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The Process of Responsibility, Decoupling Point, Disengagement of Moral and Social Responsibility in Supply Chains: Empirical Findings and Prescriptive Thoughts

Abstract

The aim of the paper is to explore and assess the process of responsibility, decoupling point and disengagement of moral responsibility, in combination with business sustainability (BSus) in supply chains. The research is based on a qualitative approach consisting of two multifaceted case studies, each including multiple case companies and different empirical research characteristics, and a review of BSus in supply chain literature. The case studies apply moral disengagement (MDis) to propose how moral responsibility can deteriorate in supply chains and the literature review identifies elements of BSus in supply chain management (SCM). The contribution of this paper is to compare these two research streams and evaluate the efficacy of the concepts proposed in the case studies. Through this study BSus gains an entirely different and complementary toolkit which should facilitate further and more effective research in SCM. The theory of MDis also provides a foundation for reinforcing explanatory and prescriptive aspects of 'best practices' in the SCM literature. The findings also establish a basis for organizing and monitoring supply chains so as to improve BSus efforts. Considering moral responsibility as a flow this research explains why and how certain practices may impede BSus efforts in supply chains. Original and/or innovative outcomes include explanatory and prescriptive insights that emerge from a combination of empirical findings from two case studies, including seven companies, and a framework for improving BSus management in supply chains, based on a typology of moral disengagement.

Keywords: Business, corporate social responsibility, CSR, moral decoupling, moral disengagement, moral responsibility, SCM, supply chain, supply chain management

The Process of Responsibility, Decoupling Point, Disengagement of Moral and Social Responsibility in Supply Chains: Empirical Findings and Prescriptive Thoughts

1 Introduction

Business sustainability (BSus) has attracted increasing attention during recent decades (Aguinis and Glavas, 2012; Fassin and Van Rossem, 2009). Several scholars have addressed the success and failure of BSus initiatives, but the area lacks coherence (e.g. Dos Santos et al., 2013). For a definition of BSus, we apply one offered by Svensson and Wagner (2012a, p. 544), intended to reduce contemporary limitations: "...an organization's efforts to manage its impact on Earth's life and eco-systems and its whole business network...". These include corporate social responsibility (CSR) (Aguinis and Glavas, 2012), sustainable development (WCED, 1987), and a tripartite focus on economic, environmental, and social aspects (Elkington, 1997).

Sustainability implies a long-term perspective (Bansal and DesJardine, 2014), but a short-term perspective of CSR can have long-term implications (e.g. Blacksell, 2011; Plumer, 2013; Rainforest Alliance, 2011). Consequently, the delineation between sustainability and CSR is not always clear. A company affects the environment directly through its own actions, but also through companies included in its supply chain and extended business network. As such, CSR and sustainability are often addressed from a supply chain management (SCM) perspective (see Shepski, 2013). Sustainability efforts of a company cannot be confined to a focal company's perspective, but need to include the entirety of the supply chain. The roles of procurement departments (e.g. Krause et al., 2009; Worthington et al., 2008) and intra-organizational factors that affect BSus (e.g., Keating et al., 2008; Wolf, 2011) have gained

attention from researchers. BSus is evidently strongly connected to management of activities across the supply chain, and is, not surprisingly, becoming an integral part of SCM.

We adopt a perspective that focuses on the flows in the supply chain. Flow perspectives are common in SCM and can be traced back in time (e.g., Forrester, 1958), but have not been applied on moral responsibility. Considering moral responsibility a flow, it is possible to trace its path from source to other actors in the chain and potentially determine where in the chain the flow might be disrupted.

The increased interest in BSus is not only evident in the research community, but also manifested in a consumer demand for ethically and sustainably produced products and services (e.g. Carrigan and Attalla, 2001). However, consumers do not appear willing to pay a premium price for sustainable value offerings (e.g. Auger and Devinney, 2007; Carrington et al., 2010; Feldman and Vazquez-Parraga, 2013; Karjalainen and Moxham, 2013; Öberseder et al., 2011), and companies fail to live up to the standards that both internal and external stakeholders require (Egels-Zandén 2007, Jenkins, 2001). There is a discrepancy between demand and intentions, and purchasing behavior and implementation. The reason that we do not understand the gap between desire and outcome might be related to how research is currently being conducted in the field.

Despite offering insights to what SCM practices are successful to improve BSus the research field is based mainly on empirical observations, lacks theoretical constructs (e.g. Miemczyk et al., 2012; Winter and Knemeyer, 2013), and is predominantly practitioner-led (Burgess et al., 2006). Accordingly, Aguinis and Glavas (2012) emphasize that research on individuals (micro level) is necessary to understand business (macro level) processes, a strategy that has

been successful in economics. We argue, however, that the phenomenon should be understood through identifying the most relevant mechanism(s) that generate the observed events (Danermark et al., 2003; Rotaru et al., 2014). Aguinis and Glavas (2012) suggest that these mechanisms are related to individual action and interaction and the manner in which they affect institutions (e.g. a company). We focus on the psychological processes internal to individuals, which we consider to be of a deeper generative level, since they generate individual action and interaction (Bandura et al., 1996).

The application of morality in practice seems important to understand the topic itself, especially since reports show that companies often perform activities with a blatant disregard for their ethical consequences (Svensson, 2009). Morality is separated here from constructs based on rationalization, such as ethics, codes of conduct, and social responsibility. The definition can be traced back several centuries. Hume (1777, section 1) stated that morality may be considered as “...derived...from sentiment...” and “...an immediate feeling and finer internal sense...”. Given this definition, there is no need for a universal definition of morality. Rather, the phenomenon arises through the inconsistency between the morality and actions at an individual level.

Moral disengagement (MDis; Bandura et al., 1996, p. 364) suggests that a “theory of morality must specify the mechanisms by which people come to live in accordance with moral standards”. The authors cluster eight such mechanisms into four main processes: cognitive restructuring, minimizing one’s agentic role, disregarding or distorting consequences, and victim attribution. The theory explains the dissonance between individuals’ sense of right and wrong and their actions (e.g. contributions to a system) that contradict this sense. The theory has been conceptually applied in a SCM context to better understand how MDis is related to

the global and complex supply chains that support and constitute business across the globe (Eriksson et al., 2013a,b). In the business models of many markets today the detrimental effects of immoral behavior are often manifested outside of the legal, geographical, and national boundaries of the company in which they are performed (e.g. Alkaya and Demirer, 2014; Ramanathan et al., 2014). The application is called moral decoupling (MDec) and provides a theoretical base to understand the dissonance discussed above from a supply chain perspective. In MDec moral responsibility is considered a flow in the supply chain. When the flow is interrupted, reduced, or distorted MDec occurs. If MDec occurs at a specific point it is called a ‘moral decoupling point’ (MDP). MDec is thus proposed as a contextual condition (Sayer, 1992) to which MDis is subject. Figure 1 frames the process of moral responsibility, the MDP, and MDis in supply chains.

