

14 June 2020

# Why do firms participate in the Dutch Agreement on Sustainable Garments and Textile?

A qualitative study into firm drivers for multi-stakeholder initiative participation

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Master thesis Organizational Design & Development

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# Chapter 1 - Introduction

Since supply chains are increasingly transcending national borders, addressing social and environmental issues in supply chains has proven to be difficult (Bartley, 2007; Bernstein & Cashore, 2007; Graafland & Mazereeuw-Van der Duijn Schouten, 2012; Soundararajan, Wicks & Brown, 2019). Low margins combined with fierce competition among suppliers cause poor labor and environmental conditions at production locations (Locke, Rissing & Pal, 2013). At the same time, there is a lack of global regulatory capacity to address these issues, because traditional governance by nation states, civil society and global institutions lacks the ability to regulate the activities of globally operating firms (Aguilera, Rupp, Williams & Ganapathi, 2007; Fransen & Burgoon, 2012; Locke et al., 2013; Scherer & Palazzo, 2011; Soundararajan et al., 2019; Wetterberg, 2011). One of the industries that is facing social and environmental issues as well as the lack of regulatory potential is the garment industry (Reinecke & Donaghey, 2015, 2017; Wetterberg, 2011). Especially exploitation of workers and labor conditions have become a major issue in the garment industry, since suppliers feel pressured by Western lead firms to increase their productivity (Schuessler, Frenkel & Wright, 2019; Wetterberg, 2011).

Often, soft law policies in the form of codes of conduct and audits were installed to deal with poor labor conditions in the garment industry, but these have proven to be insufficient (Reinecke & Donaghey, 2017; Schuessler et al., 2019; Wetterberg, 2011). A case that clearly demonstrates the major limitations of current forms of governance to deal with labor issues in global garment supply chains is the series of fatal fires and collapses in garment factories in Bangladesh (Ashwin, Oka, Schüßler, Alexander & Lohmeyer, 2019; Reinecke & Donaghey, 2017; Schuessler et al., 2019). Among them was the collapse of the Rana Plaza building in which over a thousand lives were lost and more than 2000 garment workers were injured (Reinecke & Donaghey, 2015, 2017; Schuessler et al., 2019; Soundararajan & Brown, 2016). Many of the collapsed and burned buildings, including Rana Plaza, were actually audited against international accountability standards (Reinecke & Donaghey, 2017), which shows the inadequacy of this type of governance.

Since current forms of governance are insufficient, new forms of transnational private governance are needed to address issues such as poor labor conditions in the garment industry (Airike, Rotter & Mark-Herbert, 2016; Bartley, 2007; Locke et al., 2013; Soundararajan et al., 2019; Wetterberg, 2011). Transnational private governance can be defined as “coalitions of nonstate actors that codify, monitor, and in some cases certify firms’ compliance with labor, environmental, human rights, or other standards of accountability” (Bartley, 2007, p. 298). One of these new forms of private governance are collaborative arrangements including firms, government and civil society (Selsky & Parker, 2005). There is great consensus among scholars on the fact that multi-stakeholder initiatives, a specific and innovative form of transnational private governance, are needed to achieve sustainability goals,

address societal problems, improve labor conditions and can complement governance by governments (Airike et al., 2016; Fowler & Biekart, 2017; Lundsgaarde, 2017; Mena & Palazzo, 2012; Reinecke & Donaghey, 2017; Sloan & Oliver, 2013; Soundararajan & Brown, 2016). A multi-stakeholder initiative (hereafter MSI) can be defined as a “formalized arrangement in which organizations from diverse sectors (private, public and nonprofit) commit to work together in mutually beneficial ways to accomplish goals that they could otherwise not achieve alone” (Sloan & Oliver, 2013, p. 1837). Not only among scholars, but also in practice it is recognized that MSIs are playing a crucial role in achieving sustainability goals. For instance, MSIs are an explicit part of the United Nations’ 2030 Agenda for Sustainable Development as adopted in 2015 (United Nations, n.d.).

Despite the widely shared recognition that MSIs are necessary to address social and environmental issues, they are poorly understood phenomena (Selsky & Parker, 2005). Especially the drivers for why actors join MSIs remain insufficiently addressed. In research, there seems to be a focus on consequences, rather than antecedents of responsible practices (Aguilera et al., 2007; Brønn & Vidaver-Cohen, 2009; Paulraj, Chen & Blome, 2017). This entails that outcomes of responsible practices are more widely investigated, than what leads actors to engage in responsible business activities (Babiak & Trendafilova, 2011). This study will contribute to knowledge about antecedents of responsible practices by focusing on drivers for participating in MSIs.

Furthermore, current literature on MSI participation focuses particularly on the public sector (Lundsgaarde, 2017). However, drivers of public actors, such as NGOs, to participate in MSIs seem more obvious than drivers of firms, since NGOs exist to address social issues. Firms, on the other hand, are generally assumed to be more profit oriented (Scherer & Palazzo, 2011) and drivers of firms for responsible practices are often assumed to be based on self-interest or financial considerations (Brønn & Vidaver-Cohen, 2009; Graafland & Mazereeuw-Van der Duijn Schouten, 2012; Scherer & Palazzo, 2011). This makes firm drivers to participate in MSIs interesting, since MSIs do not focus on financial benefits or profits but on addressing social and environmental issues (Mena & Palazzo, 2012; Selsky & Parker, 2005). However, firm drivers for participating in MSIs in particular have received limited attention (Lundsgaarde, 2017). Therefore, this study will focus on drivers of firms to participate in MSIs. In this study the term ‘driver’ is understood as the factors that cause firms to participate in a MSI. Firms are likely to be driven not just by a single driver, but can experience multiple drivers at the same time (Bansal & Roth, 2000; Paulraj et al., 2017).

Understanding firm drivers for participating in MSIs is theoretically relevant because firm drivers in extant literature often concern drivers for Corporate Social Responsibility (CSR) in general (Aguilera et al., 2007; Babiak & Trendafilova, 2011; Bansal & Roth, 2000; Brønn & Vidaver-Cohen, 2009; Govindan et al., 2014; Paulraj et al., 2017), rather than MSI participation in particular. But in fact, there are a few studies that have initiated investigating drivers for firm participation in MSIs (Airike

et al., 2016; Kell, 2003; Lehr, 2010; Lundsgaarde, 2017; Roloff, 2008b; Zeyen, Beckman & Wolters, 2016). These studies have focused on specific industries or MSIs (Airike et al., 2016; Kell, 2003; Lehr, 2010; Lundsgaarde, 2017; Roloff, 2008b; Zeyen et al., 2016). Taking into account that there may exist differences in drivers for MSI participation across industries (Brønn & Vidaver-Cohen, 2009), it is difficult to directly apply the results of these studies to other industries and MSIs, such as the garment industry. Differences in drivers across industries may be attributed to characteristics of the industry, such as the extent to which the industry is polluting, the labor intensity or legal regulations (Graafland & Mazereeuw-Van der Duijn Schouten, 2012). Therefore, it is theoretically relevant to study firm drivers to participate in MSIs in the garment industry in particular.

In order to gain insight into firm drivers to participate in MSIs in the garment industry, this study will investigate the Dutch Agreement on Sustainable Garments and Textile (hereafter AGT), which is a recent example of a MSI in the garment industry. The AGT focuses, among other things, on improving labor conditions in global garment supply chains. The AGT was signed in July 2016 by firms, industry associations, NGOs, trade unions and the government and aims to “improve working conditions, prevent pollution, and promote animal welfare in production countries” (SER, 2017a). The AGT is a good example of a MSI since private, public as well as nonprofit actors participate in order to improve labor conditions, which they would not be able to achieve on their own. The AGT serves as a useful context for developing a more elaborate understanding of firm drivers for participating in MSIs, because it is a recent example: it was signed in 2016 (SER, 2017c). Because of its recency, firms participating in the AGT are likely to be able to recall the reasons that led to the decision to participate in the AGT. The chance that factors influencing the decision to participate have been forgotten is much smaller than in MSIs that have been existing for a longer period of time, such as the Fair Wear Foundation which was initiated in 1999. Besides, analyzing firm drivers for MSI participation in a recent MSI will “more purely reflect anticipated benefits of participation than a response to the performance of the initiative” (Lundsgaarde, 2017, p. 467).

The aim of my master thesis is *to gain insight in and explore drivers for firm participation in the Dutch Agreement on Sustainable Garments and Textile and the relative importance of these drivers, in order to contribute to explanations of firm participation in multi-stakeholder initiatives*. In order to achieve this goal, an answer to the following questions will be formulated: *What drives firms to participate in the Dutch Agreement on Sustainable Garments and Textile? What is the relative importance of these drivers?*

By focusing on firm drivers in particular, a thorough understanding of the drivers of this type of actor in MSIs will be provided. By entering the research field with as little theoretical guidance as possible, this study strived to incorporate a broad range of drivers that firms experience to engage in the AGT. This qualitative study followed an abductive approach and employed a combination of conducting

interviews with CSR managers and analyzing CSR and AGT reports in order to gain a complete picture of firm drivers for AGT participation.

From a practical point of view it is helpful to understand firm drivers for engaging in MSIs for a few reasons. First of all, understanding firm drivers for participating in MSIs provides the ability to predict when firms are likely to participate in MSI (Bansal & Roth, 2000; Brønn & Vidaver-Cohen, 2009). Second, knowledge about firm drivers can support “scholars, managers, policy makers and stakeholder groups to develop effective strategies” to stimulate firms to engage in MSIs (Bansal & Roth, 2000; Brønn & Vidaver-Cohen, 2009, p. 92; Graafland & Mazereeuw-Van der Duijn Schouten, 2012). When it is known what drives firms to participate in MSIs, strategies for involving firms in MSIs can be improved by responding to these drivers and perhaps increase firm participation. This is important since MSI participation is voluntary and therefore attracting members can be difficult (Zeyen et al., 2016). Third, understanding firm drivers for participating in MSIs will provide an insight in what firms expect to achieve with their participation. This knowledge can contribute to designing MSIs in alignment with these expectations and in such a way that firms stay engaged with the MSI.

In addition to identifying firm drivers, this study aims to provide an insight in the relative importance of firm drivers for participating in MSIs, which currently received limited attention (Orlitzky, Louche, Gond & Chapple, 2017). Some studies have provided insight in the relative importance of drivers for CSR, but these show contradictory results (Brønn & Vidaver-Cohen, 2009). It is important to gain a better understanding of the relative importance of firm drivers for MSI participation, because such a ranking gives an even better opportunity to design MSIs consistently with firm expectations. For instance, the design of a MSI in which firms with predominantly moral drivers participate can and will be different from the design of a MSI in which firms participate because of external pressures. In the first MSI, firms are likely to be more engaged and driven by intrinsic reasons. Because of this, policy makers should not focus on providing extrinsic incentives (Graafland & Mazereeuw-Van der Duijn Schouten, 2012). In the second MSI, firms are more likely to perceive MSI participation as a must and are more driven by extrinsic reasons, which is why providing financial incentives might improve MSI participation (Graafland & Mazereeuw-Van der Duijn Schouten, 2012). Knowing the relative importance of drivers thus enables MSIs to improve their design based on the expectations participating firms have.

The remainder of this thesis is structured as follows. First, the theoretical background will be outlined in Chapter 2. In this background MSIs will be elaborated further and related to transnational private governance and CSR. Firm drivers for MSI participation will be discussed in more detail as well. The research method, data collection, data sources and analysis method will be discussed in Chapter 3. In this chapter also the quality of research and research ethics will be elaborated. Then, the findings of

this study can be found in Chapter 4. At last, in Chapter 5 these findings will be interpreted in light of extant literature, theoretical and practical contributions will be discussed, limitations presented and directions for future research will be given.

## Chapter 2 - Theoretical background

In this chapter the central concepts of this research will be defined and elaborated based on relevant extant literature and theories. First, MSIs will be defined and discussed. Then, MSIs will be related to transnational private governance and corporate social responsibility (CSR). Thereafter, firm drivers for participating in MSIs will be reviewed.

### 2.1 Multi-stakeholder initiatives

Collaborative arrangements among firms, government and civil society (including NGOs) go by many labels (Selsky & Parker, 2005), including multi-stakeholder initiatives (Mena & Palazzo, 2012), multi-stakeholder partnerships (Sloan & Oliver, 2013), cross-sector partnerships (Selsky & Parker, 2005), multi-stakeholder collaboration (Airike et al., 2016) and multi-stakeholder networks (Roloff, 2008a). Such collaborative arrangements are defined by a wide range of scholars in different ways (Lundsgaarde, 2017; Mena & Palazzo, 2012; Roloff, 2008a; Selsky & Parker, 2005; Sloan & Oliver, 2013). Sloan & Oliver (2013, p. 1837), for instance, define MSIs as “formalized arrangements in which organizations from diverse sectors (private, public and nonprofit) commit to work together in mutually beneficial ways to accomplish goals that they could otherwise not achieve alone”. Although labels and definitions differ in their specific content, they “converge on the fact that they result from the collaboration of at least two of the three actors of firms, governments and civil society” (Mena & Palazzo, 2012, p. 535). In this study the term multi-stakeholder initiative (MSI) will be adopted which is defined as collaborative arrangements between firms, government and civil society to find a solution to shared problems that benefits all participants, which could not have been achieved by entities or sectors acting in isolation.

The aim of MSIs is to include voices from different sectors (public, private and nonprofit) into decision-making and not just the voice of one particular (group of) stakeholder(s) in order to be better equipped to achieve goals and solve issues (Airike et al., 2016). By participation of different sectors it becomes possible to expose problems from different angles, which can support in handling problems more effectively (Roloff, 2008a). Although MSIs generally emerge “in response to regulatory challenges, not all MSIs are rule-setting initiatives” (Mena & Palazzo, 2012, p. 536). MSIs can serve different goals, including providing a learning platform, developing behavioral standards (such as codes of conducts or guidelines), developing mechanisms of auditing and compliance, and/or providing labels and certifications for firms that comply with the standard (Mena & Palazzo, 2012). This corresponds to the distinction Soundararajan et al. (2019) make between compliance-based and

collaborative-based MSIs and the identification of different goals of MSIs by Scherer and Palazzo (2011), ranging from dialogue to designing and monitoring standards. Compliance-based MSIs define standards and guidelines that suppliers should comply to. Compliance is then checked through social or environmental auditing (Soundararajan et al., 2019). Collaborative-based MSIs consist of collaboration between actors which together search for overarching benefits rather than focusing on benefits for individual actors (Soundararajan et al., 2019). The AGT can be perceived as an example of the collaborative category, since participation does not simply entail that actors have to comply to predefined standards. Instead, participation entails collaboration between actors in which parties can support and help each other in addressing issues in the garment supply chain. Furthermore, participating firms develop their own action plans based on their individual sustainability status and the insights they already have in their supply chain. There is no uniform predefined standard and auditing procedure that all firms have to comply to at a given moment in time.

## 2.2 MSIs in broader perspective

In this section MSIs will be positioned in broader discussions around CSR and transnational private governance, as MSIs can be perceived as a form of both. In the current globalizing world, governments often lack the ability or willingness to solve the many transcending social and environmental issues (Locke et al., 2013; Mena & Palazzo, 2012; Roloff, 2008a; Zeyen et al., 2016). Combined with the fact that firms are considered influential actors regarding social and environmental issues, firms are increasingly criticized and expected to help resolve these issues (Roloff, 2008a). As a result, firms have started to engage in self-regulation, which has been discussed as a form of CSR (Mena & Palazzo, 2012; Soundararajan & Brown, 2016). Instead of owning production facilities themselves, firms are increasingly outsourcing production to supply chain partners for whose practices firms are held responsible as well (Airike et al., 2016; Paulraj et al., 2017; Soundararajan & Brown, 2016). Because of this, CSR is no longer constrained to the individual firm, but contains the entire supply chain (Airike et al., 2016; Paulraj et al., 2017). CSR is defined in many ways (Dahlsrud, 2008). Van Marrewijk (2003, p. 102), for instance, defines CSR as “voluntary company activities demonstrating the inclusion of social and environmental concerns in business operations and in interactions with stakeholders”. CSR is about having a duty to society that goes beyond making profits and adjusting corporate goals in such a way that they include ethical standards and socially desirable behavior, even if these goals reduce firm profits or are not required by law (Airike et al., 2016; Babiak & Trendafilova, 2011; Graafland & Mazereeuw-Van der Duijn Schouten, 2012; Paulraj et al., 2017). MSIs are an important mechanism to tackle complex CSR problems in global supply chains and have the potential to fill regulatory gaps (Airike et al., 2016). Thus, MSIs can be seen as a form of CSR between several actors, instead of the CSR approach of one firm. This is confirmed by Lundsgaarde (2017, p. 465), who states that the decision of a firm to participate in MSIs is a “voluntary action which is not driven by a governmental mandate”, which is in line with definitions of

CSR.

Furthermore, MSIs are a key element in the global regulatory order in which they are seen as a form of transnational private governance that complements the traditional regulatory potential of governments (Airike et al., 2016; Mena & Palazzo, 2012; Roloff 2008a; Soundararajan & Brown, 2016; Zeyen et al., 2016). Not only is there currently a lack of governmental capacity to regulate global supply chains, also developing countries where production is often located “lack the ability or willingness to enforce their national laws” (Locke et al., 2013, p. 520). Since soft law policies have proven insufficient in ensuring acceptable labor conditions (Schuessler et al., 2019), new forms of transnational private governance, such as MSIs are needed to fill global regulatory gaps (Bartley, 2007; Fowler & Biekart, 2017; Locke et al., 2013; Lundsgaarde, 2017; Mena & Palazzo, 2012; Reinecke & Donaghey, 2017; Sloan & Oliver, 2013; Soundararajan et al., 2019). MSIs can be labelled a form of transnational private governance for several reasons. Mena and Palazzo (2012, p. 533), for instance, describe both MSIs and transnational private governance as different names for “governance with and without governments”. Furthermore, MSIs are transnational since they transcend national borders with regard to the issues they address (Bartley, 2007). MSIs are can be labeled private since they are not initiated and/or regulated by governments only (Bartley, 2007). At last, MSIs are a form of governance since they aim to set standards and ensure compliance to these standards (Bartley, 2007).

