking funds or
55 credits with low-interest rates is also a reason: *"Local government does not usually inspect the process; they*
56 *monitored us by the annual reports we submitted. And the law is sometimes changed unexpectedly so that we need*
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3 *to update our policies in accordance with the minimum requirements stated*" (CEO – Spinning company D).
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5 Besides that, business partnership in Vietnam can be achieved primarily not only by overall
6
7 performance evaluation but also by personal relationships. Achieving low price products is the
8
9 most crucial factor in winning the competition at this stage. Those companies have been investing
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11 in high-technical machines to improve productivity. Yet, participants also highlight the constraints
12
13 from top management strategies. They include resistance to change, lack of commitment, lack of
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15 professional knowledge and awareness of the potential cost-saving opportunities for implementing
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17 social responsibility. The respondents discussed other barriers, such as low awareness of workers
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19 and inadequate education and training to improve social responsibility practice widely in the
20
21 manufacturing industry.

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23 Regarding the social responsibility dimensions, the three most important perspectives that
24
25 they discussed are child labour, product responsibility and regulatory responsibility. According to
26
27 the Vietnamese labour code, employers are prohibited from hiring children under 15 years old
28
29 (ILO, 2012). The respondents replied that *"We have never been employing child labour, and sweatshop
30
31 workers"* (CEO – Spinning company D). All the interviewees agreed that they must be entirely
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33 responsible for the goods sold so that they are trying their best to control the quality of the
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35 manufacturing process, including not using toxic materials. Besides, those companies consider
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37 regulatory responsibility is very crucial because it is a mandatory requirement to obtain
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39 international standards. They also do not want to have any corporate scandals due to violating laws
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41 and regulations. The respondents mentioned that companies provide workers with good health
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43 and safety conditions such as adequate sanitation facilities, clean drinking water in the factory.
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45 Female worker safety is also their matter of concern. However, when being asked about the food
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47 quality of companies' meals, most of them were hesitant to answer. They mostly understand the
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49 importance of food safety for workers, but due to financial constraints, managers prefer choosing
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51 cheap food suppliers. Besides, all the examined suppliers confirmed that they are doing their best
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53 to align the employees' rights with the companies' policies. They have labour unions, although
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55 their role is still very ambiguous when the authors checked with some shop-floor workers in the
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57 on-site field trips. The unions support workers to request their rights, provide some financial
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59 support in some instances, however, it is not helpful enough to protect the workers. Finally,
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61 participants discussed issues related to equality including employing locals, female workers,
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63 disabled people and not rejecting opportunities and rights to anybody based on their gender,
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65 religion, age. Although participants believe that their companies have some supportive schemes
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67 for disabled people, no evidence can be shown. They stated that the companies would recruit
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69 disabled workers if they meet job requirements. In terms of wages, managers underscored that
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3 paying minimum salary rate on time is a way to maintain sustainability and employee's
4 commitment. The overtime rate is also calculated based on the minimum level of the labour code.
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6 However, they can sometimes violate the maximum overtime rate, especially in the peak period
7 (Tet holiday). Other aspects, such as education, ethics, and philanthropy are considered merely at
8 fundamental levels. The interviewees also stressed that the companies have followed codes of
9 conducts and focused on erasing unethical working behaviours. They also organise annual
10 volunteer and fundraising activities to help poor people and students in remote locations.
11 Moreover, in Tet holiday, most of the companies are willing to support poor relocated workers to
12 come back their hometown and celebrate Traditional New Year's Eve with family by offering free
13 buses or paying for train tickets. Adequate housing policy is the least common social responsibility
14 practice at this stage. Although housing policies are one of the social responsibility dimensions,
15 very few organisations have implemented this policy because they do not have enough funds to
16 support accommodation for relocated staff. Also, managers believe that workers' salary is
17 sufficient to pay for their living.
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21 Finally, the group discussed the benefits, the most significant one for spinning and fabric
22 milling companies to practice social responsibility is to have better relationships with clothing
23 manufacturing buyers and international traders so that their products are more competitive. The
24 participants witnessed considerable improvement in employees' performance and satisfaction.
25 Organisational innovation and supply chain integration can be seen somehow but not evidently,
26 as mentioned by the respondents. There are more and more supports from buyers and
27 stakeholders to practice social responsibility. There are also more comments and contribution
28 from staff to improve the practice. However, very few interviewees agreed that adopting socially
29 responsible practices could bring financial benefits due to the high initial investment cost.
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32 33 34 35 36 37 38 39 40 41 42 43 44 *5.2 The description of clothing manufacturing companies - Tier 3 in the garment and textile supply chain*