Insert Figure 1 about here

Research on BSus is currently at a pivotal point where a large body of literature explains and illustrates what elements are important for practitioners to address, and MDec is striving to offer a theoretical explanation to why these practices are important. The aim of this paper is to bridge the gap between the two starting points and evaluate the efficacy of MDec as a theoretical construct explaining the mechanisms underlying why certain elements of BSus are important or are more important than others. The aim is addressed through a comparison of recommendations based on MDec, with a framework of elements relevant to improved BSus in supply chains. It is thus possible to compare whether deductive and inductive recommendations are similar, which would validate MDec as a suitable concept for understanding mechanisms underlying the management and structure of supply chains that can cause immoral behavior. Even though it is a comparison of earlier findings it is important

for theory building to not only presents isolated concepts and findings, but also try to evaluate the findings from different viewpoints (e.g. Rotaru, 2014; Svensson, 2013). The potential benefits of this work include the theoretical construct, potential for investigation to be research-led, and an accelerated understanding and development of BSus.

The remainder of the article is structured according to the chronological development of the research to increase trustworthiness (Lincoln and Guba, 1985) and more effectively demonstrate how two research approaches are combined in this context. Suddaby (2006) suggests that more research should be presented in this fashion, but that researchers are likely avoid it due to a positivistic legacy and editorial preferences. The structure is as follows: (i) the research methodology is presented; (ii) a review of MDis is outlined, followed by the research conceptualizing MDec, and manifestations of MDis in supply chains; (iii) the construction of an SCM-framework is presented, which also constitutes a literature review on BSus in SCM; (iv) the findings from the two previous sections are synthesized to determine whether they are congruent; (v) an analysis of the findings and a combination of two research fields is presented; (vi) implications based on the combined findings are discussed; and (vii) finally, conclusions, limitations, and proposals for the future are provided.

2 Methodology

This current study is a synthesis and progression of previous research. It includes two case studies and a review of recent literature. The methodology of previous studies, and the current research progression are presented in order to demonstrate how the research evolved. An important aspect of the methodology is that the case studies are connected and have an internal progression, while the literature review is a stand-alone project dedicated to a comparison between the findings from the case studies and state-of-the-art knowledge in SCM-literature.

2.1 Findings Leading to the Combination of Two Fields

The upper half of Table 1 summarizes the research characteristics of the first case study. The research was initiated in 2007 when poor BSus was reported in media. Initially, the studies were intended to depict how companies construct their supply chains in order to avoid accountability for immoral behavior. In 2010, however, a theory, MDis, was introduced which promised to yield far more insightful explanations. It explains why otherwise decent people are prepared to engage in business activities that do not match their sense of right and wrong (Bandura et al., 1996) and it seemed possible to apply in SCM.

Three case companies were selected to illustrate generic supply chains in order to explore whether the structure of the supply chain could result in MDis. The companies had previously been investigated in a research project aimed at understanding value creation. The project centered on understanding and visualizing the structure and management of supply chains, and the findings could thus be used in this present research context. The structural excuses for immoral behavior detected in responses to media reports were compared to three generic supply chain structures, and based on the findings, it was suggested that moral responsibility could deteriorate as a result of the structure and management of supply chains.

Insert Table 1 about here.

The lower half of Table 1 summarizes the research characteristics of the second case study. It was conducted in 2013 and consisted of four case study companies in three different industries. This case study first listed mechanisms of MDis and suggested how they could be defined in a SCM context, after which cases were selected for illustrative purposes (Aastrup and Halldórsson, 2008; Yin, 2009). Accordingly, emphasis was not placed on confining the

cases to a specific industry or region, but only to ensure that the proposed practices are actually discernable in practice.

The empirical findings indicated a connection between MDis and supply chain practices. MDec is defined as “a psychological process, used to separate moral from transactions so that materials, information, and money may be transferred, while the moral responsibility is diffused or separated from the transaction” (Eriksson et al., 2013a). The point where MDec occurs is labeled ‘moral decoupling point’.

The first case study was mainly explorative, which is common for case study research (Eisenhardt, 1989). The second was prescriptive and based on moral disengagement. The ability of case studies to generate normative findings, especially if backed by theory, has been supported by Aastrup and Halldórsson (2008). Furthermore, both case studies were characterized by a constant matching and re-matching of theory, empirical findings, corporate cases in supply chains and the process of RDPD (responsibility, decoupling point and disengagement) and morals in supply chains. The process undertaken is suitable for this type of research (Dubois and Gadde, 2002) and is the core of abductive reasoning, which is organized around a continual matching of theories with real-life observations (Kovács and Spens, 2005, p. 139).

A separate literature review created a framework of elements of BSus. It was guided by an approach used by Gimenez and Tachizawa (2012). Their literature review applied suitable keywords for BSus in supply chains. Based on their selection of articles, the most important journals for the topic could be isolated and selected for the literature review. The main focus was on articles published between 2009 and 2013 so to ensure that the reviewed focused

current research. The timespan facilitated a broad review of recent publications of BSus in SCM, and is a trade-off where comprehensive review of current research has been selected above a review with longer timespan. Articles were selected based on titles and keywords. Key references used in the selected articles were also downloaded and included in the literature review. Consequently, the timespan of the review was increased, but not to the same depth. Key recommendations and phrases from the assessment of literature were first noted and then grouped according to their suggestions for improving, or examples of deteriorating BSus. The groups are referred to here as “elements”. A total of 16 elements were identified that will be compared with MDis.

2.2 Synthesis of Two Fields and Progression

The previous research can be separated into two approaches. The first created a concept based of MDis, and the second framed BSus-elements based on empirical illustrations and conceptual work. Both approaches suggested how BSus could be managed in supply chains. We now seek to determine whether MDec is congruent with the SCM-literature through the synthesis of previous efforts, which would strengthen the MDec’s position as a theoretically derived concept explaining the underlying mechanisms that can cause individuals to overlook morality and act in contradiction to agreed ethical practices of BSus. The overall process can be outlined accordingly (steps 1-6 are done prior to this paper, steps 7-8 are contributions exclusive to this paper):

1. Initially, it was observed that immoral behavior in supply chains could not be explained with contemporary SCM-theory.
2. It appeared that supply chains were configured to allow companies to evade accountability for negative consequences in their supply chains.

3. MDis was introduced and provided an alternative explanation to immoral behavior in supply chains.
4. MDec was conceptualized to explain how the flow of moral responsibility in supply chains can be disrupted.
5. Case studies were performed to depict practices and structures in supply chains that are linked to MDis.
6. A literature review assessed and compiled implications of BSus into elements, all of which provided empirically derived illustrations and conceptualizations on how to raise the level of moral responsibility.
7. Recommendations in recent SCM-literature will be compared with MDis and elements of BSus to explore whether the two field of research are consistent.
8. The comparison will determine whether MDec is a suitable SCM-concept for explaining immoral behavior in supply chains.