One of the industries that is facing social and environmental issues, such as poor labor conditions, experiences a lack of traditional regulatory potential and is in need of forms of transnational private governance is the garment industry (Reinecke & Donaghey, 2015, 2017; Wetterberg, 2011). Labor conditions in garment supply chains are often poor because of pressure by Western lead firms to increase productivity, thin supplier profits and a lack of labor law enforcement in supplier countries (Schuessler et al., 2019; Wetterberg, 2011). For Western lead firms, it is difficult to detect abusive labor conditions, since it is “common practice in the garment industry that producers work with a number of smaller subcontractors” (Roloff, 2008b, p. 234). MSIs can be helpful in addressing social and environmental issues in the garment industry. This also shows through the fact that MSIs are not uncommon in the industry and have already been established. Besides the AGT, examples include The Accord for Fire and Building Safety in Bangladesh (Reinecke & Donaghey, 2017) and the Apparel Industry Partnership (Roloff, 2008a).

### 2.3 Drivers for participating in MSIs

As laid out in the introduction, this research focuses on drivers of firms to participate in MSIs and in the AGT in particular. Different labels are used to describe the reasons firms have to participate in MSIs, including motivations (Bansal & Roth, 2000), motives (Aguilera et al., 2007; Airike et al., 2016; Brønn & Vidaver-Cohen, 2009; Lundsgaarde, 2017; Paulraj et al., 2017) and drivers (Govindan

et al., 2014). Govindan et al. (2014, p. 216) define drivers as “factors which involve and force implementation of CSR activities in a firm’s performance”. In this research I will use the term ‘driver’ which is understood as factors that cause firms to participate in a MSI. I chose to use the term ‘driver’ since it seems more encompassing than motives and motivations which at first sight primarily seem to be focused on a firm’s internal motivation or motive. However, in this research I would like to include external factors that cause a firm to participate in MSIs, such as governmental pressure or societal expectations, as well.

Literature on MSIs has investigated motives for state participation and factors contributing to MSI effectiveness (Lundsgaarde, 2017). However, firm drivers to participate in MSIs have not been researched extensively (Airike et al., 2016; Kell, 2003; Lehr, 2010; Lundsgaarde, 2017; Roloff, 2008b; Svendsen & Laberge, 2005; Zeyen et al., 2016). Firm drivers for engaging in CSR are understood better. As aforementioned, MSIs can be regarded a particular form of CSR. Therefore, it is useful to take existing knowledge about drivers for adopting CSR as a starting point for exploring firm drivers for participating in MSIs (Lundsgaarde, 2017). In the following, drivers for adopting CSR will be discussed first. Thereafter, the studies that already started exploring firm drivers for participating in MSIs will be elaborated on.

### 2.3.1 Drivers for engaging in CSR

Firms engage in CSR because of diverse reasons, including both instrumental and ethical reasons as well as internal and external factors (Brønn & Vidaver-Cohen, 2009; Paulraj, et al. 2017). Drivers to engage in CSR can be categorized into instrumental, relational and moral drivers (Aguilera et al., 2007; Paulraj et al., 2017). Instrumental drivers motivate firms to practice CSR because it is in their own (financial) best interest (Aguilera et al., 2007; Brønn & Vidaver-Cohen, 2009; Paulraj et al., 2017). Relational drivers are “concerned with relationships among group members” and addressing the interests of multiple stakeholders (Aguilera et al, 2007, p. 839; Paulraj et al., 2017). Moral drivers focus on intrinsic higher-order values and doing things because they are the right thing (Aguilera et al, 2007; Paulraj et al., 2017). Moral drivers relate to intrinsic motivation, since these drivers are about adopting CSR because it is an end in itself (Graafland & Mazereeuw-Van der Duijn Schouten, 2012; Paulraj et al., 2017). Graafland and Mazereeuw-Van der Duijn Schouten (2012, p. 380) make a distinction between two types of intrinsic motivations: (1) “CSR as a moral duty” and (2) “CSR as an expression of altruism”. Moral duty refers to situations in which people do something because they think it is right, not because they enjoy to do it. Altruism relates to enjoying helping others or contributing to sustainability. Instrumental and relational drivers relate to extrinsic motivation, which entails that by means of these drivers firms practice CSR in order to realize other goals (Graafland & Mazereeuw-Van der Duijn Schouten, 2012; Paulraj et al., 2017). The instrumental, relational and moral categories will be used as a framework throughout the remainder of this chapter. These

categories of drivers are not considered mutually exclusive; firms can be driven by a combination of drivers (Bansal & Roth, 2000; Paulraj et al., 2017).

Aguilera et al. (2007) present the complex network of instrumental, relational and moral factors that may drive firms to engage in CSR. The message of their framework is that firms are being pressured by internal as well as external actors at different levels to engage in CSR. One important relational driver from the framework of Aguilera et al. (2007) which I will discuss in more detail is legitimation, which is also discussed by Babiak and Trendafilova (2011), Bansal and Roth (2000), Brønn and Vidaver-Cohen (2009) and Paulraj et al. (2017). Legitimation entails that firms desire to act appropriately within an established “set of regulations, norms, values or beliefs” (Scott, 2008; Suchman, 1995, p. 574). Legitimation is a relational driver since it entails that firms engage in CSR in order to be perceived as legitimate by others (Paulraj et al., 2017). The focus is not on doing more than what is required, but on meeting and reacting to external constraints and regulations (Bansal & Roth, 2000). One way of gaining legitimacy is imitating peer firms or competitors, also known as mimetic isomorphism (Babiak & Trendafilova, 2011; O’Connell, Stephens, Betz, Shepard & Hendry, 2005; Paulraj et al., 2017; Suchman, 1995). In addition to mimetic pressures, there are coercive and normative pressures that lead to isomorphism as a way to gain legitimacy (Paulraj et al., 2017). Normative pressures can include the social requirements from consumers, while coercive pressures relate to regulations and laws (Paulraj et al., 2017).

In addition to legitimation Bansal and Roth (2000) have found two other drivers for ecological responsiveness: competitiveness and responsibility. Competitiveness is concerned with improving competitive advantage and long-term profitability and can be related to the instrumental driver category. When acting based on competitiveness drivers, firms weigh costs and benefits and only act responsibly if this enhances financial performance and market position. The driver of ecological responsibility “stems from the concern a firm has for its social obligations and values” (Bansal & Roth, 2000, p. 728). Ecological responsibility emphasizes the ethical aspect and therefore fits the moral driver category. Firms driven by ecological responsibility act based on a feeling of responsibility and philanthropy. Also, the drivers for adopting CSR found by Brønn and Vidaver-Cohen (2009) fit the three categories of drivers. They found three drivers for CSR: sustainability drivers (corresponding to moral drivers), legitimacy drivers (corresponding to relational drivers) and profitability drivers (corresponding to instrumental drivers). Babiak and Trendafilova (2011) revealed that firms were driven by strategic and legitimacy drivers. Their strategic driver can be linked to the instrumental category and their legitimacy driver to the relational category. At last, Govindan et al. (2014) grouped drivers for CSR found by others into six main drivers for firms to adopt CSR: societal drivers, supply chain drivers, environmental drivers, financial drivers, voluntary drivers and mandatory drivers.

Taken together, even though drivers for engaging in CSR were assigned different labels in each study, the instrumental, relational and moral driver categories are applicable and dominant throughout literature. Therefore, these categories will be applied throughout this research as guiding concepts. This study aims to build on these categories and provide insights on the applicability of these categories of drivers for firms to participate in the AGT.

Studies show differing results regarding the relative importance of firm drivers for practicing CSR (Brønn & Vidaver-Cohen, 2009). Some found moral drivers dominate, others instrumental and others that they are in balance (Brønn & Vidaver-Cohen, 2009). Paulraj et al. (2017), for instance, have found that relational and moral reasons to engage in CSR are key drivers and that firms driven primarily by moral factors outperform firms driven by instrumental and/or relational factors. This is supported by Graafland and Mazereeuw-Van der Duijn Schouten (2012), who found that moral drivers dominate instrumental drivers. Bansal and Roth (2000), on the other hand, state that firms were mainly driven by relational drivers, followed by instrumental drivers and moral drivers lagging behind. Again another prioritization was found by Aguilera et al. (2007), who state that instrumental drivers are a necessary condition for managers. Only thereafter, relational and moral drivers come at play. This is supported by the findings of Babiak and Trendafilova (2011) who found that instrumental drivers were the primary reason to engage in CSR. Despite these different findings, instrumental explanations for practicing CSR are dominant in extant literature (Brønn & Vidaver-Cohen, 2009; Paulraj et al., 2017). This study aims to elaborate on this and provide insights in the relative importance of firm drivers to participate in the AGT.

### 2.3.2 Drivers for MSI participation

Firm drivers for conducting CSR cannot be one on one transferred to MSI participation. Common understandings of CSR regard the responsible practices of one firm, while MSI participation concerns collaboration with diverse sectors and stakeholders. Collaboration asks for engagement and alignment with different parties in which firms have little control over outcomes of standards. Because of this, drivers for participating in MSIs will likely differ from drivers for practicing other forms of CSR, such as code of conducts. Therefore, I will now turn to the studies that have started to investigate firm drivers to participate in MSIs in particular, and not CSR in general. However, I will use the instrumental, relational and moral categories of drivers as framework here as well.

One of these studies is by Airike et al. (2016) who found four drivers for participating in MSIs, namely collaborative advantage, altruistic values, self-interest and external pressures. Collaborative advantage entails that firms participate in MSIs in order to address complex, multifaceted problems that they could not address by acting individually. According to Airike et al. (2016), collaborative advantage is the major driver for participating in MSIs. Furthermore, firms are driven by altruistic values, which entails that they participate in MSIs because they want to do the right thing. Based on

the self-interest driver, firms participate in MSIs in order to secure “current and future business benefits” (Airike et al., 2016, p. 641). At last, the external pressure driver entails that firms participate in MSIs because of pressures and lobbying from NGOs or governments. The collaborative advantage and altruistic values drivers are confirmed by Kell (2003), who found that firms experienced two drivers to participate in the Global Compact. First, they were driven by enlightened self-interest and wanting to do the right thing, meaning that firms participate because they want to help solve pressing issues. Second, firms participate in MSIs when they feel that these issues cannot be solved without collaboration. Lehr (2010), confirms that firms are driven to participate by external pressures from the government and NGOs. Besides, firms are driven by the collaborative advantage of a MSI (Lehr, 2010), that is, the issues that firms face can only be overcome by acting collectively. This driver is also found by Roloff (2008b), who states that firms often feel unable to address issues without collaborating with other firms and stakeholders. Svendsen and Laberge (2005) describe that historically, ‘push’ factors, such as the need to comply with regulation and responding to public pressures, have driven firms to engage with stakeholders. But firms nowadays build networks for their own benefit as well as to create social value, which fits the driver of altruistic values by Airike et al. (2016). When applying the instrumental, relational and moral categories of drivers to the drivers of Airike et al. (2016), external pressures could be categorized as relational, self-interest as instrumental and altruistic values as moral. However, collaborative advantage remains difficult to assign to one specific category of drivers. On the one hand, collaborative advantage is about creating and managing relationships with other parties and therefore could be categorized as relational. On the other hand, when firms want to solve problems because they believe it is the right thing to do and believe they need others to do this, collaborative advantage could be regarded a moral driver.

Lundsgaarde (2017) investigated firm drivers for participating in MSIs as well, but compared to the study of Airike et al. (2016) these findings are less broad and only fit the instrumental driver category as Lundsgaarde (2017) found two market-oriented drivers. The first driver entails that firms participate in MSIs in order to engage with governmental actors and in this way shape the regulatory context and change the market in beneficial ways for the firm itself as well as for addressing global issues. The second driver found by Lundsgaarde (2017) considers the networking function of a MSI. This entails that firms are driven to participate in MSIs in order to gain exposure of their products and services in potential markets. The networking driver can be related to the market access driver found by Kaan and Liese (2011). Firms participate in MSIs to expand existing markets and create and develop new markets (Kaan & Liese, 2011). Another driver stated by Kaan and Liese (2011) is the reputation firms can gain by participating in MSIs. Both market access and reputation can be linked to the instrumental driver category as well.

According to Zeyen et al. (2016) firms experience two forms of self-interest that drives them to participate in MSIs: (1) reputation-driven considerations and (2) institutional pressures. The first

driver concerns reputation building and entails that firms participate in MSIs in order to “credibly communicate to be different from poorly performing” competitors (Zeyen et al., 2016, p. 348). Firms partner with other stakeholders in a MSI to co-create reputation and hereby seek competitive advantage. In terms of the three categories, reputation building fits the instrumental driver category. Institutional pressures are the second driver discussed by Zeyen et al. (2016) and can be linked to the instrumental driver category as well, as it relates to the competitive advantage of the firm. Based on this driver, firms participate in MSIs in order to “push for a norm whose broader application improves the competitive position of the firm” (Zeyen et al., 2016, p. 349). These drivers of Zeyen et al. (2016) apply particularly to the first phases of a MSI. When a MSI is more developed and has established legitimacy, not yet participating firms are driven to participate in order to gain legitimacy as well (Zeyen et al., 2016). MSI participation in this respect is the result of mimetic isomorphic pressures. Also, coercive and normative isomorphic pressures are at play when MSIs become developed. The new MSI norm might replace previous expectations regarding appropriate behavior. When the MSI norm becomes the new standard, firms might experience pressures from external stakeholders to join the MSI as well (Zeyen et al., 2016). The focus on gaining legitimacy can, as discussed in the section on drivers for engaging in CSR, be linked to the relational driver category.

Taken together, drivers for MSI participation have been investigated by several authors. Airike et al. (2016) provide a broad range of drivers that cover all three categories of drivers. Other studies (Kell, 2003; Lehr, 2010; Lundsgaarde, 2017; Roloff, 2008b; Svendsen & Laberge, 2005; Zeyen et al., 2016) have found drivers that only fit one or two of the instrumental, relational and moral categories. This study aims to provide insight in all possible drivers of firms to participate in the AGT. Some studies that investigated firm drivers for MSI participation make statements about the relative importance of these drivers as well. Airike et al. (2016), for instance, make a distinction between primary and secondary drivers for MSI participation. The collaborative advantage of MSIs was found to be the primary driver for firms to participate. Secondary drivers included reputation, hoping to influence or transform the industry, altruism and legitimacy. This study will elaborate on this by investigating the relative importance of firm drivers for AGT participation.

Existing studies on firm drivers to participate in MSIs have focused on specific industries or MSIs, such as the electronics supply chain (Airike et al., 2016), Sustainable Energy for All (Lundsgaarde, 2017) or the UN Global Compact (Kell, 2003). Since MSIs differ widely in their areas of concern, purposes, scales, scopes and time frames, the drivers firms experience to participate in specific MSIs may vary (Airike et al., 2016). Brønn and Vidaver-Cohen (2009) and Graafland and Mazereeuw-Van der Duijn Schouten (2012) found that industries differ in drivers for conducting CSR. Therefore, the drivers discussed in this chapter can be difficult to apply to other industries and MSIs. This makes it important to study further industries and MSIs because this will enlarge our knowledge on firm

drivers for MSI participation. The focus of this study is on drivers of firms in the Dutch garment industry to participate in the AGT.

## 2.4 Sensitizing concepts

Based on the literature discussed in this chapter, sensitizing concepts can be formulated, which are general concepts that guide data collection (Bleijenbergh, 2015). The sensitizing concepts of this study are the following: instrumental drivers, relational drivers, moral drivers and external pressures. These concepts are chosen because of their broadness and prominence in existing studies on firm drivers for CSR and their applicability to drivers for MSI participation. By instrumental drivers I mean factors related to (financial) self-interest that drive firms to participate in the AGT. Relational drivers refer to factors concerned with creating and maintaining relationships with stakeholders that drive firms to participate in the AGT. Moral drivers concern factors that relate to the ethical norms and values of firms that drive firms to participate in the AGT. At last, by external pressures I mean factors outside the firm that drive firms to participate in the AGT. These sensitizing concepts are used as guidance during data collection and analysis. It is important to note that I was open to find other drivers and that I did not want to steer respondents towards these specific categories. Therefore, the formulated interview questions were broad and did not include references to the sensitizing concepts. During data analysis, the sensitizing concepts were a helpful instrument to guide the coding process. The methods for data collection and data analysis will be discussed in detail in Chapter 3.

## Chapter 3 - Methods

In this chapter the research strategy, the data collection method and the data analysis method will be discussed. Besides, the AGT will be described in more detail as the research context of this study. At the end of this chapter the consequences of the methodological choices for the quality of this research and ethical considerations are discussed.

### 3.1 Research strategy

The underlying philosophical position of this research is interpretive. This entails that I assume that I can only gain insight in and understand firm drivers for participating in the AGT through accessing the meanings and interpretations that respondents assign to them and having knowledge about the context of firm participation (Corley & Gioia, 2004; Duberley, Johnson & Cassell, 2012; Myers, 2009). As a consequence of this epistemology, perceptions and interpretations of the respondents and my own interpretation as a researcher are central.