45 This stage contains the highest number of companies in the industry. We interviewed 3
46 solely clothing manufacturing companies and 5 other clothing manufacturing and retailing
47 companies. They are also the suppliers for international brand names like Nike, Adidas, etc.
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50 At this stage, all interviewees admitted that regulatory drivers are the most important to
51 boost social responsibility. However, the buyers' pressures play a more substantial role in this level
52 than in the previous stage, and the social responsibility practice is more evident. Those companies
53 at the tier 3 level have a direct impact on the public image of fashion brands. Therefore, both
54 merchandisers and focal companies concentrate more on social responsibility. Furthermore, this
55 sector has attracted many foreign investors whose understanding of social responsibility may be
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3 better than local managers'. Besides, the factories in Vietnam need to follow the global social
4 responsibility standards from the head offices, which are based in Western countries.
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6 When discussed about barriers, the most mentioned is that the companies do not have
7 enough support from local governments to access low-interest rate credits: *"The initial investment for*
8 *sustainability is quite high, we need to have more fund or support from local government, more business-friendly*
9 *policies to encourage focal enterprise to implement social responsibility practice"* (Business Development
10 Manager - Manufacturing Company B). Other discussed barriers are similar to those in the
11 spinning companies, including not having enough management commitment; insufficient training
12 and education, lack of pressure from the public/NGOs and organisational boundaries. However,
13 at this level, even though the pressure for lower prices is still very significant, high requirements
14 of international buyers make focal companies put more effort into social responsibility practice.
15 Professional knowledge is not a critical barrier, but it cannot improve the situation due to the lack
16 of commitment to share risk, award, and information in the garment and textile supply chain
17 network.
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20 As far as the social responsibility dimensions which are circumscribed to those specific to
21 the focal firm and its immediate environment are concerned, as with the social responsibility
22 practice at suppliers' site, child and sweatshop labour are strictly prohibited. Product responsibility
23 is also one of the top concerns in practising social responsibility. They have several quarterly
24 inspections to ensure that the manufacturing process does not use toxic materials. Those tier-3
25 companies pay more attention to health and safety, labour right, education and training, ethical
26 business and philanthropic activities than their suppliers. Moreover, most of the companies have
27 camera control systems and provide adequate health and safety standards for shop floor workers
28 as they need to satisfy the requirements from international brands. Most of them have SA 8000,
29 ISO 9001, Okotex 100, and WRAP certificates. However, respondents also reported that
30 occupational accidents happen every year due to lacking awareness of the operations process. Still,
31 the insurance would pay the treatment cost following Vietnam's medical insurance law. The
32 enterprises satisfy the labour rights dimension by signing the labour contract and paying medical
33 insurance following the labour code for every staff. They also allow employees to form a labour
34 union and manifest their opinions. Labour right is also presented by companies ensuring to pay
35 monthly salary on time and a small amount as shown in the contract. The overtime rate is
36 calculated precisely with the national code, although several violations have still happened in the
37 peak period. Those companies provide daily meals and bus service for workers. Labour union
38 activities primarily organise occasional philanthropic activities such as fundraising. Social health
39 camps to promote better health and hygiene in society are sometimes set up.
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Several companies have funds to help needy students in remote areas. The HR department provides more recruiting opportunities for local students. Furthermore, although local supplier support is still very minimal, most of the managers stated that if the companies can decide the sources of fabrics, the local supplier is also more preferred. Other social activities including purchasing from female-owned enterprises, extending entrepreneurial activities and free training for local unemployed youth have not yet been implemented as responses from the managers. As with their suppliers, adequate housing policy is the least common social responsibility practice at this stage. Only one out of eight interviewees responded that they had provided a shared room in their owned dorm for relocated staff. Others stated that housing support is already included in the monthly salary; however, as per the authors' examination, the amount for accommodation support is not enough for the full accommodation rental fees.

The impact of adopting social responsibility practice within clothing manufacturing companies on organisational performance is also examined. This is the stage that is benefited the most in the supply chain. Apart from improving employees' performance, good social responsibility practice can help them win more outsourcing contracts from international brands and merchandisers, improve the stakeholder relationship and increase their product competitive advantages. Moreover, the participants agreed that promoting social responsibility practice to different partners in the entire supply chain network can advance information sharing to optimise supply chain performance. Participants also agree that organisational innovation can be improved although limited evidence can be shown.

5.3 The description of merchandisers and fashion retailers - Tier 4 in the garment and textile supply chain

This is the top tier in the garment and textile supply chain. Besides interviewing companies which are both clothing manufacturing and retailing above, the authors also interviewed 2 fashion retailing brands from the USA. They admitted that in the chain, they have the most reliable relational motives from external stakeholders such as customers, NGOs, public media to practice social responsibility. Notably, in this research, the respondents show more concerns about social responsibility to satisfy customers and peer competitors. They mentioned that due to the increasing savvy of customers, they pay more attention on the practice of social responsibility. Moreover, in Vietnam's textile supply chain, those organisations also have more pressure to catch up with or surpass their rivals in implementing social responsibility practice. Moral-based motives seem to be the least significant drivers in Vietnam's context as organisations in Vietnam have not had the culture of investing in social responsibility. Most of the socially sustainable development strategies are anchored to mandated legal requirements.