Several scholars suggest similar approaches to research in this field (e.g. Aastrup and Halldórsson, 2008, Dubois and Gadde, 2002, Kaufmann and Denk, 2011; Kovács and Spens, 2005, Rotaru et al., 2014). The current research process facilitated an increased understanding of a previously unexplored phenomenon. Post-hoc rationalizations of the research process may be made to suggest more efficient routes. However, research is not always a straightforward process (e.g. Dubois and Gadde, 2002; 2014) and knowledge is sometimes considered the product of constant iteration between theory and practice towards understanding generative mechanisms (Danermark, 2003). According to such assumptions, this research has not followed the usual suggestions on how to improve generalizability in case studies (Eisenhardt, 1998; Yin, 2009). Rather due to issues with causal context that changes over time and with observer (Fox and Do, 2013; Sayer, 1992) it has not been a quest

for generalizability according to a positivistic epistemology. Instead, it has been a quest to uncover generative mechanisms through resolution, redescription, retroduction, elimination, and identification (Rotaru et al., 2014) in a research process that has been emerging (Dubois and Gadde, 2014). In this process, seven case companies are included, representing six different empirical cases.

An overview of the methodological structure and progression is shown in Figure 2. It illustrates that the findings presented in the synthesis of case studies (i.e. Part 1) spurred the interest to construct a framework based upon relevant literature (i.e. Part 2) that in turn makes it possible to combine the elements of business sustainability and moral disengagement in supply chains (i.e. Part 3). A discussion of the findings follows, as well as research and managerial implications on the dual subject area in focus. Finally, conclusions, limitations and suggestions to further research are provided. The moral aspects of SCM are described before the presentation of empirical findings commences.

Insert Figure 2 about here.

3 Part 1: Moral Aspects of Supply Chain Management

This section describes in detail how MDec, supported by theory, was conceptualized through two case studies. First, mechanisms of MDis are presented, followed by the case studies, and suggestions on how MDis might manifest in SCM.

3.1 Presentation of Moral Disengagement

Bandura et al. (1996, p. 364) suggest that individuals can distance themselves from the moral implications of their actions (i.e. MDis) in four ways: (i) by reconstructing the conduct; (ii)

obscuring personal causal agency; (iii) misrepresenting or disregarding the injurious consequences; and (iv) vilifying the recipients of maltreatment through blame or devaluation.

There are eight types of MDis (Bandura, 1999): (i) moral justification; (ii) euphemistic labeling; (iii) advantageous comparison; (iv) displacement of responsibility; (v) diffusion of responsibility; (vi) disregard or distortion of consequences; (vii) dehumanization; and (viii) attribution of blame. The descriptions of mechanisms of MDis in the following paragraphs are based on Bandura, (1999), Barsky, (2011), and Thornberg and Jungert (2013).

‘Moral justification’ occurs when people justify behavior to themselves before acting. In essence, negative behavior is made acceptable by regarding it as serving socially worthy or moral purposes, such as participating in a war and justifying taking human lives by claiming it is part of fighting ruthless oppressors. The perpetrators thus perceive themselves as acting on a moral imperative and view themselves as moral agents.

‘Euphemistic labeling’ occurs when personal responsibility is reduced through relabeling harmful behavior. An example is to use the term ‘neutralize a target’ instead of ‘kill the enemy’ or ‘bomb the airport and those inside.’ The result is that people become crueler when the actions are verbally sanitized.

‘Advantageous comparison’ occurs when harmful behavior is made to appear good in contrast to an alternative. An example is comparing the actions of war with the oppression the population faced under a cruel, unjust government. In contrast, misconduct can seem righteous. This is similar to moral justification processes in supply chains. The difference is

that the actions here are made acceptable by comparing them to the results of not doing business; they are not motivated by a greater good.

‘Displacement of responsibility’ occurs when perpetrators of cruelty believe they have engaged in a behavior because of external circumstances. An example is perpetrators who believe they are just following orders. Thus, they are merely performing doing what others have told them to do, and they themselves have no power to control the situation.

‘Diffusion of responsibility’ occurs when personal influence is obscured; for example, routinized and subdivided tasks that tend to shift focus from the end result to operational details and efficiency. This also occurs in group decisions where everybody in fact has responsibility, but the sense of individual responsibility is reduced.

‘Disregard or distortion of consequences’ occurs when the harmful results of actions and practices are ignored, minimized, distorted, or disbelieved. An example is to disregard reports from those who are victims of the actions and practices. In wartime, the technique has manifested itself through putting distance between the perpetrator and the victim of the actions.

‘Dehumanization’ occurs when a person is stripped of his human qualities. An example is to call the victims ‘dogs’ or refer to them negatively due to their ethnicity. Someone who is dehumanized does not have feelings, hopes, concerns or rights, is considered subhuman and treated accordingly.

‘Attribution of blame’ occurs when the actions of one party are blamed on another, such as a conflict that escalates reciprocally and each new step is blamed on the counterpart’s previous step, for example. The victims also can be blamed for bringing the suffering upon themselves.

Bandura (1999, p. 203) stresses that MDis occurs gradually over time and across contexts. Decent people do not become cruel overnight. They might not even be aware that their mindset is changing. Mildly aggressive actions that occur time after time will eventually result in crueler behavior.

3.2 First Case Study

The first case study on supply chains focused on the textile industry. The assessment of media reporting revealed that raw material was purchased from a second-tier supplier using children (child labor). Uzbek schoolchildren were taken from their schools by the to pick cotton.

The corporate actions were morally justified and considered advantageous, compared to not doing business with the supplier, by claiming that it could have detrimental economic effects for the workers and the region. Responsibility was displaced to the supplier, and diffused by the raw material being blended in and aggregated at the upper tiers of the supply chain into which the company had poor visibility. The consequences for the children were disregarded and simply not mentioned. The use of child labor is also a euphemistic label for forcing children from their education to work for a military regime. An example of dehumanization was seen in India. The problem there was rooted in the culture where workers are in a different caste than managers and owners. Workers are not treated or seen as equal human beings. The corporate responses to reported ethical misconduct in the media were compared with how the companies studied (Alpha, Beta, Gamma) could influence their supply chains. The concept of MDec considers moral responsibility a flow in the supply chain. Disruptions

of the flow of moral responsibility foster MDis. It opened the door to an explanation how the structure of the supply chain enabled actors in the chain to disengage their morals and engage in and support activities they normally would consider highly improper or even totally ethically unacceptable.

3.3 Second Case Study

The second case study focused on linking MDec and MDPs to illustrate business practices based on three companies in a supply chain. Six of eight mechanisms of MDis (Bandura, 1999) were linked to actual business practices in a supply chain. For example, the euphemistic label of ‘low-cost country’ was used for poor and underdeveloped regions. The label is a euphemism, because it only considers the purchasing cost while there are several negative issues related to sourcing from such countries.