This research is of qualitative nature. As has been discussed in the introduction and theoretical background, studies concerning firm drivers for participating in MSIs are scarce and not directly applicable to the garment industry. Since research is still scarce, an insights in the own experience and

interpretation of the decision to participate in the AGT was needed to answer the research question (Bleijenbergh, 2015). By means of qualitative research I was able to collect rich data and to gain a thorough understanding of firm drivers for participating in the AGT and the context in which these decisions took place (Bleijenbergh, 2015; Langley & Abdallah, 2011; Myers, 2009). Understanding the context is helpful in explaining why firms chose to participate in the AGT. Besides, drivers for participating in MSIs might be a matter which firms are not conscious about. For example, at first sight, a firm might not be aware about the pressure of NGOs to participate in a MSI. Therefore, the possibility to ask further questions was important, which is enabled by qualitative research.

Furthermore, this study followed an abductive approach. An abductive research constantly moves back and forth between data and extant theory (Dubois & Gadde, 2002; Gioia, Corley & Hamilton, 2013). This entails that rather than turning to existing theories at the end of the research, as in an inductive approach, familiarity with existing theories and literature from the beginning and throughout every research step was important in order to find innovative and new theoretical contributions (Dubois & Gadde, 2002; Timmermans & Tavory, 2012). The study thus was initiated with a broad theoretical base in mind which was developed throughout the research process (Timmermans & Tavory, 2012). This theoretical background, however, did not strictly determine the potential findings, but rather acted as sensitizing notions that informed data collection and analysis (Timmermans & Tavory, 2012) and was used to formulate sensitizing concepts. These sensitizing concepts supported in better understanding firm drivers for MSI participation. Being an abductive research, this study focused on generating and developing concepts, rather than confirming extant literature as in deductive approaches (Dubois & Gadde, 2002). By investigating firm drivers for participating in the AGT in depth and comparing them with each other and the theory, I was able to discover patterns which will be the basis for extending existing literature (Bleijenbergh, 2015).

### 3.2 Research context

This study investigated the AGT and within this context I focused on firms and their drivers to participate in the AGT. The AGT is a coalition of firms, industry associations, NGOs, trade unions and the Dutch National Government that together have signed an agreement on international responsible business conduct (SER, 2017a). The AGT was signed on 4 July 2016 and will exist for at least five years (SER, 2017c). The aim of the AGT is to “improve labor conditions, preventing pollution, and promoting animal welfare” in global garment and textile supply chains (SER, 2017a). Actors that signed the AGT commit themselves to fight or work on nine themes (SER, 2017b). These themes are: (1) discrimination and gender; (2) child labor; (3) forced labor; (4) freedom of association; (5) living wage; (6) safety and health workplace; (7) materials; (8) water pollution and use of chemicals, water and energy; (9) animal welfare (SER, 2016). With regards to these themes information and support is provided during meetings and workshops.

The goal is that at least 80% of the Dutch garment and textile industry supports the AGT by 2020 (SER, 2017b). Participants of the AGT are divided in signatories, participating parties and supporters (SER, 2017g). Signatories are the firms that have signed the agreement. Participating parties are, for instance, NGOs and the Dutch National Government that aid to achieve the goals of the agreement. Supporters are organizations that support the agreement and contribute their expertise and experience, such as the Fair Wear Foundation. I focus on the signatories. These are garment and textile firms that range from fashion brands such as The Sting and G-Star, to work wear firms such as Schijvens and HAVEP, to home textile such as HEMA and Essenza.

Signatories are obliged to make their production sites public (SER, 2017b), which enables the Secretariat of the AGT to immediately inform and provide advice to the relevant firm when it has come to their attention that a production location is involved in malpractices (SER, 2017e, 2017f). Furthermore, signatories have to “investigate to what extent they are or could be implicated in human rights, environmental or animal welfare violations”, also known as due diligence (SER, 2017c). Firms that have signed the agreement are obliged to use an assessment system that has been developed to support firms through this process, which is based on the OECD guidelines, the UN Guiding Principles on Business and Human Rights and ISO 26000 (SER, 2017d). Based on this due diligence information, firms draft a concrete action plan to reduce risks in their supply chain and solve problems that have been detected (SER, 2017c). Sometimes, these action plans are available via the company website. After setting up these plans, firms have to “report annually on their progress and refine their action plans as they gain more insight and evidence” (SER, 2017c).

### 3.3 Data collection

In this study conducting interviews and collective documents was combined. This way, I applied triangulation of methods which enabled to study firm drivers for MSI participation from different angles and to gain a full picture (Bleijenbergh, 2015; Myers, 2009; Yin, 2014). To start with, the interviews were semi-structured and open-ended, which entails that a format with a few predefined questions was used, but there was still room for questions and topics to arise during the interview (Bleijenbergh, 2015; Gioia et al., 2013; Myers, 2009). On the one hand, the questions formulated beforehand provided a clear focus and made it possible to guide the conversation and topics that were dealt with (Bleijenbergh, 2015; Myers, 2009). Another advantage of these predefined questions is that fellow researchers have insight in the process of conducting interviews (Bleijenbergh, 2015). On the other hand, improvisation was encouraged and enabled that other relevant topics were included in data collection as well (Myers, 2009).

Since this is an abductive research, there is no extensive operationalization of concepts, but there are sensitizing concepts. As introduced in Chapter 2 these are: instrumental drivers, relational drivers, moral drivers and external pressures. Based on these concepts the interview guide was formulated. It

is important to note that these concepts were used to provide nothing else than guidance and I was open to find other drivers for MSI participation as well. Therefore, the formulated interview questions were broad which made it possible to identify drivers other than instrumental, relational, moral and external pressures. Exemplary questions to gain insights in the drivers firms experience for participating in the AGT are: *Why did you choose to participate in the AGT in particular?* and *What did you expect to gain from participating in the AGT in advance?* In order to find out more about the relative importance of firm drivers for participating in the AGT questions such as the following were included: *What was the decisive factor to participate in the AGT?* The complete interview guide can be found in Appendix 1. Before conducting the actual interviews, a pre-test with this guide was performed to make sure all questions were clear. Besides, the interview guide has been slightly revised several times as the data collection progressed, which supported in uncovering new concepts (Gioia et al., 2013).

In total, ten interviews were conducted with ten different firms that participate in the AGT. In addition, one firm responded to interview questions via mail. The selection of firms was based on pragmatic reasons and proceeded as follows. A list of all firms that participate in the AGT was composed. From this list, almost all firms were contacted through email. When firms responded positively on this email and agreed to participation, they were selected as respondents and interviews were planned. In total eleven firms agreed to participate which equals the number of respondents in this study. The interviews ranged from 30 to 70 minutes. At the moment of this study, three of my fellow students were investigating firms in the AGT as well. Because of the limited amount of firms in the AGT and an increased difficulty to gain access to firms due to the Corona crisis, we decided to conduct some interviews together, each of us focusing on different aspects. This has resulted in seven of the ten interviews that were conducted in pairs and three interviews that I conducted alone. The interviews were audio recorded, transcribed and sent to respondents to be checked on accuracy. An overview of the interviewed firms is presented in Table 1.

The respondents were selected based on their close relation to CSR issues. Examples of job titles are CSR Manager or Sustainability Manager. I interviewed CSR or Sustainability Managers since it was likely that they knew most about participating in the AGT in the organization and have the authority to make decisions regarding MSI participation. When possible, I directly contacted the CSR department or manager via LinkedIn or mail. If this was not possible, which means I was not able to find contact details of the CSR department or manager, I contacted the organization via their general phone number or mail address. In the mail or message I provided information about, among others, the research topic, the duration of the interview and confidentiality. Also, I indicated that three other students were investigating firms in the AGT as well and that we would possibly interview together. The entire mail can be found in Appendix 2. When potential respondents expressed that they would like to participate in this study, I sent a mail with additional information such as the wish to record the

interview and the possibility of respondents to withdraw at any time. The format of this follow-up mail is shown in Appendix 3.

The interviews were conducted via video (e.g. Skype) or phone calls. Due to the Corona crisis, meeting respondents at their office was not allowed, which made face-to-face interviews impossible. Video or telephone interviewing can pose difficulties, such as the inability to observe and respond to the respondent's complete body language and subtle nonverbal cues, which are important for understanding and interpretation in context (Deakin & Wakefield, 2014; Drabble, Trocki, Salcedo, Walker & Korcha, 2016; Janghorban, Roudsari & Taghipour, 2014; Weller, 2017). But video and telephone interviewing had some advantages as well, such as the greater flexibility for scheduling, reduced costs, the less intrusive character and the informal setting (Deakin & Wakefield, 2014; Drabble et al., 2016; Janghorban et al., 2014; Weller, 2017). Video and telephone interviewing were a welcome opportunity to enable interviews under the given circumstances, since they enabled to reach respondents who otherwise would not have been able to cooperate because of Corona regulations. The higher flexibility of video and telephone interviews as compared to face-to-face interviews took away some of the concerns I had to reach key informants (Janghorban et al., 2014).

<b>Firm</b>	<b>Type of firm</b>	<b>Number of employees</b>	<b>Job title respondent</b>	<b>Interview via</b>	<b>Number of interviewers</b>
1	Corporate fashion	20-40	CSR Manager	Telephone	2
2	Corporate fashion	20-40	Operations Manager	Telephone	2
3	Sustainable fashion	10-20	Product Manager	Skype	2
4	Sustainable fashion	1-10	Account Manager	Telephone	2
5	Outerwear	1-10	CEO	Skype	2
6	Outerwear	20-40	Sustainability Manager	Skype	2
7	Workwear	60-80	CSR Manager	Telephone	1
8	Workwear	300-320	CEO	Skype	1
9	Corporate fashion & Workwear	120-140	CSR Manager	Telephone	2
10	Sustainable fashion	1-10	CSR Manager	Skype	1
11	Fast fashion	2580-2600	CSR Manager	Mail	-

**Table 1 – Overview of interviewed firms**

In addition to conducting interviews, documents that relate to MSI participation, such as CSR reports, were collected for every firm that also agreed to be interviewed. In order to reconstruct the decision to participate in the AGT, which has taken place in 2016, collecting documents is a suitable method to complement interviews (Bleijenbergh, 2015). Documents are a complement to the interviews with CSR Managers, since they are less at risk of socially desirable behavior and give a precise image of the decision to participate in the AGT (Bleijenbergh, 2015; Yin, 2014). Documents were selected on the criteria of content relevance (Bleijenbergh, 2015). Relevant documents in this study were CSR

reports and action plans specifically written for the AGT. Access to these CSR reports and action plans was obtained through the websites of participating firms. When a firm did not have a CSR report or AGT action plan available, the sustainability section on the firm’s website was used. In total, 13 documents were collected including 7 CSR reports, 2 AGT action plans, 3 websites and 1 white paper about sustainable business conduct written by one of the interviewed firms.

### 3.5 Data analysis

The interview transcripts and documents were coded in order to build a data structure by progressive abstraction (Langley & Abdallah, 2011). Since this is an interpretivist research, I applied the Gioia method for coding the data (Corley & Gioia, 2004; Gioia et al., 2013; Langley & Abdallah, 2011; Myers, 2009). The Gioia method helped to develop concepts while being rigorous at the same time (Gioia et al., 2013). I went through several rounds of coding in which codes got more abstract each time (Bleijenbergh, 2015; Myers, 2009). First open codes were assigned to text fragments, then axial codes and at last selective codes. In the first round, the open coding, text fragments were coded as much as possible in the terms of the respondent or descriptive phrases that best represented the content of the fragment were assigned (Bleijenbergh, 2015; Corley & Gioia, 2004; Gioia et al., 2013; Langley & Abdallah, 2011). In the second round, axial coding, the open codes were organized in higher-order themes by constantly comparing and searching for relationships between the open codes (Bleijenbergh, 2015; Corley & Gioia, 2004; Gioia et al., 2013; Langley & Abdallah, 2011). In the third round, selective coding, the axial codes were distilled into several overarching theoretical dimensions (Bleijenbergh, 2015; Corley & Gioia, 2004; Gioia et al., 2013). The resulting dimensions show the linkage between data and theory and form the base of the emerging data structure (Gioia et al., 2013; Langley & Abdallah, 2011). The resulting structure of codes is presented in Table 2. A more elaborate data structure including representative quotes can be found in Appendix 4. This data structure demonstrates how data was translated in the findings of this study (Gioia et al., 2013).

Selective codes	Axial codes	Open codes
Intrinsic sense of responsibility	Internal desire for sustainability	Sustainable firm
		Sustainabilization
		Sustainability as natural
		Fits firm vision
		Close production
	Sustainable industry	Fair garment industry
		Increasing impact
		Industry change
		Inert industry
		Slow fashion
	Moral values	Right thing to do
		Contribute to better industry
		Responsibility
		Ethical behavior
		Good conditions
	Internal motivation	

	Improving sustainability policy	Improving Increasing supply chain insight	
	Activate others	Creating awareness Inspiring firms	
Coaching	Support	Internal awareness Support in dealing with issues	
	Commitment	Commitment to progress Explicate	
Collaborative advantage	Collaborate	Collaboration Increasing impact Leverage	
	Complexity	Complex issues Complexity of supply chain	
	Barriers to collaboration	Competition Different sustainability levels	
Networking	Convergence of different actors	Access to others Different perspectives	
	Knowledge sharing	Gaining knowledge Sharing own knowledge Different sustainability levels	
Self-interest	Business opportunity	Convince customers Commercial interest	
	Business relationship	B2B influence B2B pressure Relationship preservation	
Fit between the MSI and CSR approach	Practical matters	Applicability Capacity For free Holistic approach No alternatives Different sustainability levels	
	Positive environment	Safe environment	
External influence	Societal expectation	Consumers being aware Public opinion Social pressure Sustainability is a must	
	Governmental influence	Government interference Government pressure	
	Broad support	Broad support Imitating competitors	
Reputation	Consumer reputation	Consumer communication External communication Image towards consumer Publicity Greenwashing	
		Accountability	Accountability Controllability Credibility Objective judgment Transparency
			Enthusiastic
	Critical		

		Time consuming
		Unrealistic goals

**Table 2 – Data structure**

The coding process described above was supported by the coding software ATLAS.ti, which is a software program in which documents, in this study CSR reports and interviews, codes, memos etcetera can be saved. Documents and interviews can be coded in ATLAS.ti which then shows the codes in a list which can in turn be grouped into categories. The advantage of computer supported coding is that the software helps to combine different codes and categorize large amounts of data (Yin, 2014). Besides, it supports a certain coding format, which allows the coding process to be controllable for fellow researchers (Bleijenbergh, 2015).

In addition to coding, I made use of methodological, theoretical and reflective memos. These memos helped to explicitly capture the steps I have taken during this research (Bleijenbergh, 2015; Myers, 2009). Memos show the choices that I made during this research and how these affected the quality of this research. They facilitate theorizing and finding theoretical relationships during data collection, coding and analysis (Kenealy, 2012; Yin, 2014). Due to potential confidentiality and anonymity issues, the memos are not provided in the appendices.

### 3.6 Quality of research

In this section I will describe important criteria for interpretivist research and how I attempted to guarantee these criteria. Lincoln and Guba provide a list of criteria that is suitable for interpretivist qualitative research and the Gioia method (Langley & Abdallah, 2011). These criteria are credibility, transferability, dependability and confirmability (Symon & Cassell, 2012).

First, credibility concerns a demonstration of the fact that the reconstructions of the researcher fit well with the reality of the respondent (Symon & Cassell, 2012). I ensured credibility by applying progressive subjectivity and checking my interpretation by fellow students. Progressive subjectivity entails that I kept a record of my initial constructions in memos in order to check whether these constructions have changed because of the information provided by respondents (Symon & Cassell, 2012). Besides, my interpretation was checked by receiving feedback from my fellow students who were doing research within the context of the AGT as well.

Second, for transferability it is important to “provide enough detail about the research context that the reader can judge what other contexts might be informed by these findings” (Gioia et al., 2013; Symon & Cassell, 2012, p. 207). I ensured transferability by describing the garment industry both in the introduction and theoretical background, by describing the AGT shortly in the introduction and more elaborate in this methods chapter, and by providing information about the kind of firms that were interviewed.

Third, dependability, which concerns the “demonstration of methodological changes and shifts in constructions so that they are available for evaluation” (Symon & Cassell, 2012, p. 207), is ensured by using memos. At last, confirmability means to “make clear where data came from and how such data was transformed into the presented findings” (Symon & Cassell, 2012, p. 208). I ensured confirmability by providing a detailed account of how data is collected and analyzed in this methods chapter and by providing the data structure in Table 2 and Appendix 4. According to Myers (2009), the plausibility of the story and the overall argument is an important quality indicator for interpretive studies as well. This means that fellow researchers should perceive the story as believable and have confidence in the case. I improved the plausibility by using multiple data sources (interviews and documents) and having a detailed description of how I collected and analyzed data.

### 3.7 Ethics

During this research several measures have been taken to conduct the research in an ethical way. This research is conducted according to the Netherlands Code of Conduct on Scientific Practice and I have signed the Research Integrity Form of the Radboud University which is included in Appendix 5. In practice this is translated to the following. Respondents were first contacted via mail which included information about the research, information about the content of the interview, the duration of the interview, the fact that data will be handled confidential and will be anonymized in order to get their informed consent (Myers, 2009; Saunders, 2012). This mail can be found in Appendix 2. In successive communication I informed the respondents that the interview will be recorded, that the interview will be transcribed, that the respondent is at all times allowed to access their transcript, and that the respondent at all times has the possibility to withdraw for any reason (Holt, 2012; Myers, 2009). I informed respondents that the transcripts are only available to the supervisor and will not be diffused at the Radboud University or within other (participating) organizations. The mail containing this information can be found in Appendix 3. After transcribing the interviews, the transcripts were sent to the respondent stating that it was possible to discuss the transcripts and possibly leave out pieces the respondent does not feel comfortable with. As soon as additional measures were taken due to the Corona outbreak, I informed potential respondents about the possibility to conduct the interview through video or phone calling, for which the same ethical issues apply (Janghorban et al., 2014). Moreover, I provided more flexibility regarding the scheduling of the interview.