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3 Most of the respondents agreed that the most significant barrier at this stage is lack of
4 commitment to share risk, award, and information through the supply chain network. They
5 mentioned that only large fashion brands could control the sources of materials; most of them
6 cannot have adequate information to manage the whole suppliers. Like previous multi-tier
7 organisations which are involved in various stages of the garment and textile supply chain, those
8 companies experience quite the same obstacles including professional knowledge gap, lack of
9 commitment from local managers, training and education, insufficient funds, inadequate support
10 from local government and other internal boundaries. However, the difference at this level is that
11 the pressure from customers and NGOs is much more evident. Besides, more benefits from
12 sustainable practice have been recognised so that they become the primary drivers to support the
13 adoption of social responsibility.
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16 At this tier, the concerns about social responsibility practice become more evident. They
17 focus more on product responsibility, ethical business and the sustainability practice at suppliers'
18 site to promote their brand images and gain customer satisfaction. Health and safety are also vital.
19 Interviewees mentioned that all the outsource contracts clearly state the health and safety
20 requirements for clothing manufacturers. They conduct annual audits to examine the working
21 conditions at the suppliers' site. The respondents show several pieces of evidence in the discussion
22 to prove that they sincerely care about the child and bonded labours, wages, employees' rights,
23 education and training and philanthropy activities at their organisations and local manufacturers'
24 sites. Training is specialised for internal sustainability auditors to supervise the practice of
25 sustainability at different suppliers. *"We strictly prohibit the use of child labour. If we know any use of child
26 labour, we will immediately terminate the contract. Besides, we know that the minimum wage in developing countries
27 like Vietnam is meagre so that we always commit and encourage local suppliers to conduct more labour incentive
28 schemes, especially for female shop floor workers. We build up the fund from our employees and revenues to contribute
29 to the Agent Orange Victim Fund since 2012"* (Compliance Manager - Fashion Retailer A). Adequate
30 housing aspect has not yet seen as a social responsibility dimension in Vietnam's context. All the
31 respondents admitted that they could not mention this policy as a compulsory term in the contract
32 as it is tough to practice at the current condition.
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35 Finally, the impacts of practising social responsibility are more evident by market
36 responses. Customers in developed markets pay significant amount of attention on the social
37 performance of fashion brands. The interviewees responded that social responsibility can have a
38 positive impact on organisational performance. Most fashion brands clearly state the social
39 responsibility missions on their websites. The impacts on product value and brand image are the
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most considerable. Adopting social responsibility practice also optimizes the supply chain integration and innovation to obtain sustainable supply chain.

6. Findings and discussion

6.1 Social responsibility is a gatekeeper to develop a long-term collaborative sourcing strategy: Examining Proposition 1

As mentioned above, the majority of social responsibility activities predominantly lead to better stakeholders' relationship and supply chain integration, lower staff turnover rate and higher employee satisfaction. However, depends on which tier the company is, the degree of impact would be varied. At the tier 1 and 2, the participants underlined that pressures from buyers at this stage are not significant. Buyers only require them to have international quality management certificates as evidence but do not strictly audit the operations. Only global clothing brands which have sustainability initiatives for the entire chain such as Nike and Levi's would conduct auditing at sites of every stage of the chain. However, in tier 3 and 4, the buyers' pressures play a more substantial role. Those companies have a direct impact on the public image of fashion brands. Therefore, both merchandisers and focal companies concentrate more on social responsibility. Further, this sector has attracted many foreign investors whose understanding of social responsibility may be better than local managers. Besides, the factories in Vietnam also need to follow the global social responsibility standards from the head offices, which are based in Western countries. The interview data provided that the managers are very conscious of and have complied with international standards or demand of foreign buyers to be able to become the outsourcing partners of international brands. For example, The Chairman of Manufacturing Company B highlighted that *"our products have to have the EcoTex certification for the EU market, if not we cannot export"*. The other evidences presented in table 1 below. This is inline with the results obtained by Venkatesh et al.(2021) that proved various antecedents to social sustainability compliance in emerging economies that shares similar economic and social dynamics. Similarly, Mani, Jabbour and Mani (2020), further established social sustainability in upstream supply chain strengthens strong collaboration resulting in performance benefits.

Table 1. Social responsibility practice as a gatekeeper to develop a long-term collaborative sourcing strategy

Tier	Examples of the respondents' descriptions
Tier 1 and 2	<i>"The buyers just audit our operations annually but they require us to have international certificates like ISO 9001, OKOTEX 100 to sign the outsource contracts with us. If we do</i>

	<i>not have those certificates, we cannot deal with international buyers. At any time, if they know we fail to get the certifications, they will terminate the contracts as for them, it is very important to protect their public image” (CEO – Spinning company D).</i>
Tier 3	<i>“At this stage, we are paying more attention to social responsibility practice due to high requirements from international merchandisers. They send a representative to our factory to examine the responsible operations regularly. They do not want to have any scandal related to their sources in a third country. We need to sign a partnership contract that requires us to follow buyers’ standards. Besides, there are a lot of competitors from EU, Bangladesh, China, and Cambodia that can attract high-end brands by their sustainable operations; therefore, we need to improve our social responsibility to win the competition.” (The Chairman of Manufacturing Company B)</i>
Tier 4	<i>“We cannot survive in the fashion market if the company do not commit to social responsibility. It is one of the most crucial marketing strategies. It helps to increases customer satisfaction, gain more revenues, enhance business integration and promote innovation in research and development activities” (Country Representative – Fashion Retailer B).</i> <i>“Customers are more demanding, especially international customers. Our products are exported to EU and other developed markets where people show great attention to the sustainable issue thus we need to practice and obtain several good social responsibility certificates like WRAP, Better Work to win the contracts” (Sale Manager - Manufacturer and Fashion Retailer D).</i>