Responsibility for upstream social responsibility in supply chains was displaced to the suppliers. Cost pressure was diffused by the structure of the supply chain and the division of tasks into small operations across a large number of companies. Long supply chains with complex structures were observed, which is linked to distortion and disregard of the consequences. Dehumanization was evident through the use of a ‘working class’ within the caste system.

Finally, no evidence of attribution of blame was detected. Two potential examples of this mechanism of MDis are that workers are blamed for their own working conditions; they are free to change or quit and they can be blamed for injuries suffered, due to their own neglect or stupidity, thus deflecting potential responsibility from the employer.

3.4 Synthesis of Case Studies

Both case studies produced evidence suggesting that MDis techniques were employed, whether intentionally or unintentionally. The companies' media statements were likely efforts to conceal or deny the effects of misconduct discovered and reported in the media, but companies still applied defensive arguments that could be linked to MDis.

The reason for not finding any supply chain practices in the second case study linked to moral justification was that the companies studied had no known history of misconduct being brought to the public eye. The technique is perhaps easiest detectable when corporate actions are defended.

Finally, no attribution of blame was discovered in either of the two case studies. The technique is associated with the role of the victim. It is possible that companies today realize that there is no benefit in blaming the workers in developing countries for being in a poor situation. It probably requires persistent observation, in close collaboration with other companies, to discover whether blame is being placed on victims. However, it could be argued that dehumanization is related to attribution of blame. If workers belong to a lower class, due to alleged transgressions in earlier lives (as in the caste system), the worker could carry the blame for belonging to that caste and therefore deserve the harsh working conditions he or she faces. Based on these findings, we now illustrate how MDis might manifest in SCM.

3.5 Manifestation of Moral Disengagement in Supply Chain Management

The manifestations of MDis in SCM are similar to how MDis was originally explained (Bandura, 1999). However, the original explanations are general while we provide a specific application in SCM that adopts a view of moral responsibility as a supply chain flow. It is important to ensure that the foundation of the explanatory concept is solid. Consequently it is

necessary to address the explanations thoroughly in the specific context and the conditions in which it is applied.

Moral justification can manifest in SCM when engaging in practices with others who have little respect for human rights, and who claim that there is a greater purpose in protecting the workers from unemployment, irrespective of the working conditions.

Euphemistic labeling is evident since several such labels exist in SCM, e.g. ‘working class’, ‘child labor’, and ‘developing countries’.

Advantageous comparison is perhaps more related to management and decision-making. For example, it might be reasoned that, “if we do not do business with this supplier, the employees would be much worse off facing poverty and starvation”.

Displacement of responsibility can emerge in supply chains directed towards managers, with allegations that they provide poor leadership, or towards suppliers and customers for the actions within their area of influence, or the market for creating a demand forcing the company to act in a certain way.

Diffusion of responsibility is related to how practices in SCM are often divided internally within and externally beyond the boundaries of a company. Structures that aggregate materials also diffuse responsibility as it becomes difficult to determine how much of the material is sourced from an unwanted supplier.

Disregard or distortion of consequences is related to globalization and specialization. Operations in SCM have increased in length and separated purchasers and consumers from workers in the upper tiers of the supply chain. It is also evident when reports of misconduct are distrusted and discredited, claiming that whistleblowers have hidden agendas.

Dehumanization can occur where humans are not considered equals, such as due to caste systems. It could also stem from management believing that workers should accept their role and hard work conditions if they belong to a different social class (e.g. work class).

Attribution of blame was not identified in the case studies, but related to the original description we propose two examples. Workers can be accused of placing themselves in a bad position, resulting in their having to work in excessively tough conditions, or blaming the victim for causing an accident in which he or she is hurt.

4 Part 2: Constructing a Framework Based on Literature

The second part of the study was conducted separate from the case studies presented in part 1. Based only on literature it grouped recommendations and conceptualizations of best practice and successful BSus initiatives into 16 elements (explanation follows below i-xvi) to manage and assess BSus in supply chains, all of which may be divided into three groups: (i) beyond the supply chain of a focal company; (ii) within the supply chain of focal company; and (iii) within a focal company (Eriksson and Svensson, 2014). These provide empirical examples and conceptualizations on how to raise the level moral responsibility as an effect of improved BSus.

4.1 Elements Beyond the Supply Chain of a Focal Company

The first group of elements indicates two lessons learned (i.e. i-ii) to manage and assess BSus:

(i) ‘outside pressure’ forces companies to comply with societal demands and requirements of BSus in supply chains, i.e. outside actors pressure companies to focus on economic, social and environmental aspects (e.g. Hollos et al., 2012; Vermeulen and Seuring, 2009; Walker and Brammer, 2009); and a (ii) ‘commodity’ is more prone to unsustainable behavior, i.e. a strategy focused on differentiation instead of price is preferable (e.g. Cousins, 2005; Cruz, 2013; Hoejmose et al., 2013).

4.2 Elements within a Supply Chain of a Focal Company

The second group contains eight elements (i.e. iii-x): (iii) ‘collaboration’ is important for jointly improving BSus in supply chains, i.e. move from arms-length relationships to partnerships (e.g. Fang et al., 2010; Gimenez and Tachizawa, 2012; Vergheze and Lewis, 2007); (iv) ‘transparency’ helps in the evaluation and improvement of BSus in supply chains, i.e. structures and activities in supply chains need to be made visible (e.g. Eckerd and Hill, 2012; Svensson, 2009; Svensson and Bååth, 2008); (v) ‘organizational supply chain length’ (i.e. tiers of different organizations) influences the ability to control what happens in upstream supply chain activities and to shift responsibility toward the supplier base, i.e. supply chains with fewer tiers facilitate the monitoring of BSus in supply chains (e.g. Hoejmose and Adrien-Kirby, 2012; Mares, 2010; Seuring and Müller, 2008); (vi) ‘geographical supply chain length’ influences the ability to control what happens in upstream supply chain activities, i.e. upstream activities located close to the consumption market are easier to monitor with respect to BSus in supply chains (e.g. Elg and Hultman, 2011; Hoejmose and Adrien-Kirby, 2012; Wisner and Tan, 2000); (vii) ‘cultural differences’ can cause misunderstandings and contain different sets of standards, i.e. bridging cultural gaps increases the understanding of BSus in supply chains (e.g. Abbasi and Nilsson, 2012; Delavallade, 2006; Strand, 2009); (viii)

‘holistic supply chain view’ acknowledges that an organization is no more socially responsible than the weakest link in the supply chain, i.e. organizations need to pay attention to activities in the entire supply chain in order to improve BSus in supply chains (e.g. Ashby et al., 2012; Björklund et al., 2012; Simpson et al., 2007); (ix) ‘vertical integration’ helps control and improve activities in supply chains, i.e. suppliers that perform several value-adding stages and integrate an organization with its suppliers should improve BSus in supply chains (e.g. Ciliberti et al., 2009; Faruk et al., 2002; Svensson and Wagner, 2012b); and (x) ‘power’ can both support and hinder BSus practices, i.e. companies need to work with actors that can either impose or create BSus jointly in supply chains (e.g. Rahbek Pedersen, 2009; Spence and Bourlakis, 2009; Ulstrup Hoejmose et al., 2013).