## Chapter 4 - Findings

In the following chapter drivers for participating in the AGT as experienced by respondent firms will be discussed. From the data eight drivers for participating in the AGT could be aggregated. These drivers are the intrinsic sense of responsibility, coaching, collaborative advantage, networking, self-interest, fit between the MSI and CSR approach, external influence, and reputation. It is important to

note that often, two or more of these drivers were active at the same time. Furthermore, from the data it became clear that there are different perspectives on the AGT. First, the drivers for firm participation in the AGT are discussed in detail. Thereafter, the perspectives on the AGT will be shortly described. Finally, the relative importance of the drivers will be elaborated on and summarized.

## 4.1 Drivers for AGT participation

### 4.1.1 Intrinsic sense of responsibility

The first driver being discussed is firms' intrinsic sense of responsibility, which relates to the moral category of drivers as presented in Chapter 2. In short, the intrinsic sense of responsibility entails that firms reported they were driven to participate in the AGT by their intrinsic feeling of responsibility for being sustainable with regard to both their social and the environmental impact. Many of the respondent firms were convinced they already are a sustainable firm themselves and that sustainability comes natural to them. *"When we were founded, the objective was clear: to produce clothing in a sustainable way both socially and environmentally, without compromising on quality."* (AGT Action Plan 2). Respondent 8 adds that their firm finds it the standard to act in a sustainable way.

*"We are a sustainable firm. I believe that, as a company, you have the responsibility to make the world a better place, that is just your role. So, not only grabbing and making money, but you have a task in the world. People need clothing, we do that, and you have to do that in an ethical way. I find it embarrassing that we do not pay a living wage everywhere, when you have a job then you should be able to live from it, I think that is normal. Also, you should not destroy nature."* (Respondent 8).

Also, in CSR Reports it is shown that sustainability is really ingrained in firms.

*"Corporate social responsibility is in our DNA. We find it very important that the products we buy and sell every day are produced under good conditions and as sustainable as possible. The textile industry faces many challenges and we are committed to tackling these challenges."* (CSR Report 5).

Because firms consider themselves sustainable and experience this intrinsic sense of responsibility, firms find participating in the AGT self-evident and feel it matches their own vision and objectives. Actually, many of the themes of the AGT are issues firms were already paying attention to. Because of these similarities firms were inclined to participate in the AGT.

*"All things they are committed to, so living wage and healthy and safe working conditions and they want to reduce environmental damage and animal suffering, those are things we are also against. So those are the similarities. These were things we were already engaged in and*

*what we find self-evident and also things they then stand for, so those then are the similarities.* (Respondent 4).

Some firms even chose to produce in nearby countries such as the Netherlands and other European countries in order to be able to visit more easily and thereby have more insight in potential issues and sustainability practices. *“We work with mostly close to or in Europe based production partners, to make it easier to visit them.”* (CSR Report 6). Firms who produce in nearby countries reported that this made it easier to act responsibly.

Not only were firms driven to participate in the AGT by the fact that it fits their internal vision, firms also want to create a more sustainable environment and bring about sustainability throughout the entire garment industry, which they hoped to achieve by participating in the AGT.

*“In the beginning we thought it was good that the Agreement was there. We are not there yet and some do something already, but you notice that especially in the beginning many firms were not very far so to say. So yes, I think the Agreement was necessary, that was our main reason”* (Respondent 1).

Sometimes firms stated they were driven to participate in the AGT because they wanted to bring about industry wide changes in the garment industry. *“We have a strong vision and we know what we want and we need other firms to be able to completely change. So in the background it does play a role that we want to change the perspective on the garment industry in a positive way.”* (Respondent 3). Examples of industry wide changes that were mentioned during interviews were moving from fast fashion to slow fashion and creating more fairness.

*“I think we find it important that the garments you find everywhere, that they are made in a fair manner. And I think that we can improve that with the Agreement. [...]. It would be nice that when you buy something in the Netherlands, that you know it is made in a good way. I think that is something we want to achieve all together.”* (Respondent 1).

However, firms acknowledge that the garment industry is rather inert and cannot easily be transformed. *“We ended up in a process of massiveness, organizing it in a massive way, that it has become an inert mechanism which we cannot 1 2 3 turnaround, it is not a speedboat.”* (Respondent 5). Therefore, firms state they were driven to participate in the AGT in order to increase their impact on the industry, because by participating in the AGT firms can work with other firms and actors. *“And together we are strong to improve the world, or the fashion industry, and as a single firm you have less influence.”* (Respondent 4).

In the intrinsic sense of responsibility a moral aspect can be found. That is, firms are driven to participate in the AGT because they believe it is the right thing to do and see it as an end in itself.

Firms want to create appropriate conditions for all workers in their supply chain and make sure they are treated in a fair and respectful way. But also animal welfare is an important subject for firms working with animal products such as fur that contains moral aspects.

*“We acknowledge the intrinsic value of the animals, as laid down in our five moral principles. This entails acknowledging the value of the animal being sentient beings. The violation of the integrity and wellbeing of animals should be prevented. The care animals need is ensured.”* (Website 3).

Furthermore, firms feel it is their responsibility to improve the garment industry and believe it is the right thing to do to contribute to this. *“We feel the responsibility to go against the negative effects of the textile industry. Prevention or reduction is the starting point. Creating policy and objectives is important.”* (CSR Report 5). *“Yes, because it helps us to really do things further down the chain. And because we just think it is important to make a contribution as a Dutch company.”* (Respondent 1).

Not only do firms participate in the AGT because they already perceive themselves as sustainable, they also participate because they want to even further improve their sustainability approach with the help of the AGT. Reporting about sustainability enables making these improvements. *“Everything is reported and documented, so we can always look at it and see what could still be better than what we did before, which makes you look and makes you want to take it a step further than what we already did. And I like that about it.”* (Respondent 4). Besides, firms want to make sure they pay attention to themes that are relevant at a given moment in time. *“It was important to us to keep up to date regarding the developments in the industry and to know what others are doing, what are the themes, and in that way we can better align our own policy based on what is going on.”* (Respondent 10). In order to improve their own sustainability approach firms feel they have to increase the insight in their supply chain. *“In the year to come we want to work on this further in order that we hopefully obtain insight into all locations that are part of the production of our clothing.”* (Action Plan 1). Firms experience that by means of AGT participation they are better capable at gaining this insight and signaling issues.

*“Because the Agreement provides insight in all production locations of all participants, they can act faster. For example, a while back we received a mail about risk areas in China where a certain group is at more risk of forced labor. Then they can send a mail to participants who have production in that area in China. Normally, you would not find out, because we are not in direct contact. Now, we can investigate it and when it applies to this factory as well, we can act on it, so yes, that are positive things we get from participating in the Agreement.”* (Respondent 1).

Besides improving their own sustainability approach, firms participate in the AGT in order to activate others. First of all, some firms stated that by participating in the AGT they wanted to inspire other firms to do the same. *“We do not only exist to make ourselves better, but also partially we try to inspire or encourage other brands.”* (Respondent 10). The following quote shows that in order to inspire others, firms do not feel that they should be a big brand.

*“We realize that we are a small player, however, we are a trendsetter and a disruptor who can open doors, can set examples and make sure that in time the scalability of our projects can work internationally and can be followed or improved by big players as a result of which the environment will shortly no longer suffer from our industry.”* (CSR Report 1).

Not only inspiring other firms to participate in the AGT and improve their sustainability approaches, but also creating consumer awareness is a driver for firms to participate in the AGT. *“That is the nice thing, that you can, besides other firms, encourage consumers to think about it and purchase in a more sustainable way.”* (Respondent 4).

To sum up, from the perspective of the intrinsic sense of responsibility firms are driven to participate in the AGT by their internal desire to be a sustainable firm, the desire for a sustainable industry, their moral values, their wish to improve their own sustainability approach and in order to activate others. Because this drivers entails moral and ethical considerations, it fits the moral category of drivers.

#### 4.1.2 Coaching

Another important driver for firms to participate in the AGT is the anticipated coaching they will receive. Coaching entails that firms were looking for support and a way to truly commit themselves to CSR. Support with regard to setting up or improving sustainability approaches was important to firms. *“I mainly chose for it because it helps us to get some support in that area.”* (Respondent 7). First of all, firms participate in order to receive support and help when they are dealing with issues in their supply chains. *“Through the membership of AMFORI and BSCI, as well as by participating in the Covenant on Sustainable Textiles and Clothing, we keep pace with ongoing progress and issues with manufacturers and are able to steer and follow up on these.”* (CSR Report 2). Secondly, firms perceive AGT participation as a way to truly commit themselves to making progress, since by participating in the AGT firms have to explicate their sustainability approach and report about risks and improvements in their supply chain.

*“What we did before is always take care of it, but now you have to write it down and follow it up. That piece of administration, implement it a bit further and realize it on paper, and actually perform it, it creates extra effort but it also brings clarity, because you can write it down, read it, improve it, complement it.”* (Respondent 5).

Through participating in the AGT firms feel commitment to making progress and even doing more than what they would have done without participating in the AGT.

*“It is not that we needed it per se I think, but before the Agreement we were not yet looking into production locations further down the supply chain. You are stimulated to look further. Just like the chemicals we were not doing that yet. You get a lot of new insights. It is not that we necessarily needed the incentive, but it is nice to have.”* (Respondent 1).

For firms where sustainability was less ingrained throughout the entire organization before participating in the AGT, becoming a member helped the CSR Manager to create understanding throughout the firm that sustainability is a topic they should commit themselves to.

*“I think it has been a driver of understanding internally. Sometimes it is hard for firms who are not sustainable by origin to make it understandable at management level why we are engaged in sustainability, why we have to put in time and money and why it is important for us. For some brands it is different, because it is seen by management and it goes top down. But with many companies it is something new that is not understood very well.”* (Respondent 6).

In short, from the perspective of the coaching driver, firms decided to participate in the AGT in order to receive support in dealing with issues throughout the supply chain, to commit themselves to making progress by explicating their sustainability approach and to create understanding at all levels of the firm. Coaching does not directly fit either the instrumental drivers, relational drivers, moral drivers or external pressures as discussed in Chapter 2 and 3, as it depends on the underlying reasons for searching for support. When firms look for coaching because they genuinely want to improve their sustainability approach based on intrinsic values, coaching would be a moral driver. However, when firms look for support so they have to put in less effort themselves, coaching would be an instrumental driver.

#### 4.1.3 Collaborative advantage

In the AGT different actors come together, including firms, NGOs, industry associations, trade unions, and the government. The opportunity to collaborate with these other actors in order to address problems firms cannot solve on their own was found to be an important driver for firms to participate in the AGT. Like the coaching driver, collaborative advantage cannot easily be related to either one of the sensitizing concepts. On the one hand, collaborative advantage has to do with relations between parties. On the other hand, when firms act based on moral values and therefore want to collaborate because they need others to address issues, it could be a moral driver.

The issues in the garment industry are complex, but by working together with other parties firms feel they can increase their impact concerning the issues they face.

*“The CSR dilemmas in the fashion industry are substantial, and cannot be changed by individual parties. On the other hand, clothing is an essential need that should be available to all people. We are aware of these dilemmas and strive to work with business partners that aim to improve conditions in the supply chain. To this purpose we joined the Covenant of Sustainable Fashion and Textiles.”* (CSR Report 2).

One of the issues firms face that they feel they are not able to solve on their own is implementing a living wage throughout their supply chain. *“One of the most important challenges in the textile industry is establishing and warranting living wage. Only as a collective we can improve this. This is the reason why we participated as one of the first in the AGT.”* (CSR Report 5). An example of a collaboration is a joint factory audit in case two or more firms produce in the same factory:

*“I think you could do an audit together over there. Because such a factory has who knows how many audits throughout a year and when you could do that together, it is better for the factory. Besides, it will cost us less energy and money and you could together tackle the point of improvement.”* (Respondent 1).

Another example of a collaboration is supporting each other with setting up a Restricted Substances List.

*“I talked about setting up a Restricted Substances List regarding the chemicals with a few brands, because many firms find it hard. Yes, you can take something general, but is that enough? [...] I noticed we ran into the same thing, so I asked firms that are more or less on our level to think about it together.”* (Respondent 6).

One important topic for firms related to collaboration is increasing their leverage. When talking about leverage firms often refer to the fact that they can achieve more and increase their impact at production locations when they collaborate with other participant firms.

*“We are a small fish compared to other companies operating at our production locations. Where bigger fishes sometimes have more influence, so when the smaller and bigger fishes work together, the total strength of these fishes have more influence to strive for the best way of improved conditions.”* (Action Plan 2).

Often, firms refer to being only a small percentage of the entire production at a production location and that firms can increase their joint percentage by collaborating with other firms and thereby increase the pressure and impact on a manufacturer.

*“The Netherlands is nothing in the textile world. When I go to a manufacturer or when there are things at a manufacturer that are not according to the Agreement, as a Dutch producer you go to the manufacturer and you say, you do this wrong and if you not start doing it I will have to withdraw. Then he says, very good, you’re only 1 percent of my production, so go. With many people, you can become 10 percent, then he will listen. So in that way, you can organize it way better and that is what the Agreement is for, to look at problems together and solve problems together.”* (Respondent 5).

Not only are firms driven by the fact that they can increase their own leverage by working together with influential firms, sometimes the fact that a firm is itself influential can be a driver to participate in the AGT. *“We are one of the big players in the industry so that gives a lot of leverage to the Agreement and you see that because of this many parties have joined.”* (Respondent 9).

However, collaboration is not always as easy as it seems. Many firms perceive the competition between firms as a barrier to collaborating to the full potential.

*“Different from fashion, corporate wear is, look fashion is different every week, every season it is different, it is way harder to copy from each other. With us, we make corporate wear which is designed in 2007, well 1970, you know, then it was with buttons now it is with press studs, so it hasn’t changed a lot. So you can copy a lot from each other, because it lasts very long. And it does happen and then we are mad at each other. So in the workwear sector we are a bit like, well, I don’t know if I want that. You know, you could better work with people you are not in the market with. But that is of course what we are looking for, how do we deal with this duality. We want it, but we also do not want it yet.”* (Respondent 8).

Also, difference in sustainability levels is considered a barrier to collaboration, since some have more advanced sustainability approaches than other firms. *“All brands where we have an overlap, do not want to necessarily be in contact with us, because not everyone is as far on CSR as we are.”* (Respondent 3).

Recapitulating, firms stated to be driven to participate in the AGT by the possibility to collaborate with other firms in order to solve complex problems they cannot solve on their own and to increase their leverage at production locations. Competition between firms and the fact that firms are on different sustainability levels are considered barriers to optimal collaboration. Collaborative advantage does not directly relate to either instrumental, relational or moral drivers or external pressures.

#### 4.1.4 Networking

In the previous section about collaborative advantage, mainly collaboration with other firms was discussed. However, in the AGT also NGOs, industry associations, trade unions and the government participate. This network of parties and connections to, for example, NGOs is another driver for firm participation in the AGT. This networking driver can be related to the relational driver concept, since it deals with creating and maintaining relationships. First of all, by bringing together different types of actors different perspectives on issues are present, which causes new insights to emerge.

*“Well, because I think that when you reason from one angle it becomes too one-sided, you get monologues. I always want to look for dialogue. We already had some conversations where someone from UNICEF was present, or someone from the government, the ministry, a number of brands that reason from fashion. Then you have a nice composition, about a certain subject, everyone looking from his own perspective. I think that is good.”* (Respondent 2).

Second, the access that firms have to actors such as NGOs and industry associations through AGT participation is considered a reason to participate, since firms can more easily ask for help or receive the information they need to solve (potential) issues.

*“For example with Modint who trains us about chemicals, what we should pay attention to, what are risks. And connections with CNV and FNV so we can reach out to trade unions in production countries and that kind of stuff. It makes it easier. Sometimes you think: where should we start? But the fact that the platform is already there and consists of experts and that those contact persons are there, makes it super approachable and very easy to be able to work on certain problems.”* (Respondent 3).

By participating in the AGT firms experience that the approachableness of NGOs has increased.

*“Contact with for example UNICEF or Arisa. You know, it sounds kind of heavy to reach out to UNICEF. Normally, before our participation in the Covenant, we would not approach them so easily. While we are often in workshops with them and then you see they are very approachable, we are more inclined to contact them about trainings that are given about diverse countries. So, I think the access to NGOs is an advantage.”* (Respondent 2).

Related to the fact that the AGT is a MSI including different types of actors is the potential expansion of knowledge which firms perceive as another driver for participating in the AGT. Sometimes issues are hard to solve, or knowledge about how to solve issues is not present in the given firm. But, other firms or parties in the AGT might have this knowledge. That is why, by participating in the AGT, firms feel they can increase their knowledge and thereby improve their sustainability approach and

can better address the sustainability issues they experience. The emphasis here is on extracting knowledge to improve own actions.

*“I think the flow of information [...] when you see it is such a good combination of industry associations, NGOs, brands, you can imagine beforehand that there will be a lot of information from different sources and expertise. If it were only the brands together, it would have been like: what then? But especially by involving the experts, it was clear from the beginning, this will bring us something.”* (Respondent 6).