6.2 Social responsibility is a risk transferred method: Examining proposition 2

In line with the conceptual framework of (Köksal et al., 2017; Masson et al., 2007; Köksal, Strähle & Müller, 2018), the interviewees demonstrate that retailers and merchandisers largely shift the social responsibilities to the clothing manufacturing companies and always require them to get international certificates as a risk management method, as shown in table 2. Besides that, formally written codes of conduct for social responsibility practice are usually needed when collaborating with large fashion brands because it can help them mitigate the significant misalignments between Western and Vietnamese cultures, languages and knowledge. However, because of lacking financial incentives and support from the local authorities, local Vietnamese firms could not fully comply with these standards, and multinational brands try to avoid sharing the costs in different ways. This issue is also mentioned in the research of (Tran & Jeppesen, 2015) that socially responsible terms are to transfer the production risk to the previous tiers of the chain.

Table 2. *Social responsibility is a risk transferred method*

Tier	Examples of the respondents' descriptions, not quoted in the text
Tier 1 and 2	<i>“The buyers want to avoid all risks and scandals related to social issues of outsourcing contracts in Vietnam. That is the reason why they always force us to have certificates.”</i> (Production manager - Spinning Company A).
Tier 3	<i>“At this stage, we are paying more attention to social responsibility practice due to high requirements from international merchandisers. They send a representative to our factory to examine the responsible operations regularly. They do not want to have any scandal related to their sources in a third country. We need to sign a partnership contract that requires us to follow buyers' standards. Besides, there are a lot of competitors from EU, Bangladesh, China, and Cambodia that can attract high-end brands by their sustainable operations; therefore, we need to improve our social responsibility to win the competition.”</i> (The Chairman of Manufacturing Company B)
Tier 4	<i>“We cannot survive in the fashion market if the company do not commit to social responsibility. It is one of the most crucial marketing strategies. It helps to increases customer satisfaction, gain more revenues, enhance business integration and promote innovation in research and development activities”</i> (Country Representative – Fashion Retailer B).

6.3 Social responsibility practice become a competitive advantage: Examining proposition 3

Before 2007, most of the local processing firms in the garment and textile industry in Vietnam competed against their rivals based on low price products. They ignored and sometimes violated the minimum requirements of national labour law to have the production rate as cheap as possible. Moreover, due to the specific conditions of the Vietnamese political environment, NGOs do not have any significant impacts on socially responsible practice. However, since 11 January 2007, after joining WTO, local firms have been impacted by the international labour standards that require them to adapt better working conditions for employees, and social responsibility has become a competitive advantage to win the contract from international fashion retailers. It is also supported the resource-based view theory that social responsibility practice would become the unique resource of the industry in the global market.

Hallenbeck et al. (1999) and Knight & Harland (2005) confirmed that evidence of social responsibility activities could help to make the best impression for the Westerners when they look for the new suppliers in developing countries despite the distance, communication issues. Besides that, in line with findings (Masson et al., 2007; Neu et al., 2014), the study finds that apparel retailers mainly relied on the social responsibility practice of suppliers in the developing nations to establish the distance collaboration. In the case of Vietnam's garment and textile industry, managers all agreed that if Vietnamese companies can show the evidences of good social responsibility practice to international partners, compared to Chinese and Indian factories, their competitive advantages would be much higher. managers do not care about labor standards and working conditions or environments. Evidences are shown in table 3.

Morover, the enterprises in Vietnam's garment and textile industry have broad concerns for many stakeholders. Nearly 70 per cent of the respondents understood that their main responsibility is not only 'profit' but is a 'corporate citizen. They highlighted the positive relationship between the satisfaction of workers and product quality, so that they try their best to improve the company's code of conduct to satisfy employees in order to have better products. The table below showed other examples of some other relevant responses

Table 3. Social responsibility practice become a competitive advantage

Tier	Examples of the respondents' descriptions
Tier 1 and 2	<p><i>“Currently, there have been a lot of scandals of unethical business in China, if we can show better social responsibility practices to the international partners with the reasonable selling prices, they can move their material sources from China to Vietnam. That is the best way to compete them and become the best place for outsourcing contracts”</i> (Production manager - Spinning Company A).</p> <p><i>“If we can improve our social responsibility practices and satisfy our workers, they will be more happy at work and provide better products so that our company can have a better deal with buyers”</i> (The Managing Director – Fabric Milling Company B)</p>
Tier 3	<p><i>“At this stage, we are paying more attention to social responsibility practice due to high requirements from international merchandisers. They send a representative to our factory to examine the responsible operations regularly. They do not want to have any scandal related to their sources in a third country. We need to sign a partnership contract that requires us to follow buyers' standards. Besides, there are a lot of competitors from EU, Bangladesh, China, and</i></p>