4.3 Elements within a Focal Company

The third group includes six elements (i.e. xi-xvi): (xi) ‘holistic internal view’ removes different internal goals, i.e. companies need to have a shared and cross-functional approach to enhance BSus (e.g. Azzone and Noci, 1998; Keating et al., 2008; Lamberti and Lettieri, 2009); (xii) ‘managerial support’ empowers sustainability and allocates resources, i.e. managers need to make BSus a priority (e.g. Côté et al., 2008; Gimenez and Tachizawa, 2012; Winter and Kneymeyer, 2013); (xiii) ‘responsibility’ among employees is important for accountability and for decision making, in order to improve BSus, i.e. employees need to have support and a mandate for sustainable choices, even when they are costly (e.g. Lee and Kim, 2009; Reuter et al., 2012); (xiv) ‘incentives’ help reinforce BSus on a personal level, i.e. incentives need to reflect the organization’s aspirations towards BSus (e.g. Daily and Huang, 2001; Handfield et al., 2001; Pagell and Wu, 2009); (xv) ‘measurements’ of economic performance are not sufficient, i.e. BSus must be part of key corporate measurement indicators (e.g. Carter and Rogers, 2008; Crespin-Mazet and Dontenwill, 2012; Foerstl et al., 2010); and (xvi) ‘education’ of employees helps them to understand BSus goals and how the

company affects their supplier regions, i.e. employees need to understand what they do and the results of their actions for improving BSus (e.g. Mamic, 2005; Pagell and Wu, 2009; Starik and Rands 1995).

5 Part 3: Combining Elements of Business Sustainability and Moral Disengagement in Supply Chain Management

This section combines empirical findings from the two case studies (Part 1) so as to offer a foundation of prescriptions for reducing the risk of morally unacceptable behavior throughout supply chains. Subsequently, a prescriptive list, based on the case studies, is introduced to improve BSus, which is then compared with the elements identified in the literature review (Part 2). The aim is to determine whether MDec can explain what emerges from the SCM literature, in order to assess and manage BSus in supply chains.

5.1 Connecting Moral Disengagement with Business Sustainability

Several findings and proposals based on MDis are similar to those on managing and assessing BSus in the SCM literature. For example, vertical integration has been highlighted based on both the diffusion of responsibility and disregard or distortion of consequences (MDis), and both collaboration and power (BSus) focus on relationships. Therefore, the comparison in this study seeks first and foremost to find overlaps between MDis and BSus, so as to provide an explanatory model with a theoretical background for the mainly empirically derived findings and proposals in the SCM literature. Subsequently, the analysis focuses on the SCM literature and explains the relevant issues based on deductions from MDis. It also links them to the corresponding MDis (Table 3).

Insert Table 3 about here.

The most frequent elements of BSus identified in this study in relation to the types of MDis (Bandura, 1999) shown in Table 3 are: managerial support (xii), education (xvi), and transparency (iv), ranging between 7 and 8 counts (96% on average) out of 8. They are followed by outside pressure: (i) 5 counts (62% on average) out of 8, while the other elements of BSus in Table 3 are less frequent, ranging from 1 to 3 counts (24% on average) out of 8.

Table 3 also shows the most frequent types of MD (Bandura, 1999) in relation to the identified elements of BSus, displacement of responsibility (iv) and diffusion of responsibility (v), ranging from 10 to 13 counts (72% on average) out of 16. They are followed by moral justification (i); advantageous comparison (iii); disregard or distortion of consequences (vi); and attribution of blame (viii), ranging between 5 to 7 counts (on average 34%) out of 16, while the other remaining types of MD in Table 3 are less frequent, ranging between 3 to 4 counts (on average 22%) out of 16.

Consequently, the study revealed 52 (41%) out of 128 possible comparisons between identified elements of BSus and types of MDis. Furthermore, there is at least one match in each comparison confirming the relevance of combining elements of BSus with types of MDis and vice versa.

5.2 Connection Discussed per Element

Outside pressure (BSus/i) deals with the ability of external actors in the supply chain to influence practices within supply chains. For example, a social movement organization (e.g. Greenpeace) that investigates the impact of a supply chain on a local region can draw attention to the effects of supply chain practices. It may discredit (specious) moral justifications (MDis/i) and evaluate the actions based on broader criteria, removing opportunities for advantageous comparison (MDis/iii).

Consumer advocate groups (e.g. Consumers International) can pressure companies close to the consumer market to take responsibility for actions in their supply base, reducing the opportunity to displace (MDis/iv) and diffuse responsibility (MDis/v). Furthermore, it becomes more difficult to disregard or distort the consequences (MDis/vi) of misconduct, if these groups expose conditions in the upper tiers of supply chains. Also, labor rights organizations (e.g. International Labour Organization) can advocate that organizations take responsibility for their actions and improve work conditions, instead of attributing blame (MDis/viii) to employees who suffer as a result of accidents.

Commodity (MDis/ii) focuses on how the quest for a cost advantage encourages companies to overlook BSus practices in order to add value through reduced price. If added social value is pursued, it is more difficult to claim to be serving the greater good and to morally justify (MDis/i) or advantageously compare (MDis/iii) potentially negative effects of low-cost sourcing (e.g. sweat shops, child labor). Strategies that pursue values other than low cost often require collaboration (MDis/iii) across supply chains (e.g. Eriksson et al., 2012), which makes it harder to displace (MDis/iv) or diffuse responsibility (MDis/v).

Transparency (SCM/iv) is the ability to monitor what happens in other parts of the supply chain, including how visible the practices are and how easy it is to access information about the supply chain. Moral justification (MDis/i) is less likely when the purpose of various actions and the severity of their effects are evident to others. Similarly, euphemistic labels (MDis/ii) can be scrutinized by more people and thus discredited. It is more difficult to make advantageous comparisons (MDis/iii), diffuse responsibility (MDis/v), and disregard or distort consequences (MDis/vi) when sufficient information is available. Labor rights

organizations (e.g. International Labour Organization) are more likely to establish whether dehumanization (MDis/vii) is present in supply chains and act if a worker who suffers a work-related accident is unfairly attributed with blame (MDis/viii).