By being in contact with other firms and actors, firms gain new insights and perspectives on issues. *“You get a lot of new insights. [...]. It is nice to have people who have knowledge about things we do not have that much knowledge about and they can help you a step further.”* (Respondent 1).

Knowledge is often shared through training and workshops. However, the fact that firms are all on different levels of sustainability is considered a disadvantage for training and workshops, since these are often provided on one and the same level for everyone.

*“Well, I think that all firms, everybody is on another level. You notice that. Last year we had a few mandatory living wage trainings which were really basic. But I think it is difficult to maintain the same level for everyone, since everyone is on another level. Some just joined, others already from the start, so they are a few steps further.”* (Respondent 1).

Some firms not only mention extracting knowledge, but also the possibility to share their own knowledge with others in the AGT. *“Also within the group we had a bit of a leading role in the sense that they looked at us like how do you do that, how do you handle that. So we were leading by example, so to say.”* (Respondent 3).

Especially when the CSR team of a firm consists of one person, firms are driven to participate in the AGT in order to be part of the network from which they receive support and knowledge about topics.

*“Learning from experts, the approachableness and the feeling that you are doing it together. You know, I am alone at my job, there is only person within the company who does what I do and there are also companies that have a team of ten and being able to exchange experience is what I find very pleasant because I am alone. In that regard I find it an advantage. And also to easily be in contact with each other.”* (Respondent 3).

To sum up, networking is a relational driver for firms to participate in the AGT because topics are considered from different perspectives, firms have increased access to NGOs and can expand and share their knowledge.

#### 4.1.5 Self-interest

Another driver for firms to participate in the AGT was their self-interest, which can be labeled as an instrumental driver. Self-interest entails that sometimes firms chose to participate in the AGT because they saw it as a business opportunity. For instance, as a way to convince customers to buy the firm's products. *"Our BSCI status and being one of the co-signers of the Agreement adds to convincing customers to choose for us, as CSR is an increasingly important item in tenders/RFP's."* (CSR Report 2). *"Besides, we do a lot of tenders and the expectation was that it would be a big theme for tenders. Eventually this was not the case. It has become a theme, but the Agreement is not very important in that regard. But it was the idea beforehand."* (Respondent 9). Even though firms think serving their self-interest can be important, they feel the AGT does sometimes lose sight of the commercial interest firms have and that AGT participation does not necessarily contribute to commercial goals.

*"You notice that when you talk to people from the Agreement, that they sometimes are quite left oriented and forget that we have a business to run. Of course I do want it all, but when I start to pay everyone a lot and produce everything in the Netherlands, then my business is gone. The Agreement should not want that. [...]. It is always a consideration of how sustainable and socially responsible can I produce within the constraints of my commercial targets. That just remains difficult."* (Respondent 2).

Some firms stated that the pressure or the chance to lose certain business relationships with other firms, such as a retailer through which they sell their garments, was a driving factor for participating in the AGT. This relates to the self-interest since preserving such relationships are important for selling garments and thus for financial benefits.

*"[Big retailer] asked us to how we produce and they mentioned that it would fit us very well and they advised to sign the Agreement because they want to be as sustainable as possible in the future, but it is not the case that they really pressured us into it. We wanted to participate ourselves and we thought it was a very nice initiative, that is why we wanted to participate."* (Respondent 4).

Even though Respondent 4 states no coercive pressure was experienced, others reported that they experienced a more severe kind of pressure.

*"But I know that one of the most important factors to participate was that one of our important customers had joined to Agreement from the beginning and expects the same from all brands they sell. Well, that increased the pressure, because it is an important customer and the chance that they would no longer sell us was dramatic. So that was a huge driver. [...]. I think that besides the loss of an important customer, that it brought about some kind of understanding like this is where the market is going. These are requests from our customers."*

*So it became clear that it is important, that these could be the consequences and because of that we need to do this.” (Respondent 6).*

Recapitulating, self-interest was found to be an instrumental driver for firms to participate in the AGT since it can be a manner to convince customers to buy a firm’s products and to retain important business relations.

#### 4.1.6 Fit between the MSI and CSR approach

The extent to which the approach of the AGT fits the firm’s own CSR approach was experienced as a driver to participate in the AGT as well. This fit, however, did not directly relate to any of the sensitizing concepts in this study. First of all, it is important for firms whether or not the AGT is applicable to their specific situation and suits their capacity and time available for participating in initiatives such as the AGT. *“We critically review our activities, we only have a limited budget, we have limited capacity, so you have to take that into account. In the end you have to be able to fulfill your responsibility and deliver, if that is not possible, you cannot be just a member of everything.”* (Respondent 3). Also, suddenly increased capacity is sometimes a reason to participate. *“We participate since January 2019 or December 2018, around that time. In fact, in January 2019 my job changed to a full CR job which gave me the space to participate in the Agreement. So that was actually one of my motives, that there were hours to do it.”* (Respondent 10). However, according to firms, the fit of the AGT for firms depends on their level of sustainability. For example, for firms who have only recently started to formulate their sustainability approach or firms that have a CSR team consisting of only one person, the AGT seems more applicable and useful than for firms who already have an advanced sustainability vision and a CSR team of multiple people. *“I would recommend the Agreement. It depends on the extent to which CSR and sustainability are embedded in your organization. Especially for firms who are at the beginning of their sustainabilization or who want to jointly tackle certain topics it is advisable.”* (Respondent 11).

The fact that AGT participation is for free was a driving factor for firms as well.

*“For us, an important reason in favor of the Agreement is that it does not cost any money at this moment, because all those initiatives cost money, so you have to make choices about where you put your money. Every certification, every time we choose for a more sustainable fabric, everything costs money and we have to critically look where we spend our money or not.”* (Respondent 10).

Also, firms consider the topics and the approach of the AGT as holistic since it entails both the social and the environmental aspects of sustainability in the entire supply chain. Therefore, firms who want to address all issues are driven to participate in the AGT instead of other initiatives which focus on either the social or the environmental aspects, specific locations or the first tier in the supply chain.

*“The Agreement is more overarching so to say, so it entails everything regarding sustainability and all locations in the entire chain. Something like the Bangladesh Accord focuses on Bangladesh. Well, we do not do a lot in Bangladesh, so only the Bangladesh Accord would not be useful. The Foundation focuses on social conditions and only on the first tier, so the sewing workshops where most people work, so only the group where you can achieve the most. And the Agreement is not just social, but also environment, so also recycling, chemicals and the environment, to implement improvements, and then the entire chain.”* (Respondent 1).

Because of this holistic approach and being the only Dutch MSI in the field of sustainable garments, firms feel there are no alternatives and therefore are driven to participate in the AGT in particular.

Another aspect of the approach of the AGT is that firms experience it as a positive and safe environment where making steps together is emphasized and firms are not punished for not immediately doing everything right.

*“We will not name and shame, but we will try to do it together. You are not punished when you don’t succeed, you are not hang on the pillory. [...]. I think that within the garment industry there are several activist parties who like to show who does it wrong. I think the Agreement did very well by trying to prevent that. [...]. The environment in the Netherlands helped us make the choice to join and to not say that we do not dare to.”* (Respondent 6).

In short, the specific approach of the AGT drove firms to participate because it fitted their capacity, was applicable to their particular situation, was for free, is a holistic approach and there is a safe environment. It remains difficult to attribute this driver to either of the sensitizing concepts.

#### 4.1.7 External influence

The drivers of firms to participate in the AGT discussed until now relate to internal factors. However, also external factors and actors played a role in the decision to participate in the AGT. These external factors include societal expectations and social pressure, governmental influence and the broad support of other firms, among which competitors. This external influence driver can be related to two of the sensitizing concepts, namely the relational driver concept and the external pressures concept. To start with, firms feel they need to respond to societal expectations and social pressure regarding responsible business conduct. *“You know, in the Netherlands there is not very much, this is actually the initiative that was stimulated by the government, it also was in the media. There was some social pressure to join.”* (Respondent 2). Furthermore, firms increasingly perceive sustainability as a must and less as a free choice. *“I think that it has, among others, to do with the fact that companies realize that sustainability is actually not a choice, you have to sustainabilize. And then they think, I will join the Agreement or the Agreement has already approached them.”* (Respondent 5). This can partly be

attributed to push factors from the consumer and media. *“We are in an industry that realizes it is a theme we have to do something with. Also because it is pushed by the consumer and the media. So I think that for some companies it can be a first, easy step, because it is for free and without obligation.”* (Respondent 10). Sometimes it is mentioned that even the initiation of the AGT itself is more of a must than a free choice, because something had to happen to address sustainability issues.

*“The Agreement is partly, not coercion, but from the two least bad choices, they had to make a choice that they have to regulate because there is huge pollution, also the conditions under which people have to work are unworthy. And now was the moment to do something about it. That has been the reason to set up the Agreement.”* (Respondent 5).

Also, public opinion can be a driver for firms to participate in the AGT. For example, the public opinion about animal welfare.

*“Animal welfare is in the entire society a typical, very important. There are a lot of uncertainties, a lot of mystic, yes, where do these skins come from, what is the welfare of the animals you are using, is the welfare sufficient. Very specific questions that can be answered quite clearly, but about which the wildest stories are circulating among consumers and the media.”* (Respondent 5).

Respondent 5 shows how external parties, such as consumers and the media, can negatively influence, perhaps unnecessary, the public opinion with regards to the garment industry.

Not only society, but also the government is an external actor that was able to influence the decision of firms to participate in the AGT. The government sometimes influenced the decision of firms to participate in the AGT, since the government asked firms to participate multiple times. *“I think you can’t get out of it. When you are a such a big party in the Netherlands, then I am sure that [mentions name from person of the government], very enthusiastic, she would not have stopped until you were participating, so to speak, until you signed.”* (Respondent 3). Also, the government was interfering with the garment industry around the founding date of the AGT, which created the environment in which firms had to decide whether they wanted to participate or not.

*“I find, that at the time with [mentions name of minister of the Dutch government], I don’t know if you followed that discussion. It was around the time regarding AGT participation, about what you do as a retailer in order to know your textile chain and to make sure that people are paid well etcetera. She was minister and had such a clear opinion about that a few players were acting antisocially regarding textile. Well, I thought it was a very shocking comment. I think it was not okay that a minister is so negative.”* (Respondent 2).

Another important external factor that drives firms to participate in the AGT was the broad support of others. That is, firms were driven to participate in the AGT by the fact that the AGT was supported by a broad range of firms, among which competitors. Because many firms joined the AGT, firms had the feeling they could not stay behind and had to participate as well. *“And also who support it, who are involved. That is so broad that it creates a kind of pull factor among Dutch brands, like you just have to be a part of it. Oh, you don’t participate? Why not? It is like we are doing this all together.”* (Respondent 6). *“It was started up and then you see like they are joining, they are joining as well and then you think, then we will also join.”* (Respondent 9). The broad support can also be linked to the expansion of knowledge that was discussed in the previous section. Firms namely felt that there would be a lot of knowledge and information available because so many other firms joined the AGT. *“Because you hope that with the big names that participate, there will also be more expertise where we can learn from.”* (Respondent 2).

In short, external influence as a driver for firm participation in the AGT consists of responding to societal expectations, public opinion, governmental influence and the broad support of other firms and competitors. External influence can be related to both external pressures and relational drivers. External influences relates to the external pressures concept since both deal with factors that originate outside the organization. External influences are also relational, because it entails managing relationships with external actors, such as the government, society and competitors. The broad support and societal expectations can be related to legitimacy in particular.

#### 4.1.8 Reputation

Another driver for firms to participate in the AGT is their reputation. Reputation can be related to the instrumental driver concept, since a good reputation helps to achieve business goals. Firms consider it an advantage that they can communicate to consumers about the fact that they participate in the AGT and thereby are acting responsibly. *“It was an extra opportunity to profiling ourselves.”* (Respondent 5).

*“It is not the most important, [...], but what we saw as self-evident, was apparently not self-evident. We didn’t have it on our website, because we thought it was self-evident, but when we got in contact with the Agreement, we realized it was not self-evident to do certain things related to wages or labor. Therefore we decided to say something about it on our website.”* (Respondent 4).

The image consumers have of a firm plays a role in the decision to participate in the AGT as well. *“Besides it weighs heavy how the consumer or the media sees us. It would be strange that we say we are a sustainable company, but do not join the Dutch Textile Agreement, that sounds weird.”* (Respondent 3). By participating in the AGT and communicating to the consumer about their AGT

membership, firms want to create awareness among consumers to make more sustainable purchase decisions. *“Sustainable products must be recognizable. We want our customers to understand why something is sustainable, circular or irresponsible. This way, the customer can make a conscious choice. For our customer specific products the customer decides which material is used. That is why we find the story behind our products important.”* (CSR Report 5).

In order to create a good reputation, firms agree that they should be transparent about their supply chain and production processes. Being transparent is also a driver for firms to participate in the AGT, since AGT participation entails that you gain insights in your entire supply chain and communicate about your suppliers and production locations. By being transparent customers can more easily decide whether they consider a firm sustainable or not, which relates to a firm’s reputation. The AGT is found to enable transparency.

*“We think for example that transparency is very important. It is actually that the entire production process is clear. And I think that the Agreement enables that and that there is more transparency from a lot of companies and I think that that’s very important, also for the consumer that they know where products are coming from, where it is made and how it is made. So what we also find important is transparency.”* (Respondent 4).

By being transparent through AGT participation, firms feel they are accountable for their actions. *“The first step towards better practices in the garment industry is transparency, since it comes with accountability.”* (CSR Report 6). According to firms, transparency provides the opportunity to more credibly communicate about their sustainability level. *“Transparency is important, you have to, otherwise it will be a blah blah story.”* (Respondent 8). Finally, besides being transparent, accountable and credible, receiving an objective judgment from a third party is also a reason for firms to participate in the AGT. An objective judgment in turn also increases the credibility and affects the reputation of a firm.

*“That I am controllable. That others say how I work and if that is good or not and that I do not have to tell that myself, because I can never be objective towards the consumer, I will always be subjective. And when other people say something about me, I become way more objective. That is what it is about.”* (Respondent 5).

An interesting point in terms of reputation is greenwashing. Greenwashing concerns the participation of firms in the AGT in order to create a more sustainable reputation and thereby create business opportunities, while in fact the firm is not acting sustainable or only minimally so. It is interesting to see that respondents state that they sometimes have the feeling other firms are participating in the AGT in order to greenwash, however, firms do not say this about themselves.

*“To greenwashing. And it is different for each company. The only thing is that, what I like about the Agreement, you can join as a green washer, but it is quickly made rather impossible, because certain things are expected from you. The only thing is that when you do not comply, you are not hung on the pillory. [...]. A company will never admit they participate in order to greenwash.”* (Respondent 6).

Summing up, a firm’s reputation is an instrumental driving factor for firms to participate in the AGT. Reputation entails communication to consumers about membership, the image consumers have of the firm, the creation of awareness among consumers and being transparent, accountable and credible.

## 4.2 Perspectives on the AGT

During data collection it became clear that, among firms, there exist differing opinions about the AGT. On the one hand, there are firms who are very enthusiastic about the AGT. On the other hand, there are firms who are more critical with respect to the AGT and its approach. Respondents who are very enthusiastic view the AGT as a helpful MSI that should continue to exist in the future. *“It would be very unwise and definitely unfortunate when the efforts after those five years would be labeled as finished.”* (Respondent 5). Positive AGT members perceive the approach of the AGT as qualitative.

*“We find the Agreement very pleasant because it is a qualitative investigation that aims for improvement and does not give a predicate or standard. You have to meet certain things, you can be kicked out, but in the end you do not get points, you do not pass or not, you do not get a grade.”* (Respondent 8).

Furthermore, enthusiastic AGT members think the goals the AGT sets are realistic and feasible. *“The Agreement makes sure it is possible within the constraints of the economy, within what people want to pay for it, what you can get done.”* (Respondent 8).

However, more critical members do not agree and perceive the AGT as having a quantitative approach which does not pay attention to the actual content. *“In particular, reports to not do anything substantively with it, but just checking off. Checking off the materials list, but there has never been a conversation about the materials. Ditto the production locations list.”* (Respondent 2). Besides, while enthusiastic members find the goals set by the AGT realistic, critical members do not.

*“They have a particular assessment technique and certain things they have to achieve. Well, you try to improve the percentage of women in factories in Bangladesh, that is an unrealistic goal of course. It does not make sense, but it is thrown at you and we have to do something about it. Well, we can’t, we don’t want to and we do not think it is efficient.”* (Respondent 9).

Furthermore, critical firms experience that there is no space for additional sustainability topics of their interest when they do not fit within one of the nine themes of the AGT. An example of what firms are

working on, but which is not rewarded in the system of the AGT is circularity. One common issue, where both critics and enthusiast agree on, is that being an AGT member is rather time consuming, since it includes a lot of reporting. This is confirmed by firms who are generally positive about the AGT, such as Respondent 7: *“Sometimes it feel like it is a lot of paperwork and there is a consideration sometimes, but it does help us.”* (Respondent 7).

It is relevant to have knowledge of these different perspectives, since they represent the context within which respondents talked about what drove them to participate in the AGT. It was interesting to see that even though their opinion about the AGT differed, the drivers firms experienced to participate in the AGT were actually the same. A possible explanation could be that drivers relate to the decision at the start of participation and the perspective on the AGT is shaped during participation.