	<i>Cambodia that can attract high-end brands by their sustainable operations; therefore, we need to improve our social responsibility to win the competition.” (The Chairman of Manufacturing Company B)</i>
Tier 4	<i>“We cannot survive in the fashion market if the company do not commit to social responsibility. It is one of the most crucial marketing strategies. It helps to increases customer satisfaction, gain more revenues, enhance business integration and promote innovation in research and development activities” (Country Representative – Fashion Retailer B).</i>

6.4 Social responsibility, to a large extent, is the problem of tokenism: Examining proposition 4

Contrary to the findings of (Bilowol & Doan, 2015; Tran & Jeppesen, 2016), this research finds that moral-based motives are the least significant drivers as local Vietnamese companies do not have strong favour of social responsibility practice. As shown in table 4, closer the chain is to the customer's site, the role of media, NGOs and customers are more significant. Most of the social responsibility activities at the suppliers' site are at the basic standards even though they also employ a significant number of workers.

Furthermore, the Vietnamese government assigns the Vietnamese Chamber of Commerce and Industry (VCCI), a quasi-state association, which is responsible for implementing and monitoring social responsibility practice for foreign and domestic firms in Vietnam. The VCCI is run mostly by retired state officials or party members who have close connections to the one-party government (Tran, 2011; Tran, 2012). However, VCCI represents only its members, not the entire private sector, as stipulated by law. Besides, VCCI does not have representatives nationwide, and cannot manage the social responsibility budgets of the member firms. Subject to strict governance of the Government of Vietnam, the role of other NGOs such as UNIDO, the ILO, has been insignificant and therefore has little significant impact on the social responsibility performance of any firms. Production manager of spinning company A mentioned that: “... it is a must to implement social responsibility practices. If we do not, we would have to shut down the business.’ However, intermediaries do not share the costs with us, and on top of that, the end buyers turn a blind eye to the lowest tiers of the manufacturing stage. Therefore, we have to pay for all costs by ourselves in order to be able to export our products. The situation would become harder when those buyers request international certificates of different codes of conduct that are very costly for us to adapt to”

Table 4. Social responsibility is the problems of tokenism

Tier	Examples of the respondents' responses
Tier 1 and 2	<p><i>“We need to do the social responsibility because of the forces from national labour law. At our company, it is more important to invest in spinning machines and controlling system. We also focus on developing specialists for the company. The requirements for shop floor workers are straightforward that most of the high-school graduated workers can meet.”</i> (Production manager - Spinning Company A).</p> <p><i>“With the limited resources, we mainly focused on developing highly skilled workforce labours because they bring us more value. With the shop floor workers, we provide them with basic living standards but do not put much effort into it because it will cost us a lot.”</i> (The Managing Director – Fabric Milling Company B)</p>
Tier 3	<p><i>“We have to ensure the product responsibility so that we need to know the origin of all the used materials clearly, however, we cannot always inspect the sources and the suppliers always try to find the cheapest materials despite they come from unethical business”</i> (Senior Purchasing Manager - Manufacturer + Fashion Retailer G).</p> <p><i>“We have to spend a lot of time to complete the report. It is just for reports. We follow the national labour law, it is a must but other requirements we sometimes neglect them”</i> (Purchasing Manager - Manufacturer + Fashion Retailer D)</p>
Tier 4	<p><i>“We cannot survive in the fashion market if the company do not commit to social responsibility. It is one of the most crucial marketing strategies. It helps to increases customer satisfaction, gain more revenues, enhance business integration and promote innovation in research and development activities”</i> (Country Representative – Fashion Retailer B).</p>

6.5 Large proportion of employees are not fully enjoyed the social responsibility practice: Examining proposition 5

The findings (Table 5) confirm that large companies have more investments and pressures to adopt social responsibility practice better than small and medium scale companies. Their supply chain is more integrated and transparent so that social responsibility adoption is easily regulated and followed. However, in the context of Vietnam, most of the employees are currently working in the small and medium scales enterprises, and thus, they do not fully enjoy the benefits of social responsibility.

Besides, as a garment and textile outsource country, most of the local companies in Vietnam are processing factories, where the social responsibility practices are not the main competitive strategy, and the distance in the supply chain network makes the monitoring difficult.