Organizational supply chain length (BSus/v) refers to the number of tiers in supply chains. The potential to displace responsibility (MDis/iv) increases when the number of tiers increases. Diffusion of responsibility (MDis/v) also increases with more tiers, due to the subdivision of tasks and fact that the actions of several companies in isolation might not appear unethical, but become clearly so when seen as a whole.

Geographical supply chain length (BSus/vi) is similar to organizational supply chain length, but concentrates on the actual distances in supply chains. Distance places the sufferer further away, which diffuses responsibility (MDis/v) and can lead to the disregarding or distortion of consequences (MD/vi).

Cultural differences (BSus/vii) constitutes a third element that is linked to distances in supply chains in some sense. It is similar to organizational and geographical distance, but is unique with regard to dehumanization (BSus/vii). Cultural differences include how cultures and traditions have deeply rooted notions that might differentiate between individuals, and assign them varying human values.

The holistic supply chain view (BSus/viii) stresses that companies need to consider their entire supply chains. B2C companies appear more in the limelight than B2B companies, although most companies are in fact B2B (Hoejmose et al., 2013). Therefore, B2C companies

should have to account for the activities of a large mass of companies that is safe from scrutiny.

A holistic view of the supply chain eliminates the possibility of displacing responsibility (MDis/iv) to the supplier base or customer use of the product. There is, however, a discrepancy between area of responsibility and area of ownership. Vertical integration (BSus/ix) is one way to create a larger cross-section between these two areas. If vertical ownership is increased, it is impossible to displace responsibility (MDis/iv). Diffusion of responsibility (MDis/v) is decreased and it is not as easy to disregard or distort consequences (MD/vi).

Power (BSus/x) concentrates on dyadic relationships and how companies dictate the rules for relationships. Asymmetries in power result in buyer or supplier dependencies that allow one party to dictate terms. Accordingly, power symmetry has been positively linked to sustainable practices (Ulstrup Hoejmosé et al., 2013). Asymmetry in power can enable the weaker party to displace responsibility (MDis/iv) to the stronger party claiming that was no possibility to affect the stronger part.

A company with a holistic internal view (BSus/xi) has shared internal goals and approaches CSR issues with a cross-functional approach. It is impossible to displace (MDis/iv) and diffuse responsibility (MDis/v) to other departments or colleagues in the organization, if a shared goal is tackled jointly to improve BSus.

Managerial support (MDis/xii) refers management's dedication to improving BSus. Education (MD/xvi) is concerned with increasing knowledge about BSus practices, conditions in the

supply chain, and the social impact of the company on society. Both have been associated with all moral disengagement techniques (MDis/i-viii). Managerial support is vital for resource allocation and deciding on long-, medium-, and short-term goals. A devoted manager facilitates the opportunity to improve BSus across the field. Similarly, education increases knowledge about how different MDis techniques might impair BSus.

Responsibility (BSus/xiii) focuses on personal accountability for selected choices and actions. It removes the ability to displace responsibility (MDis/iv) by claiming that someone else gave the instructions on what to do. Incentives (BSus/xiv) reward desired behavior and remove the potential to compare advantageously (MDis/iii) if appropriately constructed. The results of decision making also indicate what one is supposed to do, which complicates thus reduces the potential for displacement of responsibility (MDis/iv).

Finally, measurements (BSus/xv) are centered on incorporating BSus values in performance indicators. They reduce the opportunity to displace (MDis/iv) and diffuse responsibility (MDis/v) if used at an individual level. Moreover, disregarding or distorting consequences (MDis/vi) is not as easy, if they are included in a balanced evaluation of individual performance.

5.3 Reflections on Combining Moral Disengagement and Business Sustainability

The combinations above have treated the elements of BSus and the types of MDis techniques in isolation. Although this treatment does not reflect reality, is a useful simplification for analytical purposes. For example, collaboration (BSus/iii) suggests that there is increased transparency (BSus/iv) between two or more companies, and that responsibility (BSus/xiii) can be reinforced with incentives (BSus/xiv) and measurements (BSus/xv) that reflect responsibility.

The ability to connect elements of BSus with the types of MDis techniques suggests that there is a linkage between the two research directions. SCM is primarily practitioner-driven (Burgess, et al., 2006), and findings and proposals are derived mainly from the empirical field. MDis adds to the field of SCM by providing a theoretically based explanatory model for findings and proposals based mainly on empirical findings.

6 Discussion of Findings

There is growing academic, professional, and public interest in the moral aspects of how value packages of products and services are produced and delivered to the end consumer (e.g. Gimenez and Tachizawa, 2012; Winter and Knemeyer, 2013).

Actions and practices applied in supply chains may have a negative impact on economic, social and environmental aspects in the marketplace and society. There is an inherent complexity in supply chains with regard to power, distances, cultures, costs and profit, and these can be exploited. Buyers cannot always dictate how their suppliers should act (Kraljic, 1983), but at best require certain actions and practices to do business with them. One way or another, actors throughout supply chains maintain or disregard the morality between tiers. For example, procurement managers may place orders from factories with poor working conditions, sourcing managers negotiate deals with extraction sites in countries with hostile agendas, and consumers ultimately pay for the value package even if it is produced under poor conditions.

The synthesis linked MDis with the configuration of supply chains. Almost no one would accept poor working conditions in their own backyard, but those same people may be willing to pay for goods produced under poor conditions on the other side of the globe. This scenario

suggests that supply chains can move goods, money and information without transferring a sense of moral responsibility for how the product was produced and. The moment moral responsibility is separated from the flow of goods, money, and information, there is a potential MDP. If the flow of moral responsibility is traced through the supply chain it is possible to restructure the supply chain according to the elements of BSus, to reduce the activation of mechanisms of MDis. Investigating elements of BSus can be used to identify where the flow of moral responsibility is likely to be disrupted. Table 2 presents evidence of MDec and MDPs and links them to specific SCM practices.

Recent SCM literature has focused mainly on improvements in BSus, but it is based mainly on empirical observations (Burgess et al., 2006). Ashby et al. (2012, p. 509) concur and concluded, based on a compilation and review of the literature, that the field is still mainly inductive and centered on methods devoted to understanding contemporary events. “Given the inherently ‘practical’ nature of the SCM discipline, translating the theory developed through more focused approaches into actual supply chain practice should be a key priority”. Awaysheh and Klassen (2010, p. 1247) stated that “much remains unclear about how the structure of the supply chain influences the management of social issues between a focal firm and its suppliers...”, and Aguinis and Glavas (2012, p. 943) stressed the need to “conduct research that can help us understand the processes and underlying mechanisms through which CSR actions and outcomes lead to particular outcomes”.