### 4.3 Relative importance

The goal of this study was not only to investigate drivers of firms to participate in the AGT, but also to gain insight into the relative importance of these drivers. Therefore, I will now turn to how the drivers discussed above relate to each other in terms of importance as experienced by respondent firms. To determine the relative importance a combination of the number of times a specific driver was mentioned and explicit statements of respondents were used. By explicit statements I mean that, for instance, a respondent referred to a specific driver as ‘the decisive factor’ or ‘of secondary importance’ explicitly. All the times a driver was mentioned during interviews and in AGT and CSR documents were included in the counting and were given the same weight, also when the particular importance of that driver was not explicit in the statement. Table 3 presents the drivers for AGT participation in the order of their relative importance and provides the number of times they were mentioned and a classification of high, mediocre or low importance. Below this table, the relative importance of all drivers will be discussed in more detail and illustrated by quotes from the data.

Relative importance	Driver	Description	Times mentioned
High	Intrinsic sense of responsibility	Intrinsic feeling of responsibility for being sustainable with regard to both social and environmental impact	253
High	Collaborative advantage	Opportunity to collaborate with other actors in order to address problems firms cannot solve on their own	101
Medium	Networking	The network of parties and connections to NGOs	77
Medium	Reputation	Creating a sustainable reputation to the outside world	72

Medium	Coaching	Help, support and commitment through the AGT	48
Medium	External influence	External factors influencing the decision of firms	53
Low	Fit between the MSI and CSR approach	Practical matters related to the AGT approach	39
Generally low Sometimes high	Self-interest	Creating business opportunities	31

**Table 3 – Relative importance of the drivers for firm participation in the AGT**

The driver that was most often reported as decisive was firms’ intrinsic sense of responsibility. Often, it was explicitly mentioned as the decisive factor in the decision to participate in the AGT.

*“We find it very important. Our CEO always named it a traveling circus, because it moves from one country with low wages to another with even lower wages, with accompanying debatable working conditions. We wanted to prevent that, because we have a social heart towards our own employees, we want to do the same for people in our supply chain. That is actually the most important reason to join the Agreement.”* (Respondent 7).

Also, improving their own sustainability policy is explicitly reported by firms to be an important driver for AGT participation. *“Through this multi-stakeholder initiative, we want to contribute to further improvement of working conditions in the countries where we produce clothing”.* (CSR Report 4). All firms agreed upon the fact that their intrinsic sense of responsibility was most important for their participation in the AGT. In fact, the intrinsic sense of responsibility was never mentioned as a subordinate driver. Therefore, the relative importance of the intrinsic sense of responsibility is high.

The intrinsic sense of responsibility is followed by the driver of collaborative advantage. As with the intrinsic sense of responsibility, collaborative advantage is often explicitly mentioned as a decisive driver as well. *“We like to work together. We cannot change the textile industry on our own. In 2016, we were one of the first signatories of the Agreement. The Agreement makes the Dutch textile industry unite. By means of joint policies and collaboration social conditions can be impacted.”* (CSR Report 5). More specifically, increasing leverage was considered as an important factor. When asked about the decisive factor Respondent 3 stated: *“I think mainly because we are a relatively small player, the Netherlands is a small player anyway, but apart from that, within the Netherlands we are also quite small and we thought maybe we can increase our leverage at production locations.”* (Respondent 3). When talking about leverage Respondent 2 mentioned: *“That was what made membership interesting. Because on our own we cannot do a lot in such a large factory.”* (Respondent 2). Collaborative advantage was by no firm mentioned as a subordinate driver for AGT participation. Therefore, the collaborative advantage is a driver with a high relative importance.

The next important driver is networking. With regards to networking there are different views on the specific importance. Some respondents stated networking and gaining knowledge was one of the main drivers for their participation in the AGT. *“What is decisive is that you can connect with other firms and that you want to discuss certain things and learn about it. Because we realize you are stronger together in creating a better world.”* (Respondent 4). However, other firms perceived the network and access to NGOs as less important.

*“Network wise it is a nice opportunity, because there are so many people you see, speak to and are in contact with. So those are the smaller advantages for me. That I can call someone and ask if they can tell me something about it. Or if they know who I could reach out to. For me personally in my job, that is a smaller additional positive matter.”* (Respondent 6).

With regards to expanding knowledge, part of the networking driver, opinions are more aligned. This is often explicitly mentioned as a decisive factor. *“For me it was all about building knowledge and networking, and that is what I got out of it until now.”* (Respondent 10). Because of the different views on networking, it is considered a driver of mediocre importance.

The relative importance of reputation can be labeled as mediocre as well. This is due to the fact that, again, there are different perspectives. Some respondents have the opinion that reputation is one of the important drivers for participating in the AGT, as shown through these quotes about transparency and third party judgments. *“To shape transparency that we ourselves value so much, also towards the consumer. It is in fact a very nice opportunity to let third parties validate. And that transparency was the reason to participate in the Agreement.”* (Respondent 5). *“It was most important to get insight in the supply chain and a sort of independent judgment about how well you are doing, that someone watches with you and says you could improve this.”* (Respondent 7). However, other respondents mentioned reputation as a subordinate driver. *“It is not very important, but [...] we didn’t have it on our website, but when we got in touch with the Agreement, we noticed it was not self-evident to do certain things in the area of wages and labor. Because we realized this, we decided to say something about it on our website.”* (Respondent 4). Taking the different perspectives into account, reputation is of mediocre importance.

The relative importance of external influence can also be labeled as mediocre. External influence is not mentioned as either the decisive, nor the least important driver. Statements are more general. *“I think that consumers secretly get a bit more critical. So maybe they get questions from consumers or they see a shift among competitors for example, that they think, we can’t sit still. That could play a role.”* (Respondent 3). *“Of course you also want to, the consumer is increasingly concerned with it, and you want to grow with that too.”* (Respondent 4).

The same applies to coaching, although some statements related to coaching seem to imply more importance than those of external influence. *“But I mainly chose for it, because it helps us, to get some support in that area.”* (Respondent 7). *“The support that I personally experience, that is just very important.”* (Respondent 6). Other statements are more general. *“It is a kind of incentive of course that you are monitored all year. [...]. It is nice to have a little guidance.”* (Respondent 1).

Respondents mention the fit between the MSI approach and their own CSR approach often as one of the last things they thought about when deciding to participate in the AGT. *“It is actually one of the few initiatives in the industry in the area of textiles, the costs are not high, it is not surprising to be a member. It can do no harm, let me put it that way.”* (Respondent 2). Therefore, the relative importance of the fit between the MSI and CSR approach is labeled as low.

Self-interest is an interesting driver in terms of relative importance. This is due to the fact that when a firm experiences the potential loss of an important business relationship, such as a retailer that sells the garments of the firm, this driver seems most important.

*“I know that one of the most important factors to participate was that one of our important customers asked for it and participated from the beginning and expected the same from all brands they sell. Well, that increased the pressure, because losing an important customer and the vision that they would not sell us any longer would be dramatic. That was an enormous driver.”* (Respondent 6). *“Because [big retailer] participated as well, that is the reason why we chose the Agreement at first.”* (Respondent 4).

However, when this potential loss of an important customer is absent, the other drivers play a more important role. The other aspects of self-interest, the business opportunity and possibility to convince customers, is always reported as a driver of subordinate importance. *“But it is of secondary interest I have to say. But of course, it always helps, if you can possibly win certain tenders because we are asked about it, it is not asked a lot, but that is of course a nice touch.”* (Respondent 7).

At last, an important note has to be made concerning the level of sustainability that was embedded in the firm before participating in the AGT. The level of sustainability could have impacted the drivers firms experience for participating in the AGT. Firms with an advanced sustainability approach seem to participate because of their intrinsic sense of responsibility, and more specifically their desire to inspire others and because they believe it is the right thing to do. Firms with a less advanced sustainability approach seem to be driven to participate in the AGT by other factors, such as the collaborative advantage and coaching the AGT can bring. This can help these firms to further shape their sustainability approach.

# Chapter 5 - Discussion

In this chapter first the findings will be interpreted in light of extant literature. Then the theoretical contribution of this study will be discussed. Thereafter practical implications of this study, limitations of this study and directions for future research will be given.

## 5.1 Interpretation of results

The findings obtained in this study as presented in Chapter 4 do not exist in isolation, but can be discussed in light of extant knowledge. The three main categories of drivers for CSR, the instrumental, relational and moral drivers (Aguilera et al., 2007; Paulraj et al., 2017), will be discussed first. As discussed in Chapter 2, drivers found in other studies (Babiak & Trendafilova, 2011; Bansal & Roth, 2000; Brønn & Vidaver-Cohen, 2009) can often be categorized using these three drivers. This study partly substantiates these categories of drivers, since most drivers found in this study can be attributed to these categories. First of all, the self-interest driver fits the instrumental category, because both deal with the financial interest of the firm itself. Also, reputation can be seen as an instrumental driver, because by creating and maintaining a good reputation consumers will more likely choose for the firm which increases financial benefits (Brønn & Vidaver-Cohen, 2009). Second, external influence and networking fit the relational driver category, because they concern addressing and responding to government interests, building relationships and access to NGOs. Besides, the broad support of other firms including competitors is part of the external influence driver found in this study. This broad support can be related to the legitimation driver (Aguilera et al., 2007; Bansal & Roth, 2000; Brønn & Vidaver-Cohen, 2009; Paulraj et al., 2017; Zeyen et al., 2016). The broad support of firms including competitors causes firms to experience that they should participate in the MSI as well, which could also be called imitating peer firms, known as mimetic isomorphism (O'Connell et al., 2005; Suchman, 1995; Zeyen et al., 2016). By imitating competitors, firms try to be legitimate and thus to be perceived as appropriate within the given set of norms, values and beliefs (Scott, 2008; Suchman, 1995). Besides, societal expectations can be labeled as normative pressure (Paulraj et al., 2017; Zeyen et al., 2016) and governmental influence as coercive pressure (Zeyen et al., 2016). This entails that external stakeholders, such as consumers and the government, expect firms to comply to certain behavioral norms. Third, the intrinsic sense of responsibility can be linked to the moral driver category since both include a moral aspect and are based on intrinsic motivation to 'give back' to society (Brønn & Vidaver-Cohen, 2009; Paulraj et al., 2017).

However, the drivers of coaching, collaborative advantage and the fit between the MSI and CSR approach are difficult to classify as either instrumental, relational or moral. First, as discussed in Chapter 2, coaching could be both a moral or instrumental driver, depending on the underlying reason to look for coaching. When firms want to receive coaching and support because they intrinsically

value to improve their sustainability approach, coaching would be moral. But when firms look for coaching because they want to put in less effort themselves, coaching would be instrumental. The findings of this study point more towards the moral than the instrumental perspective, but it is difficult to completely verify this. Second, collaborative advantage could be relational, moral or instrumental. On the one hand collaborative advantage relates to managing relationships with other actors. On the other hand, when firms seek collaboration in order to better address issues because they believe it is the right thing to solve these issues, collaborative advantage could be a moral driver. Besides, when firms seek collaboration so they themselves have to put in less effort to address issues and to free ride on the efforts of other firms, collaborative advantage could be instrumental. Therefore, the underlying reason for seeking collaborative advantage determines the category this driver belongs to. At last, the fit between the MSI and CSR approach is not attributable to any of the instrumental, relational or moral categories. Therefore, this study partly substantiates the three categories of drivers but also goes beyond these categories and shows some drivers do not perfectly fit the categories which points at possible complementary drivers. Thus, the analysis shows that the three categories of drivers are too narrow and do not capture the entire range of possible drivers for MSI participation.

Although, in current literature, there is no consensus on the relative importance of drivers for CSR (Brønn & Vidaver-Cohen, 2009), instrumental explanations are most often used to explain CSR conduct by firms (Brønn & Vidaver-Cohen, 2009; Graafland & Mazereeuw-Van der Duijn Schouten, 2012; Paulraj et al., 2017). Babiak and Trendafilova (2011) and Aguilera et al. (2007) for instance supported that instrumental motives were dominant. This study contradicts in this respect and shows that, in the AGT context, firms act responsibly because of moral drivers first, followed by a mix of relational and instrumental drivers. This is in line with the findings of Graafland and Mazereeuw-Van der Duijn Schouten (2012) who found that moral drivers dominate instrumental drivers for engaging in CSR. It is interesting to see that the high importance of moral drivers in this study contradicts with the dominance of instrumental drivers in extant literature. This contradiction could be explained by the specific industry and characteristics of the firms in this study. Furthermore, the findings show that the dominance of instrumental drivers is not applicable to all contexts.

Now, I will turn to discussing the findings of this study in relation to earlier findings about drivers for MSI participation in particular. To start with, the findings of Airike et al. (2016) and the findings of this study show many similarities. Airike et al. (2016) stated that collaborative advantage, altruistic values, self-interest and external pressures were drivers of firms to participate in MSIs. Collaborative advantage and self-interest are drivers that are found by this study as well, in fact, they were given exactly the same label. Altruistic values are substantiated by this study as well, since the intrinsic sense of responsibility also concerns participating in MSIs because firms believe it is the right thing to do. At last, also the external pressure driver is found by this study, but it is named external influence here. The reason to use the label 'influence' instead of 'pressure' is that the pressure seems to contain

a coercive element, while the findings of this study pointed more towards influence in a mild form and hardly ever in a coercive manner. Furthermore, external pressure by Airike et al. (2016) entails lobbying from NGOs or governments, while this study also includes societal expectations and the broad support of other firms and competitors, or legitimation as discussed above.

Another interesting difference is that self-interest was not found as a driver for firms to participate in MSIs by Airike et al. (2016), while in this study it was a driver for firms to participate in the AGT, even though it was of low importance. The collaborative advantage, altruistic values, self-interest and external pressure drivers (Airike et al., 2016) do not cover all drivers found in this study. Coaching, networking and the fit between the approach of the MSI and the CSR approach of the firm were not found by Airike et al. (2016) to be drivers for MSI participation. Therefore, this study builds on Airike et al. (2016), but also provides an even more complete picture of what factors drive firms to participate in the MSIs. The findings of this study show that the drivers found by Airike et al. (2016) are too narrow to represent firm drivers in the context of the AGT. This could be attributed to the fact that this study and the study of Airike et al. (2016) were conducted in different industries, this study in the garment industry and of Airike et al. (2016) in the electronics industry.

With regards to the relative importance, this study found differing results than existing literature. According to Airike et al. (2016) collaborative advantage was the main driver for firms to participate in MSIs. While this driver was found to be of high importance for firms in the context of the AGT, the most important driver was firm's intrinsic sense of responsibility, corresponding to altruistic values by Airike et al. (2016). In addition to the primary driver of collaborative advantage, Airike et al. (2016) found secondary drivers for MSI participation, including brand reputation, "being a beacon to others and hoping to influence or transform the industry" (p. 645), altruism and legitimacy. While altruism and hoping to transform the industry were found of high importance in this study, and thus not of secondary importance (Airike et al., 2016), legitimacy (as a part of external influence) and reputation were found to be drivers of mediocre importance. Where the findings of Airike et al. (2016) identify only primary and secondary drivers, does this study categorize drivers as having high, mediocre or low importance. When applying the drivers found in this study to the primary and secondary drivers of Airike et al. (2016) the intrinsic sense of responsibility and the collaborative advantage would be primary drivers, and all others would be categorized as secondary. However, I believe the distinction between mediocre and low importance drivers helps to even better understand firm drivers for MSI participation, because it provides an even more detailed insight in what firms find important in MSI participation, which provides MSIs with the possibility to prioritize certain aspects.

## 5.2 Theoretical contribution

In this section it will be discussed what this study adds to knowledge about firm drivers for MSI participation. First of all, as indicated in the introduction there has been a focus on consequences

rather than antecedents of responsible practices (Aguilera et al., 2007; Brønn & Vidaver-Cohen, 2009; Paulraj et al., 2017). By focusing on firm drivers for MSI participation, an antecedent of responsible practice, this study provided in-depth insights in what leads firms to act responsibly. Therefore, this study contributes to knowledge about antecedents of responsible practices. Second, current literature on MSIs has focused on the public sector and their drivers and motives for MSI participation, but firm drivers for participating in MSI have received limited attention (Lundsgaarde, 2017). Also here, this study contributes to knowledge about drivers for MSI participation of firms in particular and provides a detailed account of the drivers that firms experience to participate in MSIs and in the AGT in particular, including their relative importance.

As described in Chapter 2, extensive research is done with regards to drivers for firms to conduct CSR, but firm drivers for MSI participation in particular has only recently started to receive attention (Airike et al., 2016; Kell, 2003; Lehr, 2010; Lundsgaarde, 2017; Roloff, 2008b; Zeyen et al., 2016). Studies that started to investigate have, however, focused on specific industries or MSIs (e.g. Airike et al., 2016; Kell, 2003; Lundsgaarde, 2017). By studying the AGT as MSI in the Dutch garment industry this study investigated firm drivers for MSI participation in a novel context. Thereby, this study provided novel insights and enlarged knowledge about firm drivers for MSI participation in different contexts and in particular in the Dutch garment industry. This is important because MSIs differ in their areas of concern, purposes, scales, scopes and time frames (Airike et al., 2016) and firms vary in the drivers they experience based on the industry they are part of (Brønn & Vidaver-Cohen, 2009; Graafland & Mazereeuw-Van der Duijn Schouten, 2012). Therefore findings of extant literature on specific MSIs and industries could not be directly transferred to the garment industry and the AGT. Just as earlier literature, this study provides industry-specific findings for the garment industry, but the findings do enlarge knowledge with regards to drivers for MSI participation by investigating the Dutch garment industry in detail and can serve as inspiration for other industries (Airike et al., 2016).