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3 Some respondents mentioned that the foreign buyers request them to keep prices unchanged, even
4 when material costs increase, at the expense of the employees. *Operations Manager of Manufacturer C*
5 said “*If the cost of raw materials increase, the international buyers will pay an extra for it, but they are not willing*
6 *to raise subcontract price for the salary of our workers. The reason is that they provide the raw materials, so they are*
7 *willing to raise prices for their own products, but not for workers’ wages. That is one of the reason why our workers*
8 *are not happy with our codes of conducts as it does not support much for them and we cannot do anything better as*
9 *we need to keep the cost constant*”. Some other examples of respondents’ responses about this
10 phenomenon as below.
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Table 5. Large proportion of employees are not fully enjoyed the social responsibility practice

Tier	Examples of the respondents' descriptions
Tier 1 and 2	<p><i>“Several employees in our factories are not happy with our policies as not everyone can be fully enjoyed the supportive schemes from our companies. Most of them are temporary staff who are not received enough support. Besides, shop floor workers can only receive the very basic subsidies”</i> (The Managing Director – Fabric Milling Company B)</p> <p><i>“We are free to choose whether or not to join labour unions, if yes; we need to pay for the membership fee (1 per cent of the basic salary level) as regulated by law however, personally, I do not think joining the union is helpful for workers as they are not always protecting workers”</i> (Production Manager – Spinning company A).</p>
Tier 3	<p><i>“We usually train the workers about our code of conduct as the company’s regulations, we do not specifically explain that are codes of conduct. So I think our workers do not know much about our social responsibility policies. They would think that it is the regulation and labour law which we have to comply with.”</i> (Operations Manager – Clothing Manufacturing C)</p> <p><i>“When I first worked here, I witnessed some workers did not follow the protection measures, for example using protective masks—on the shop floor. But it maybe because of the compliance of managers in supervising workers and providing them with proper working conditions”</i> (Chairman – Clothing Manufacturing B)</p>
Tier 4	<p><i>“To be honest, we received several complaints about the labour unions, it does not work as expected. We are trying to improve the policies but it takes a lot of time. Our team do not have enough experience on build up the social responsibility by ourselves, we have to follow the instruction of the head office.”</i> (Senior Purchasing Manager - Manufacturer + Fashion Retailer G)</p>

7. Implications

7.1 Theoretical Implications

Based on the data analysis, this paper first offered insights in terms of enablers, drivers and barriers into embedding social responsibility practice throughout the entire garment and textile supply chain in Vietnam. Although our research is in line with the conclusions of scholars (Carter & Jennings, 2011; Marshall et al., 2015a, b; Yawar & Seuring, 2018), previous studies have shown the

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3 limited comparison of the impact level of the drivers, barriers and enablers at different stages. Our
4 research employs stakeholder theory to explain the determinations of the firms while implementing
5 sustainable social practice to satisfy different stakeholder groups in different stages of Vietnam's
6 garment and textile supply chain. Table 6 presents the implications of stakeholder theory and RBV
7 for the research findings.
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13 **Table 6.** The summary of theoretical implications of the research
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	Stakeholders' theory	RBV theory
RQ1: How are the social responsibility issues managed in each stage of the garment and textile supply chain with respect to Vietnam?	<ul style="list-style-type: none"> • Due to the different influences of stakeholders on the entire chain (instrumental view), the drivers vary depending on the tiers of the chain. • Social responsibility activities at the suppliers' site are at the basic standards even though they also employ a significant number of workers. • The practice is somehow for the sake of multinational fashion brands, not for the benefits of workers. • Regulatory factors are the most significant pressures throughout the whole chain 	
RQ2: How can social responsibility contribute to the operational performance of entire Vietnam's garment and textile supply chain?		<ul style="list-style-type: none"> • The outcomes of organisation learning regarding social responsibility practices in the whole chain have a great impact on gaining significant competitive advantages for Vietnamese products in the international market.

		<ul style="list-style-type: none"> • The practice becomes huge organisational resources that can employ to establish the long-term sourcing strategies with international brands.
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Through the lens of stakeholders' theory, due to the different stakeholder influences on the entire chain (instrumental view), the drivers vary depending on the tiers of the chain. However, regulatory factors are the most significant pressures throughout the whole chain. Clothing manufacturers who win big contracts with international apparel retailers follow social responsibility regulations better than others. This confirms the findings of Köksal, Strähle & Müller (2018), but differs from the conclusion of Huq et al. (2014) and Hoang & Jones (2012) that Vietnamese government aims to compete against Chinese products through better social responsibility practice.

Vietnam is a source for labour-intensive manufacturing enterprises which require low-skilled, low-paid workforce. In Vietnam, social responsibility practice has been introduced by Western governments and global organisations. The national labour law can only meet the very basic needs of the employees, and there has been no support for the social responsibility implementation or public social responsibility policy. It is undeniable that the implementation of social responsibility practice is for the sake of multinational fashion brands, and risk transfer methods, but not for the benefits of workers. Thus, contrary to the findings of scholars (Bilowol & Doan, 2015; Tran & Jeppesen, 2016), this research finds that moral-based motives are the least significant drivers. This is because local Vietnamese companies do not have strong favour of social responsibility practice. The closer the chain is to the customer's site, the more significant is the role of media, NGOs and customers. Most of the social responsibility activities at the suppliers' site are at the basic standards even though they also employ a significant number of workers.

Finally, through the lens of RBV theory, this study confirms that the outcomes of organisation learning regarding social responsibility practices in the whole chain have a great impact on gaining significant competitive advantages for Vietnamese products in the international market that coherent to earlier research (Carter & Easton, 2011).