The introduction of MDis is starting to bring closure to the above mentioned knowledge gaps. Through this paper MDec is reinforced as a new, theoretically derived and empirically tested lens through which practitioners and scholars can explore and assess BSus in supply chains. MDec and MDPs help to construct supply chains in which actors and stakeholders understand

the moral effects of their actions and practices. MDec and a flow perspective on moral responsibility should be considered when constructing supply chains in order to reduce the risk of neglecting BSus. An awareness of MDec provides valuable insight into improving working conditions and workers' living standards and into decreasing environmental impact throughout supply chains. However, although MDec, MDPs, and MDis offer substantial benefits, the first two are still in their infancy and need further research. The current study is a progression of established and novel research directions within the field of SCM striving to bridge a research gap that is important to scholars as well as practitioners and has gained public recognition.

7 Research Implications

The current paper provides explanatory and prescriptive research implications to BSus management in supply chains relevant to be taken into account in further research. Furthermore, additional empirical explorations are evidently required.

The framework provided offers a foundation not only to move beyond the state-of-the-art, but also to improve the contemporary understanding and knowledge of the process of responsibility, decoupling point, disengagement of moral and social responsibility in supply chains.

Another essential research implication is the approach undertaken here to include the constructs of MDis and MDec in the context of the flow of moral responsibility in supply chains. The current approach draws from theory from psychology that nurtures possibilities to the social advancement of SCM.

The constructs of MDis and a MDec appear relevant and valuable amendments to the field of SCM-theory. In fact, we believe that these constructs should be considered in SCM-research. For example, MDec links to established SCM-literature. It is a construct based on MDis that applies reasoning and modes that are similar to the logic used in the field of SCM.

The current paper also highlights the link of insights between theory and practice. It offers a positioning of research opportunities to explore what should be done, and where and why ethically-oriented actions and practices should be undertaken in supply chains.

In sum, BSus gains a framework built from two distinct research streams and is the result of both deductive and inductive research approaches converging on the same results. MDec has thus been both developed and tested and facilitates further research on BSus in SCM with a solid theoretical foundation. The construct of MDec suggests on an overall level to explore ‘best practice’ in SCM. For example, negative on BSus in supply chains may be detected, monitored and changed accordingly. The elements of BSus suggest how to explore ‘best practice’ in SCM, MDis has been shown to provide explanations to the efficacy of the elements, and MDec has now been tested and is a concept that bridges the research disciplines by explaining how SCM fosters MDis.

8 Managerial Implications

The main managerial implication is to understand how the flow moral responsibility may deteriorate through the supply chain. Establishing the suitability of MDec offers several possibilities for managers that wish to improve BSus. Understanding how MDec is related to each element of BSus, or each mechanism of MDis allows practitioners to investigate how their supply chain may restrict the flow of moral responsibility. Here we present the implications based on MDis.

The ramifications of the actions and practices in supply chains need to be clear to those in charge of the operations, in order to avoid specious moral justifications. Choices and their effects can be discussed at internal and external levels, with experts from different fields, and with the aim of discrediting valid excuses. Pressure can be applied to discredit undesirable behavior in supply chains, if more passive discussions are not sufficient. Arguments that are not approved of by others should become harder to justify.

Euphemistic labels can be part of the discourse within a profession and at a work place. Therefore, it might be necessary for an external review of the language used, in order to replace it with a more accurate alternative. Nevertheless, outside input might have a contaminating effect on the perceptions of actions and practices in supply chains, instead of sanitizing them.

Advantageous comparison is related to the necessity to make decisions based on a thorough assessment of the effects of actions and practices on economic, social and environmental aspects (Winter and Knemeyer, 2013), due to the complexity of short-term and long-term and direct and indirect results of trade and supply chains at a global level. Actions and practices should not be justified by comparing them to something else—they should be justified intrinsically and in their own right, by a broad and thorough assessment of a complex matter, in which potential risks are known and communicated.

There are several levels at which to address displacement of responsibility in supply chains. At the intra-organizational level, it is important that the person performing the actions and practices not be able to blame corporate guidelines and incentive structures. Thus, internal

integration, commitment from corporate leadership, and incentive structures that support BSus are needed (e.g. Daily and Huang, 2001; Keating et al., 2008; Pagell and Wu, 2009). At the inter-organizational level, companies need to commit and take responsibility for the actions and practices of the entire supply chain (e.g. Ashby et al., 2012; Svensson, 2009). BSus that only extends to the first tier supplier base is myopic and insufficient.

When a third party is contracted to monitor compliance to standards, the company using their services should not be able to shift blame if misconduct is discovered. Third party companies may be used, but the main company still needs to take responsibility for its actions and practices. At a competitive level, it is also important to prevent market and competitive factors from becoming an excuse to overlook BSus. Cooperation between companies and non-governmental and governmental institutions might be necessary in this context.

Vertical integration is one way to increase control and accountability for a single company for actions and practices within the entire supply chain (e.g. Ciliberti et al., 2009) while reducing diffusion of responsibility. It is also important to reduce the opportunity to hide behind others in the chain. The executive in charge of performing actions and implementing practices should be held accountable with regard to BSus, irrespective of how the decision was made (e.g. collectively or individually). This applies to both individual and organizational levels in supply chains. Moreover, he or she should have the authority to refuse certain actions or decline certain practices if they do not comply with the organizational BSus goal(s).

Bandura (1999, p. 202) said, “most people refuse to behave cruelly, even under unrelenting authoritarian commands, if the situation is personalized by having them inflict pain by direct personal action rather than remotely and if they see the suffering they cause...” Therefore, to

avoid disregard or distortion of consequences, actions and practices in a supply chain need to create a context where the parts of and actors in a supply chain are closely connected (e.g. Strand, 2009).

The cultural and geographical distances inherent to global trade pose two likely sources of increased distance. First, cultural distance could result in managers who live in one culture downplaying how workers that live in another culture relate to their conditions. The gap can be decreased if local cultures are understood and with the help of a third party that can translate or convert cultural differences, so that they are understood bilaterally. Second, geographical distance can be managed at an individual level through frequent visits to remote parts of the supply chain and at a corporate level, with vertical integration and by using suppliers that are closer to the company.

Similar to euphemistic labeling, dehumanization may be addressed by reviewing the language used to demean employees, such as 'working class'. This could also help organizations in dealing with workers who have mental disabilities. It may be harder to improve misconduct that stems from caste systems that are deeply rooted in culture. The choice to do business with countries that have caste systems needs thorough consideration and is not recommended at all in terms of MDis.

Attribution of blame is a matter of accepting responsibility, similar to the displacement of responsibility in supply chains. However, here it is related to the victim and not to another party. The company needs to take responsibility for accidents and suffering among employees. Managerial dedication to creating corporate structures and routines that

continuously strive to improve working conditions and see it as a corporate responsibility are needed (e.g. Pagell and Wu, 2009).