Furthermore, other studies on firm drivers for MSI participation often identified only a few drivers. For instance, Zeyen et al. (2016) focused on two forms of self-interest drivers and Lundsgaarde (2017) found two market-oriented drivers. This study on the other hand identified eight drivers and did not focus on either self-interest or market access but incorporated a broad range of possible drivers. Thereby, this study provides a clear and complete picture of what drove garment firms to participate in the AGT. Having a complete picture is importance because it enables to explain all aspects of firm participation in the AGT and not just one or a few aspects.

At last, as mentioned before, the relative importance of firm drivers for MSI participation has received limited attention (Orlitzky et al., 2017) and the studies that have addressed relative importance showed contradictory results (Brønn & Vidaver-Cohen, 2009). By not only providing insight in the

drivers firms experience to participate in the AGT, but by also taking into account the relative importance of these drivers, the contribution of this study is an increased understanding of which drivers are experienced as more salient and which play a less important role. Besides, the findings showed that relative importance of drivers can be dependent on contextual factors such as the presence of a strong business relationship that is at risk or the level of sustainability of a given firm.

### 5.3 Practical implications

In addition to the theoretical contribution discussed above, the findings of this study lead to several practical implications and recommendations. As discussed in the introduction, insights in the drivers of firms to participate in a MSI can help stakeholder groups to design the MSI in accordance with these drivers and develop strategies to encourage firms to participate in and stay engaged with the MSI (Bansal & Roth, 2000; Brønn & Vidaver-Cohen, 2009; Graafland & Mazereeuw-Van der Duijn Schouten, 2012). The AGT logically wants as many Dutch garment and fashion firms as possible to participate in the AGT. Several recommendations to increase or retain participation can be given based on the findings of this study. First, based on the fact that moral drivers for participating in the AGT were dominant, it can be recommended to the AGT Secretariat to not make use of financial or other extrinsic or coercive incentives to convince firms to participate (Graafland & Mazereeuw-Van der Duijn Schouten, 2012). Extrinsic incentives have been shown to crowd out intrinsic drivers (Graafland & Mazereeuw-Van der Duijn Schouten, 2012). At this moment government pressure is a driver for firms to participate in the AGT of mediocre importance. However, this pressure might not be necessary at all, simply informing firms about the existence of the AGT and letting them decide to participate based on their moral values will suffice.

A second implication based on the findings of this study relates to collaboration and the collaborative advantage driver. The collaborative advantage is a driver of high importance for firms to participate in the AGT. But when participating in the AGT firms experience that there are barriers to collaboration, including competition between firms and the difference in sustainability levels. Besides, sometimes firms would like to collaborate with other firms that produce in the same location, but then the AGT is not allowed to provide this insight and the opportunity to increase leverage and collaborate is taken away. I would recommend the Secretariat of the AGT to create such an environment that competition is not perceived as a barrier and where firms feel more comfortable in sharing details such as their production locations. Also, firms can play a more active role here and search for knowledge and details they can share and topics they can collaborate on instead of focusing on competition as a barrier only. This will support to design the AGT in line with the collaborative advantage driver.

Third, firms feel that participants are acting on different sustainability levels. While some firms have advanced sustainability approaches, other firms have just begun to set it up. Firms with advanced sustainability approaches are driven by different factors than firms with less advanced approaches.

Both are driven by the knowledge they can extract from the AGT. For firms with less advanced sustainability approaches, the current level of knowledge sharing during workshops and trainings is satisfactory. But while firms with more advanced sustainability approaches are driven by extracting knowledge as well, they are sometimes displeased with the fact that provided knowledge is of a basic level. To respond to the drivers of firms on all levels, it is recommended to the AGT Secretariat to differentiate workshops and training based on the established sustainability level. This would result in workshops and trainings for beginners on the one hand and for advanced firms on the other hand. In this way, firms are able to, each on their own level, gain as much as possible from participating in the AGT. Furthermore, firms with an advanced sustainability approach and extensive CSR experience should take a more leading role in the AGT and could for example more actively share their knowledge and be an inspiration to others. As found in this study, right now there is an emphasis on extracting knowledge from the AGT instead of sharing own knowledge. This sounds logical for firms with little CSR experience, but firms with much knowledge in this area should more actively share their acquired knowledge.

## 5.4 Limitations and reflection

In this section the limitations of this study and a reflection on my personal influence as a researcher will be discussed. A first limitation of this study is the focus on one specific industry, being the Dutch garment industry. The specific characteristics of the garment industry can complicate the transferability of the findings of this study to other industries (Soundararajan & Brown, 2016). Brønn and Vidaver-Cohen (2009) and Graafland and Mazereeuw-Van der Duijn Schouten (2012), for instance, found that industries differ in the drivers they have for engaging CSR. Besides, there can be country differences with regards to drivers for engaging in CSR and MSIs (Schuessler et al., 2019). However, as aforementioned, investigating MSI participation in the Dutch garment industry in particular is also an extension of the studies that already existed which focused on other industries and MSIs. Despite the fact that this study investigated a specific industry and context as well, the results of this study could serve as the basis for further research within other countries and industries (Airike et al., 2016).

A second limitation relates to the process through which respondents were selected. As discussed in Chapter 3, firms that participate in the AGT were contacted by email and firms that agreed to participate were selected as respondents. However, mainly firms who perceive themselves as sustainable, small firms and workwear firms agreed to be interviewed. Large fast fashion firms did either not respond to the email or answered they were too occupied with dealing with the Corona crisis to participate in this study. Thus, the specific set of firms that participated in this study can at least be partly attributed to Corona. At another moment in time, the participating firms could have been different. Furthermore, chances are that firms who perceive themselves as sustainable are more

inclined to be interviewed about sustainability and MSI participation than fast fashion firms with a less clear sustainability approach. This can have impacted the results of this study by putting more weight on drivers such as the intrinsic sense of responsibility. In this study social desirability can have played a role as well (Brønn & Vidaver-Cohen, 2009; Graafland & Mazereeuw-Van der Duijn Schouten, 2012), which is for example showed by the fact that firms report about others that some are AGT members in order to greenwash, but firms would never state this about themselves since it is not a socially desirable answer. However, social desirability is expected to have little effect on the findings of this study since respondents did mention self-serving drivers, which would not have been the case if social desirability played a big role (Paulraj et al., 2017). In order to minimize the extent of social desirability bias, respondents were assured that interviews were confidential and anonymous.

A third limitation is that not all respondents were a CSR or Sustainability Manager or even working at the firm at the moment that the initial decision to participate in the AGT was made. This applied to four of the eleven respondents. Therefore, when asking about drivers at the beginning of their participation, respondents often had to rely on information they received from others. This can have impacted the drivers that respondents mentioned. For instance, it is plausible that CSR Managers who were not directly involved in the decision to participate in the AGT reported mainly salient drivers for AGT participation. However, during interviews respondents often assured that they were up to date about what drove the firm to participate in the AGT. Still, it possibly affected the completeness of respondent's answers.

A fourth limitation is that the firms that participated in this study often had only one CSR or Sustainability Manager and not a CSR team consisting of more employees. Sometimes CSR issues such as MSI participation were even handled by other managers or employees and there was no official CSR position. This is a limitation, since it can have impacted the results in this study, because CSR teams can experience different drivers for participating in the AGT than a CSR Manager who is on his or her own. As discussed in the findings chapter, especially firms where there is only one CSR Manager were driven by the support and the network the AGT brings. However, it could be imagined that firms with large CSR teams experience other drivers for participating in the AGT, because they already experience support and a small network within their own firm.

Finally, as this is an interpretivist study, my perceptions and interpretations as a researcher are important (Corley & Gioia, 2004; Duberley et al., 2012; Myers, 2009). Therefore, some reflections on my personal role and perceptions should be made. Before initiating this study I was already aware and increasingly concerned with sustainability, also with regards to clothing. Since the AGT strives to create even more sustainability in the garment industry, my perspective on the AGT has been positive from the beginning. Besides, during the start of my thesis I participated in a course on sustainable trends such as the circular and the sharing economy. Based on knowledge about these trends I already

had some ideas about how to create more sustainability in an industry. This knowledge and my positive perspective can possibly have impacted the way I coded and interpreted the data of this study. At last, me being a researcher but at the same time a possible purchaser of clothing can have impacted this study by creating an environment in which respondents felt they had to provide socially desirable answers and create a positive image of their firm.

## 5.5 Directions for future research

Based on the contributions and limitations of this study directions for future research can be formulated. First, a potential direction for future research is to study and compare firm drivers for MSI participation in other industries than the Dutch garment industry (Airike et al., 2016) to create an even more complete picture of possible drivers for MSI participation and to test whether the drivers found in this study apply to other contexts as well. Acquiring this insight is important in order to determine the transferability and applicability of the findings of this study to other industries and MSIs and to make sure that findings were not dependent on the specific characteristics of (actors in) the Dutch garment industry.

Second, in this study, drivers for MSI participation were studied from the perspective of participating firms. A direction for future studies would be to explore drivers from a NGO, governmental, industry association or trade union perspective. This would support in providing a more holistic picture of drivers for MSI participation (Airike et al., 2016). By having a holistic picture of drivers of all participating parties, the MSI approach could take into account drivers and expectations of all actors. Having knowledge of drivers of all actors to participate in a MSI is important in order to broaden the understanding of what actors expect from MSI participation and enable designing MSIs in accordance to all drivers and not just the drivers of one type of actor. Not only the drivers of other types of actors, but also what inhibits non-participating firms from participating in MSIs could be a direction for further research. Having an insight in inhibitors instead of drivers is interesting in order to minimize these inhibitors and thereby possibly increase MSI participation.

At last, by focusing on firm drivers for MSI participation this study is “front loaded” (Aguilera et al., 2007, p. 855). That is, findings relate to the start of firm participation in MSIs, rather than to results of MSI participation (Aguilera et al., 2007). Since MSIs are regarded an important solution to addressing social and environmental issues in supply chains (Fowler & Biekart, 2017; Lundsgaarde, 2017; Mena & Palazzo, 2012; Reinecke & Donaghey, 2017; Sloan & Oliver, 2013), it is interesting to not only have knowledge about drivers of MSI participation, but also about the results of MSI participation. Therefore, a potential direction for future research is to explore the extent to which MSI participation affects the intensity of sustainability and CSR efforts in the garment industry (Aguilera et al., 2007).

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# Appendices

## Appendix 1: Interview guide

### *Introduction*

- Thank for participating in the interview
- Explain the purpose of my research and elaborate on the role of the interview in this research
- Indicate the time the interview will take (approximately 1 hour)
- Discuss whether the interview can be recorded (and indicate that the audio will be safely stored after the research has ended)
- Explain that all data will be handled in a confidential way, that transcripts will be anonymized and will not be shared at the Radboud University (except for my supervisor) or anywhere else and that the respondent can decide not to answer questions during the interview
- Indicate the structure of the interview

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### *Questions*

1. Could you briefly tell me something about [*company*]?
2. What does your job within [*company*] entail? Since when have you been working in this job?
3. How does your job relate to the AGT?
  - a. Were you involved in the decision to participate in the AGT? In what way?
  - b. In what way do your daily activities relate to the AGT? What kind of activities are those?
4. Could you tell me about how the decision to participate in the AGT was made?
  - a. How did you learn about the existence or development of the AGT? What did you know about the AGT?
  - b. When did you sign the AGT?
  - c. Which people or parties were involved in this decision? How were these parties involved? Who has the most influence?
  - d. Were there external parties involved in this decision? How?
  - e. What was the decisive factor to participate in the AGT?
  - f. What were less important reasons to participate?
  - g. If you compare the reasons for participation, which one weighed heaviest in your decision?
5. Why did you choose to participate in the AGT in particular?
  - a. Do you participate in other initiatives as well?

- b. Why then did you choose the AGT as well?
  - c. What does the AGT bring that other initiatives don't?
  - d. I can image there are other initiatives in which you do not participate. What factors made you choose the AGT above other initiatives?
  - e. What factor was most important? What factor was least important?
6. What did you expect to gain from participating in the AGT in advance?
    - a. Why did you expect that?
    - b. What did you expect to be the biggest gain?
    - c. Which were smaller advantages that you expected?
  7. Why do other firms participate in the AGT according to you?
    - a. What is the most important reason?
    - b. What are less important reasons?
  8. Have you ever been considering to stop participating?
    - a. Why/why not?
  9. Are there still factors that led [*company*] to participate in the AGT that we haven't covered?

Probing questions:

- Could you elaborate on that?
  - Could you give me a concrete example?
- 
- Do you have any questions at this moment?
  - Thank you again for participating
  - Explain the remainder of the research and when the respondent will receive his/her transcript and the eventual thesis
  - Indicate that I am still available for questions/comments and that the participant can, at any time, withdraw from the research

## Appendix 2: First contact mail

Dear Sir/Madam [*surname employee organization*],

We are Johanneke, Linda, Marritt and Hugo and are currently in the final stage of our Master in Business Administration at Radboud University in Nijmegen. Our master theses focus on the topic of sustainability in the context of the garment industry. The focus lies on the Dutch Agreement on Sustainable Garments and Textile and particularly the reasons for why organizations participate in this agreement, the interests of organizations in the agreement and the degree of commitment in this agreement. On the website of the agreement, we saw that [*company*] is participating and therefore we would like to involve your organization in our study. Our question therefore is: would you like to participate?

Participating in our study means that we would like to conduct one interview with a member within your organization who was involved in the decision to participate in the agreement. The questions cover the reasons of your organization to participate in the agreement, your interest in the agreement and your involvement in the foundation process. The interview will take about 1 to 1.5 hours at maximum. The information will be treated confidentially and anonymously, that is, names and other confidential data will be anonymized in our master thesis. After completion of our master theses you will receive a copy of our research report, providing you with insights into the agreement and its participants.

Under the current circumstances with the corona crisis, we understand that visiting your office is not possible and therefore we would appreciate the opportunity to conduct the interview via video or phone. The interview will be held with one or two of us.

Please let us know if we can have an open conversation in which we can exchange information. If you have any questions, please mail me or contact me via the phone number below.

Kind regards,

Marritt Raaijmakers

## Appendix 3: Follow-up mail

Dear *[name]*,

*[Date and time]* sounds good for me too. Thanks again for participating in my research. *[Discussing contact details for the skype or phone meeting]*.

With this mail I would like to inform you about the following. I would like to record the interview so I can type it out afterwards. The interview transcript will only be viewed by me and my thesis supervisor and is not shared or distributed anywhere else. You are allowed to see the interview transcript at any time if you wish. At last, it is always possible to withdraw from the research.

If you have any questions or comments, please let me know.

Kind regards,

Marritt Raaijmakers

## Appendix 4: Data structure

Selective codes	Axial codes	Open codes	Representative quotes
Intrinsic sense of responsibility	Internal desire for sustainability	Sustainable firm	When we were founded, the objective was clear: to produce clothing in a sustainable way both socially and environmentally, without compromising on quality. (AGT Action Plan 2)
		Sustainabilization	In the beginning we thought it was good that the Agreement was there. We are not there yet and some do something already, but you notice that especially in the beginning many firms were not very far so to say. So yes, I think the Agreement was necessary, that was our main reason. (Respondent 1)
		Sustainability as natural	Corporate social responsibility is in our DNA. We find it very important that the products we buy and sell every day are produced under good conditions and as sustainable as possible. The textile industry faces many challenges and we are committed to tackling these challenges. (CSR Report 5)
		Fits firm vision	All things they are committed to, so living wage and healthy and safe working conditions and they want to reduce environmental damage and animal suffering, those are things we are also against. So those are the similarities. They were things we were already engaged in and what we find self-evident and also things they then stand for, so those then are the similarities. (Respondent 4)
		Close production	We work with mostly close to or in Europe based production partners, to make it easier to visit them. (CSR Report 6)
	Sustainable industry	Fair garment industry	I think we find it important that the garments you find everywhere that they are made in a fair manner. And I think that we can improve that with the Agreement. [...]. It would be nice that when you buy something in the Netherlands, that you know it is made in a good way. I think that is something we want to achieve all together. (Respondent 1)
		Increasing impact	And together we are strong to improve the world, or the fashion industry, and as a single firm you have less influence. (Respondent 4)
		Industry change	We have a strong vision and we know what we want and we do need other firms to be able to completely change. So in the background it does play a role that we want to change the perspective on the garment industry in a positive way. (Respondent 3)
		Inert industry	We ended up in a process of massiveness, organizing it in a massive way, that it has become an inert mechanism which we cannot 1 2 3 turnaround, it is not a speedboat. (Respondent 5)
		Slow fashion	But we go further than that. True sustainability is also about designing in a timeless way and striving for the best quality possible. That's why we don't follow hypes that may be liked for just one season and end up unworn the season after. We also stopped participating in the bi-annual rat race of sale. Instead, we focus on making timeless everyday essentials: clothes that go with anything and are made to be worn for years. We always make sure that our pure goods always have a

			fair price for the consumer, the retailers and the people who make our clothes. (CSR Report 6)
	Moral values	Right thing to do	We feel the responsibility to go against the negative effects of the textile industry. Prevention or reduction is the starting point. Creating policy and objectives is important. (CSR Report 5)
		Contribute to better industry	Yes, because it helps us to really do things further down the chain. And because we just think it is important to make a contribution as a Dutch company. (Respondent 1)
		Responsibility	We do not want to profit from human rights violations in our supply chain. Prevention of child labor or forms of forced labor is part of the BSCI monitoring program, as well as of our program for the SER Covenant on Sustainable Textile and Clothing and the Supplier Code of Conduct. (CSR Report 2)
		Ethical behavior	We acknowledge the intrinsic value of the animals, as laid down in our five moral principles. This entails acknowledging the value of the animal being sentient beings. The violation of the integrity and wellbeing of animals should be prevented. The care animals need is ensured. (Website 3)
		Good conditions	Our joint goal is that our collections are produced in the best possible conditions, for everyone within the supply chain. (CSR Report 1)
		Internal motivation	As a firm you of course have norms and values you want to meet. (Respondent 4)
	Improving sustainability policy	Improving	Everything is reported and documented, so we can always look at it and see what could still be better than what we did before, which makes you look and makes you want to take it a step further than what we already did. And I like that about it. (Respondent 4)
		Increasing supply chain insight	Because the Agreement provides insight in all production locations of all participants, they can act faster. For example, a while back we received a mail about risk areas in China where a certain group is at more risk of forced labor. Then they can send a mail to participants who have production in that area in China. Normally, you would not find out, because we are not in direct contact. Now, we can investigate it and when it applies to this factory as well, we can act on it, so yes, that are positive things we get from participating in the Agreement. (Respondent 1)
	Activate others	Creating awareness	That is the nice thing, that you can, besides other firms, encourage consumers to think about it and purchase in a more sustainable way. (Respondent 4)
		Inspiring firms	We do not only exist to make ourselves better, but also partially we try to inspire or encourage other brands. (Respondent 10)
Coaching	Support	Internal awareness	I think it has been a driver of understanding internally. Sometimes it is hard for firms who are not sustainable by origin to make it understandable at management level why we are engaged in sustainability, why we have to put in time and money and why it is important for our job. For some brands it is different, because it is seen by management and it goes top down. But with many companies it is something new that is not understood very well. (Respondent 6)