7.2 Managerial Implications

This paper concentrated on the literature of social responsibility in the labour-intensive industry that has been ignored largely. Moreover, it contributed to the whole supply chain research within the developing country context that is far underdeveloped in the social responsibility debate. Then, the study corresponds to the direction guided by (Lau et al., 2018; Yang, 2013) and expand the scope of research of (Mani et al., 2018a) and (Mani & Gunasekaran, 2018) to draw a full picture of social responsibility practice by linking drivers, barriers, social issues to social responsibility dimensions and performance impacts on the entire supply chain. Furthermore, this is an earlier research to identify the different dimensions of each perspectives for labour-intensive industry. The practitioners those who work in labour intensive industries will have first- hand information on motivations, impediments to social responsibility, and better management of such social issues resulting in positive benefits to the organisation. For instance, social responsibility practices prove to be helpful in winning contacts from international buyers, implying that practitioners should strengthen social responsibility practices in their operations.

Besides that, being aware of motivations, barriers and facilitators of sustainability practice in Vietnam garment industry helps domestic companies and foreign direct investment firms in Vietnam to promote good practice as well as anticipate opportunities and challenges that they are likely to encounter to enhance their supply chain social responsibility in the context of Vietnam. Many firms in Vietnam garment industry may learn from the implication of sustainability practice to the organisational performance. In this vein they could develop an appropriate sustainable development strategy to facilitate their sustainability practice as well as to enhance business performance. A buying firm in their upstream supply chain may use sustainability as a collaborative mechanism to effectively source materials free from risk and uncertainty.

The findings from interviews illustrate that if Vietnamese companies are able to show the high commitment to social responsibility practice, many of them will be able to become the official suppliers of famous international fashion brands like H&M, Nike, Addidas directly without spending on intermediaries' commission for the connection. This achievement helps companies have higher profits and leaner supply chain. It is recommended that the local spinning and fabric milling and clothing manufacturing firms should consider the implementation of social responsibility as an investment, not a financial risk. These good practices also lead to higher employees' performance and loyalty. However, all related stakeholders in the chain have to be willing to show their transparency, commitment and trust to build a socially responsible supply chain network, especially in the global context. Finally, international fashion retailers should attend more to supervising and supporting the implementation of local sub-contract partners. The local

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3 processing factories in Vietnam may use sustainability not only for effective collaboration, but to
4 gain competitive advantage over others. They should consider the differences in cultures, business
5 environment, legislation and political environment between Vietnam and Western countries when
6 examining issues on social responsibility.
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10 11 **8. Conclusions, limitations and future research directions**

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13 This in-depth research examined different perspectives of social responsibility, including
14 drivers, barriers, dimensions and outcomes within Vietnam's garment and textile supply chain.
15 These factors in developing nations such as Vietnam are unique and divergent from developed
16 nations. This paper addressed several social issues in the labour-intensive industry to help to
17 nurture human resources and improve the quality of life for the local communities that can
18 potentially enhance sustainability and gain competitive advantages. Finally, the study linked the
19 outcomes of such social responsibility adoption to organisational performance. The findings
20 contribute to the literature on social supply chain sustainability by drawing a full framework to
21 cover several drivers and dimensions, as well as outcomes of supply chain social responsibility at
22 different levels of a specific manufacturing supply chain in developing countries (Figure 2). The
23 results can act as a supporting structure for managers interested in building socially responsible
24 manufacturing supply chains in developing economies.
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33 This study has several pitfalls. Firstly, data were gathered from different managers and
34 directors of garment and textile manufacturing in Vietnam regardless of types and sizes of the
35 organisation. The sample size is limited, and the participant demographics are not varied to cover
36 every perspective of the norm. This issue could lead to bias in the analysis. The authors improved
37 the quality of the investigation by selecting participants at different positions of different types of
38 organisations with varied experiences. Future studies should expand the scope of the research by
39 comparing the findings in various developing nations with diverse groups of the samples.
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45 Furthermore, scholars could adopt a quantitative approach to confirm the reliability and
46 validity of each measure and examine the proposed framework using large-scale survey data from
47 cross-industrial areas. Moreover, the research could focus on the financial benefits and profits to
48 companies by adopting social responsibility practices, and therefore, the need for change within
49 the supply chain could be identified and supported. Finally, linking social responsibility adoption
50 with the improvement of environmental and economic sustainability is a crucial topic that future
51 research should consider.
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Annexure 1: The profile of participants