		Support in dealing with issues	Through the membership of AMFORI and BSCI, as well as by participating in the Covenant on Sustainable Textiles and Clothing, we keep pace with ongoing progress and issues with manufacturers and are able to steer and follow up on these. (CSR Report 2)
	Commitment	Commitment to progress	It is not that we needed it per se I think, but before the Agreement we were not yet looking into production locations further down the supply chain. You are stimulated to look further. Just like the chemicals we were not doing that yet. You get a lot of new insights. It is not that we necessarily needed the incentive, but it is nice to have. (Respondent 1)
		Explicate	What we did before is always take care of it, but now you have to write it down and follow up. That piece of administration, implement it a bit further and realize it on paper, and actually perform it, it creates extra effort but it also brings clarity, because you can write it down, read it, improve it, complement it. (Respondent 5)
Collaborative advantage	Collaborate	Collaboration	The CSR dilemmas in the fashion industry are substantial, and cannot be changed by individual parties. On the other hand, clothing is an essential need that should be available to all people. We are aware of these dilemmas and strive to work with business partners that aim to improve conditions in the supply chain. To this purpose we joined the Covenant of Sustainable Fashion and Textiles. (CSR Report 2)
		Increasing impact	So I think it is important that as many firms as possible join, because the more people, the greater the impact you can make of course. Also to work together with other parties. (Respondent 1)
		Leverage	The Netherlands is nothing in the textile world. When I go to a manufacturer or when there are things at a manufacturer that are not according to the Agreement, as a Dutch producer you go to the manufacturer and you say, you do this wrong and if you not start doing it I will have to withdraw. Then he says, very good, you're only 1 percent of my production, so go. With many people, you can become 10 percent, then he will listen. So in that way, you can organize it way better and that is what the Agreement is for, to look at problems together and solve problems together. (Respondent 5) We are one of the big players in the industry so that gives a lot of leverage to the Agreement and you see that because of this many parties have joined. (Respondent 9).
		Complexity	Complex issues
		Complexity of supply chain	We of course have a huge list of suppliers with whom we work one year, but the other we don't. Well, after the first year you have to go deeper in the chain, then you have to go to tier two and tier 3. Well, we have such a high network of suppliers, that I said: how do

			you imagine that? Because, let's say, I have 20 suppliers who produce for me and they have mills they work with and those mills have cotton farmers and they do the dying and finishing, that could be 200 locations. (Respondent 2)
	Barriers to collaboration	Competition	Different from fashion, corporate wear is, look fashion is different every week, every season it is different, it is way harder to copy from each other. With us, we make corporate wear which is designed in 2007, well 1970, you know, then it was with buttons now it is with press studs, so it hasn't changed a lot. So you can copy a lot from each other, because it lasts very long. And it does happen and then we are mad at each other. So in the workwear sector we are a bit like, well, I don't know if I want that. You know, you could better work with people you are not in the market with. But that is of course what we are looking for, how do we deal with this duality. We want it, but we also do not want it yet. (Respondent 8)
		Different sustainability levels	All brands where we have an overlap, do not want to necessarily be in contact with us, because not everyone is as far on CSR as we are. (Respondent 3)
Networking	Convergence of different actors	Access to others	For example with Modint to train us about chemicals, what we should pay attention to, what are risks. And connections with CNV and FNV so we can reach out to trade unions in production countries and that kind of stuff. It makes it easier. Sometimes you think: where should we start? But the fact that the platform is already there and consists of experts and that those contact persons are there, makes it super approachable and very easy to be able to work on certain problems. (Respondent 3)  Contact with for example UNICEF or Arisa. You know, it sounds kind of heavy to reach out to UNICEF. Normally, before our participation in the Covenant, we would not approach them so easily. While we are often in workshops with them and then you see they are very approachable, we are more inclined to contact them about trainings that are given about diverse countries. So, I think the access to NGOs is an advantage. (Respondent 2)
		Different perspectives	Well, because I think that when you reason from one angle it becomes too one-sided, you get monologues. I always want to look for dialogue. We already had some conversations where someone from UNICEF was present, or someone from the government, the ministry, a number of brands that reason from fashion. Then you have a nice composition, about a certain subject, everyone looking from his own perspective. I think that is good. (Respondent 2)
	Knowledge sharing	Gaining knowledge	I think the flow of information [...] when you see it is such a good combination of industry associations, NGOs, brands, you can imagine beforehand that there will be a lot of information from different sources and expertise. If it were only the brands together, it would have been like: what then? But especially by involving the experts, it was clear from the beginning, this will bring us something. (Respondent 6) You get a lot of new insights. [...]. It is nice to have people who have knowledge about things we do not

			have that much knowledge about and they can help you a step further. (Respondent 1)
		Sharing own knowledge	Also within the group we had a bit of a leading role in the sense that they looked at us like how do you do that, how do you handle that. So we were leading by example, so to say. (Respondent 3)
		Different sustainability levels	Well, I think that all firms, everybody is on another level. You notice that. Last year we had a few mandatory living wage trainings which were really basic. But I think it is difficult to maintain the same level for everyone, since everyone is on another level. Some just joined, others already from the start, so they are a few steps further. (Respondent 1)
Self-interest	Business opportunity	Convince customers	Our BSCI status and being one of the co-signers of the Agreement adds to convincing customers to choose for us, as CSR is an increasingly important item in tenders/RFP's. (CSR Report 2)
		Commercial interest	You notice that when you talk to people from the Agreement, that they sometimes are quite left oriented and forget that we have a business to run. Of course I do want it all, but when I start to pay everyone a lot and produce everything in the Netherlands, then my business is gone. The Agreement should not want that. [...]. It is always a consideration of how sustainable and socially responsible can I produce within the constraints of my commercial targets. That just remains difficult. (Respondent 2)
	Business relationship	B2B influence	[Big retailer] asked us to how we produce and they mentioned that it would fit us very well and they advise to sign the Agreement because they want to be as sustainable as possible in the future, but it is not the case that they really pressured us into it. We wanted to participate ourselves and we thought it was a very nice initiative, that is why we wanted to participate. (Respondent 4)
		B2B pressure	But I know that one of the most important factors to participate was that one of our important customers has joined to Agreement from the beginning and expects the same from all brands they sell. Well, that increased the pressure, because it is an important customer and the chance that they would no longer sell us was dramatic. So that was a huge driver. [...]. I think that besides the loss of an important customer, that it brought about some kind of understanding like this is where the market is going. These are requests from our customers. So it became clear that it is important, that these could be the consequences and because of that we need to do this. (Respondent 6)
		Relationship preservation	Besides we do a lot of tenders and the expectation was that in tenders it would be a big theme. (Respondent 9)
	Fit between the MSI and CSR approach	Practical matters	Applicability
Capacity			We participate since January 2019 or December 2018, around that time. In fact, in January 2019 my job changed to a full CR job which gave me the space to participate in the Agreement. So that was actually one

			of my motives, that there were hours to do it. (Respondent 10)
		For free	For us, an important reason in favor of the Agreement is that it does not cost any money at this moment, because all those initiatives cost money, so you have to make choices about where you put your money. Every certification, every time we choose for a more sustainable fabric, everything costs money and we have to critically look where we spend our money or not. (Respondent 10)
		Holistic approach	The Agreement is more overarching so to say, so it entails everything regarding sustainability and all locations in the entire chain. Something like the Bangladesh Accord focuses on Bangladesh. Well, we do not do a lot in Bangladesh, so only the Bangladesh Accord would not be useful. The Foundation focuses on social conditions and only on the first tier, so the sewing workshops where most people work, so only the group where you can achieve the most. And the Agreement is not just social, but also environment, so also recycling, chemicals and the environment, to implement improvements, and then the entire chain. (Respondent 1)
		No alternatives	On the other hand, it is actually one of the few initiatives in the market in textile area, the costs are not high, it is not crazy to be a member. It can do no harm. (Respondent 2)
		Different sustainability levels	I would recommend the Agreement. It depends on the extent to which CSR and sustainability are embedded in your organization. Especially for firms who are at the beginning of their sustainabilization or who want to jointly tackle certain topics it is advisable. (Respondent 11)
	Positive environment	Safe environment	We will not name and shame, but we will try to do it together. You are not punished when you don't succeed, you are not hang on the pillory. [...]. I think that within the garment industry there are several activist parties who like to show who does it wrong. I think the Agreement did very well by trying to prevent that. [...]. The environment in the Netherlands helped us make the choice to join and to not say that we do not dare to. (Respondent 6)
External influence	Societal expectation	Consumers being aware	But you also want of course, the consumer is increasingly concerned with it and you want to grow with that. (Respondent 4)
		Public opinion	Animal welfare is in the entire society a typical, very important. There are a lot of uncertainties, a lot of mystic, yes, where do these skins come from, what is the welfare of the animals you are using, is the welfare sufficient. Very specific questions that can be answered quite clearly, but about which the wildest stories are circulating among consumers and the media. (Respondent 5)
		Social pressure	You know, in the Netherlands there is not very much, this is actually the initiative that was stimulated by the government, it also was in the media. There was some social pressure to join. (Respondent 2)
		Sustainability is a must	I think that it has, among others, to do with the fact that companies realize that sustainability is actually not a choice, you have to sustainabilize. And then they

			think, I will join the Agreement or the Agreement has already approached them. (Respondent 5)
	Governmental influence	Government interference	I find, that at the time with [mentions name of minister of the Dutch government], I don't know if you followed that discussion. It was around the time regarding AGT participation, about what you do as a retailer in order to know your textile chain and to make sure that people are paid well etcetera. She was minister and had such a clear opinion about that a few concerns were acting antisocially regarding textile. Well, I thought it was a very shocking comment. I think it was not okay that a minister is so negative and don't know what you're talking about. (Respondent 2)
		Government pressure	I think you can't get out of it. When you are a such a big party in the Netherlands, then I am sure that [mentions name from person of the government], very enthusiastic, she would not have stopped until you were participating, so to speak, until you signed. (Respondent 3)
	Broad support	Broad support	And also who support it, who are involved. That is so broad that it creates a kind of pull factor among Dutch brands, like you just have to be a part of it. Oh, you don't participate? Why not? It is like we are doing this all together. (Respondent 6)
		Imitating competitors	I think that the consumer becomes a bit more critical nowadays. Maybe they get questions from customers or they see a shift at their competitors for example and they think, we cannot sit still. That could play a role. (Respondent 3)
Reputation	Consumer reputation	Consumer communication	It is not the most important, [...], but what we saw as self-evident, was apparently not self-evident. We didn't have it on our website, because we thought it was self-evident, but when we got in contact with the Agreement, we realized it was not self-evident to do certain things related to wages or labor. Therefore we decided to say something about it on our website. (Respondent 4)
		External communication	I think it is also just important to show the outside world: this is what we do. And by signing the Agreement, you give a signal that you take it seriously and that that is what you stand for. (Respondent 4)
		Image towards consumer	Besides it weighs heavy how the consumer or the media sees us. It would be strange that we say we are a sustainable company, but do not join the Dutch Textile Agreement, that sounds weird. (Respondent 3)
		Publicity	Because when we sent out a press release it is not seen as much, because we are not a well-known name, so that is a frustration for us. I think for smaller firms is this media value and being able to send out a join press release is important. (Respondent 10)
		Greenwashing	To greenwashing. And it is different for each company. The only thing is that, what I like about the Agreement, you can join as a green washer, but it is quickly made rather impossible, because certain things are expected from you. The only thing is that when you do not comply, you are not hung on the pillory. [...]. A company will never admit they participate in order to greenwash. (Respondent 6)

	Accountability	Accountability	The first step towards better practices in the garment industry is transparency, since it comes with accountability. (CSR Report 6)
		Controllability	Then we come back with being accountable, that we are controllable. That is actually the most important. And being controllable on all 9 themes of the Agreement. (Respondent 5)
		Credibility	Transparency is important, you have to, otherwise it will be a bla bla story. (Respondent 8)
		Objective judgment	That I am controllable. That others say how I work and if that is good or not and that I do not have to tell that myself, because I can never be objective towards the consumer, I will always be subjective. And when other people say something about me, I become way more objective. That is what it is about. (Respondent 5)
		Transparency	We think for example that transparency is very important. It is actually that the entire production process is clear. And I think that the Agreement enables that and that there is more transparency from a lot of companies and I think that that's very important, also for the consumer that they know where products are coming from, where it is made and how it is made. So what we also find important is transparency. (Respondent 4)
Views on the AGT	Enthusiastic	Continuing the AGT	It would be very unwise and definitely unfortunate when the efforts after those five years [the initial duration of five years of the AGT has almost expired] would be labeled as finished. (Respondent 5)
		Enthusiasm	We discussed it then but it was not really a decision process about if we would do it or not. We were actually immediately enthusiast that it was there. We then immediately said we are in, so it was not really a process or something, but just enthusiastically said yes right away. (Respondent 1)
		Qualitative norm	We find the Agreement very pleasant because it is a qualitative investigation that aims for improvement and does not give a predicate or standard. You have to meet certain things, you can be kicked out, but in the end you do not get points, you do not pass or not, you do not get a grade. (Respondent 8)
		Realistic goals	The Agreement makes sure it is possible within the constraints of the economy, within what people want to pay for it, what you can get done. (Respondent 8)
	Critical	Aversion to publicity	It was launched in June I guess, June or May, I was a bit critical back then. I thought yes I don't need to be the first with my name in the paper like 'I participate in'. Because there are quite a few in the market which support this kind of initiatives in order to have publicity, we do not like that. (Respondent 2)
		Limited scope	We ourselves are very much on circular raw materials and how we can do that better. We investigate that a lot and are very active in that area. And in the Agreement it is not taken into account, not at all. You are even looked at if you are crazy when you do this. So that is of course, because it does not fall within the scope of the Agreement, it is not necessarily seen as negative, but it is not acknowledged, let me put it that way. (Respondent 9)
		Quantitative norm	In particular, reports to not do anything substantively with it, but just checking off. Checking off the

			materials list, but there has never been a conversation about the materials. Ditto the production locations list. (Respondent 2)
		Skeptical	So I deliberately waited for half a year just to see what it really entailed and who participate and we are in a different sector than fashion of course, so to what extent do they take into account the business to business market we are in, the workwear customers. So I deliberately waited for half a year with my participation. (Respondent 2)
		Time consuming	Sometimes it feel like it is a lot of paperwork and there is a consideration sometimes, but it does help us. (Respondent 7)
		Unrealistic goals	They have a particular assessment technique and certain things they have to achieve. Well, you try to improve the percentage of women in factories in Bangladesh, that is an unrealistic goal of course. It does not make sense, but it is thrown at you and we have to do something about it. Well, we can't, we don't want to and we do not think it is efficient. (Respondent 9)

## Appendix 5: Research Integrity Form

<b>Name:</b> Marritt Raaijmakers	<b>Student number:</b> s4581350
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**Thesis title:**

Why do firms participate in the Dutch Agreement on Sustainable Garments and Textile? A qualitative study into firm drivers for multi-stakeholder initiative participation

**Brief description of the study:**

By means of qualitative interviews and document analysis this study explores firm drivers to participate in the Dutch Agreement in Sustainable Garments and Textile and the relative importance of these drivers, in order to contribute to knowledge about firm participation in multi-stakeholder initiatives.

It is my responsibility to follow the university's code of academic integrity and any relevant academic or professional guidelines in the conduct of my study. This includes:

- providing original work or proper use of references;
- providing appropriate information to all involved in my study;
- requesting informed consent from participants;
- transparency in the way data is processed and represented;
- ensuring confidentiality in the storage and use of data;

If there is any significant change in the question, design or conduct over the course of the research, I will complete another Research Integrity Form.

Breaches of the code of conduct with respect to academic integrity (as described / referred to in the thesis handbook) should and will be forwarded to the examination board. Acting contrary to the code of conduct can result in declaring the thesis invalid

**Student's Signature**



**Date:** 24 March 2020

**To be signed by supervisor**

I have instructed the student about ethical issues related to their specific study. I hereby declare that I will challenge him / her on ethical aspects through their investigation and to act on any violations that I may encounter.

**Supervisor's Signature:**



**Date:** 2 June 2020