No.	Position	Years of experience	Role of the company in the supply chain	Countries of origin	Number of employees	Profile of upstream suppliers	Profile of downstream buyers	International certificates
1	Production Manager	Since the company's establishment	Spinning company A – Tier 1	Vietnam	Nearly 500	Several suppliers from 7 countries	Local buyers (FDI manufacturing companies)	ISO 9001, OKOTEX 100
2	Purchasing Manager	25 years (since the company's establishment)	Spinning company B – Tier 1	Vietnam	Nearly 500	Varies from worldwide (Depend on the requirement of the orders)	Worldwide, mostly to Europe, Japan and America (80% export, 20% domestic)	ISO 9001, OKOTEX 100
3	Sales Manager	Nearly 20 years	Spinning company C – Tier 1	Vietnam	1000	Worldwide – depend on the orders	Local buyers (FDI manufacturing companies)	ISO 9001, OKOTEX 100
4	CEO	More than 30 years – 10 years	Spinning company D – Tier 1	Vietnam	Nearly 1200	Worldwide – depend on	80% for export; 20%	ISO 9001, OKOTEX 100

		in this company				the orders	for Vietnamese enterprises	
5	CEO Assistant	Nearly 15years	Fabric Milling Company A - Tier 2	Vietnam	Around 300	7	Worldwide	ISO 9001
6	Managing director	Over 20 years	Fabric Milling Company B - Tier 2	Vietnam	Around 1500	Worldwide – depend on the orders	Domestic + international markets	ISO 9001
7	Sales Director	Over 20 years	Fabric Milling Company C – Tier 2	Vietnam	Around 1500	Worldwide – depend on the orders	Domestic + international markets	ISO 9001
8	Purchasing Manager	Around 15 years	Fabric Milling Company D – Tier 2	Vietnam	More than 600	From Asia, depending on the orders	More than 90% for FDI companies in Vietnam	ISO 9001, SA8000, WRAP, 5S
9	Business Development Manager	Round 23 years	Manufacturer A - Tier 3	Vietnam	Around 3000	Depend on the orders Mostly from Asia	International brand name	ISO 9001, BSCI, "Trade Compliance, Brand Protection, C-TPAT, Labor Standards by IPS Hongkong"

10	Chairman	Nearly 30 years (since the company's establishment	Manufacturer B – Tier 3	Korea	30000+	Domestics and Asian countries. Key suppliers are Korean mills	International brands (Uniqlo, Nike, Adidas, Victoria Secret, etc.)	ISO 9001, Better Work, Wrap, Lean practice, Buyers' audit certificates
11	Operations Manager	Nearly 20 years (since the company establishment)	Manufacturer C – Tier 3	Korea	30000+	Domestics and Asian countries. Key suppliers are Korean Mills	Most international brands (Nike, Adidas, Uniqlo, American Eagle, etc.)	ISO 9001, Better Work, Wrap, Lean practice, Buyers' audit certificates
12	Purchasing manager	Nearly 10 years	Manufacturer + Fashion Retailer D – Tier 3 +4	Vietnam	More than 20000	Domestics + Asian countries such as China, Taiwan, Korea, Thailand, India, etc.	International brands	ISO 9001, SA8000, WRAP, 5S

13	Marketing Manager	Nearly 15 years	Manufacturer + Fashion Retailer E – Tier 3 +4	Vietnam	More than 20000	Asian countries	Its own brand. International brands.	ISO 9001, SA8000, WRAP, 5S
14	Deputy General Manager	More than 20 years	Manufacturer + Fashion Retailer F – Tier 3 +4	Vietnam	About 11000	Domestics, International suppliers include Chinese, Taiwanese suppliers	Its own brand. International brands	C-TPAT, ISO 9001, WRAP, Better Work, Buyers' audit certificates, Lean and 5S practices
15	Senior Purchasing Manager	More than 20 years	Manufacturer + Fashion Retailer G – Tier 3 +4	Vietnam	About 11000	Domestics, International suppliers include Chinese, Taiwanese suppliers	Most of international brands	C-TPAT, ISO 9001, WRAP, Better Work, Buyers' audit certificates, Lean and 5S practices
16	Sales Manager	More than 20 years	Manufacturer + Fashion Retailer H – Tier 3 +4	Vietnam	About 11000	Domestics, International suppliers include Chinese,	Most of international brands	C-TPAT, ISO 9001, WRAP, Better Work, Buyers' audit certificates, Lean

						Taiwanese, Thai suppliers		and 5S practices
17	Compliance manager	Nearly 30 years	Merchandiser A – Tier 4	USA	Around 50	Domestic suppliers	Nike; Levi's	Worker's life
18	Country Representative	Nearly 15 years	Fashion Retailer B - Tier 4	USA	Around 500 in Vietnam	Worldwide	Final customers	Fair Labor Association (FLA) audit certificates

Annexure 2. Interview Questions

Theories	Description	Interview Questions to understand themes
Stakeholder theory (instrumental form)	The connection between stakeholders management and corporate performance. It is to investigate the motivations of the organisational social responsibility efforts as well as influence and pressures of different stakeholders on the firms to behave socially sustainably	i) As a leader and the fundamental practitioners during this sustainability reform, do you perceive any particular challenge and driver for social responsibility practice in your organisation? ii) Being suffered by those challenges, what are motivations for your companies to carry on these social responsibility reforms? iii) Can you classify clearly, dimensions of social responsibility practices that your companies are carrying out? iv) Do you think there are direct and sufficient implications on the organisational performance by practising social responsibility?
Resource-based view theory	Capacity to build irrepressible resources in the supply chain that cannot be copied by adopting social responsibility in their management practice.	