The gradual, progressive nature of MDis over time and across contexts suggests that intermittent efforts might be sufficient to prevent deterioration in BSus. Therefore, it is not necessary to practice all lessons learned from the SCM literature daily, but certainly on a regular basis. Breaking from or at least questioning routines is particularly important. Bandura (1999, p. 203) wrote: “After their self-reproof has been diminished through repeated enactments, the level of ruthlessness increases, until eventually acts originally regarded as abhorrent can be performed with little personal anguish or self-censure. Inhumane practices become thoughtlessly routinized”.

9 Conclusions, Limitations, and Suggestions for the Future

There is a shortage of explanatory and prescriptive findings and proposals in the SCM literature, and those that are available are mainly descriptive. Also, there is lack of insight into how to manage the responsibility, decoupling point and MDis in supply chains, despite the extensive coverage in various subjects within the broader field of BSus and SCM. This present study contributes to a progression from description toward prescriptive proposals on managing the process of responsibility, decoupling point and MDis in supply chains as follows:

- Presentation of joint findings from case studies focusing on moral disengagement in a supply chain context.
- Reviewing current SCM literature and grouping findings and proposals on improved BSus into 16 elements.

- Concluding on the basis of a comparison that the mechanisms of MDis can explain underlying techniques to support the empirically derived elements of BSus.
- Establishing that MDec is a viable concept for explaining why certain supply chain practices and actions may cause or reduce immoral behavior.
- Offering a new perspective on moral responsibility as an important flow in the supply chain for BSus.

The empirical findings in Table 2 link mechanisms of MDis to supply chain actions and practices through two case studies. Table 3 provides a tool for organizing and monitoring supply chains, in order to improve BSus efforts, and explain why and how certain actions and practices may impede BSus efforts in supply chains. Furthermore, Table 3 combines the findings between types of MDis and elements of BSus in supply chains.

This study provides explanatory and prescriptive insights, based on a combination of empirical findings from case studies and a framework, for improving BSus management in supply chains, in turn based on a typology of MDis. Recently, several researchers have called for just such a development (e.g. Ashby et al., 2012; Burgess et al., 2006). Another contribution is the inclusion of the constructs of MDis and MDec, in relation to moral responsibility in supply chains, based on knowledge from psychology, which can be applied to progress SCM with respect to social issues.

The application of MDis and MDec demonstrates the relevance and value of the constructs in SCM. There are compelling arguments for using the constructs of MDis and MDec in future SCM research. MDec corresponds well with the established SCM literature and is an

actionable construct based on MDis that uses a discourse familiar to SCM academics and practitioners.

The study provides an explanatory connection between practitioner-led insights (Gimenez and Tachizawa, 2012) and theoretical insights (Bandura, 1999). It thus also sheds light upon and fills the knowledge gap between what should be done and why. This study offers insights for both theory and practice, being based on an innovative approach to understanding why and where ethically-oriented actions and practices should be undertaken in supply chains.

This investigation has two main limitations. First, even though two cases, including seven companies, are considered the case study companies contributed rather generic data. Second, the focus on the case studies were intended to create analytical generalizability (Yin, 2009), and while this is also a strength of the research, because it enabled us to build on this specific concept, it lacks statistical generalizability.

We argue that research approaches should be seen as complementary. Aastrup and Halldórsson (2008) support the notion that the current type of research should be evaluated on its own merits and not in terms of the potential offered by other approaches. The fact that generic empirical findings from the case studies were sufficient to draw meaningful conclusions is positive. If specific findings are needed to continue developing the concept, more in-depth case studies would be necessary. Moreover, the literature review has itself contributed greater depth. The explanatory framework of enablers has yielded empirical lessons from a large body of findings and proposals in the SCM literature. Nonetheless, future research should include both in-depth case studies and quantitative research to further understand and develop a greater sense of moral responsibility in supply chains.

With this study, BSus gains an entirely different and complementary toolkit to progress research in SCM. The construct of MDis also provides a foundation for understanding ‘best practice’ in SCM, at least at an aggregated level. The construct corresponds well with established SCM literature and offers considerable potential as a prescriptive tool for practitioners. Such as configurations, actions and practices in supply chains that are likely to restrict the flow of moral responsibility and have negative impacts on the outcome of BSus in supply chains may be detected, monitored and changed accordingly.

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Figure 1: Framing the Process of Moral Responsibility, Decoupling Point and Moral Disengagement in Supply Chains.

Figure 2: Methodological Structure and Progression.

Table 1: Summary of Case Studies.

Cast Study	Case Company	Industry	Turnover	Ownership	Informants	Time Period	Data Collection
1	Alpha	Textile	€3 Million	Family	Owner family, production manager, production staff	2006 – ongoing	Continuous interactions, semi- and unstructured interviews, financial reports, consult reports, observations
	Beta	Textile	€19 Million	Investment Company	Chief executive officer, manager of product development, supply chain manager, management team	2009 – 2013	Sporadic interactions, brain-storming, semi- and unstructured interviews, financial reports and observations
	Gamma	Textile	€30 Million	Family	Marketing manager, purchasing manager	2009 – 2010	Seminars, unstructured interviews and financial reports
2	Delta	Textile	€500 Million	Investment Company	Quality engineer	2013	Unstructured interviews and e-mail follow-up
	Epsilon	Flower	€27 Million €100 Million	Investment Companies	Purchasing manager, sales manager	2013	Unstructured interviews and e-mail follow-up
	Zeta	Furniture	€4 Million	Family	Board of directors, CEO, VP, marketing manager, quality manager, supply chain manager, manager of product development, employees from economy, warehousing, customer support	2008 – ongoing	Frequent interactions, semi- and unstructured interviews, financial reports, observations, internal meetings, internal documents, case study includes +30 partners and competitors

Table 2: Empirical Findings of Moral Disengagement – Case Studies in Supply Chains.

Moral Disengagement	Case Study 1	Case Study 2
	Empirical Finding(s)	Supply Chain Practice(s)
Moral Justification	Purchasing raw material collected by children was morally justified by supporting local economy	No Practice Found
Euphemistic Labeling	Product is referred to by a fine-dining name	‘low-cost country’ and ‘child labor’
Advantageous Comparison	Compared effects of business with potential effects of not doing business with supplier	Compare actions with worst-case scenarios of what would happen if actions seized
Displacement of Responsibility	Supplier was given responsibility for misconduct in the supply chain’s upper tiers	Suppliers are responsible for upstream events Customers are responsible for downstream events
Diffusion of Responsibility	Diffused through aggregation of resources and multi-tiered supply chain	Tasks are divided over the supply chain/within a company Aggregation of materials reduces traceability Auction-like settings where everyone takes part
Disregard or Distortion of Consequences	Impact of victims not even mentioned	Separation of extraction and production from purchasing and consumption
Dehumanization	Workers of a lower ‘class’ or ‘caste’ are not considered to have equal human value as those in higher ‘class’ or ‘caste’	Portraying employees as “working class” Using workers with mental disabilities for dull/repetitive tasks Producing where ‘class’ or ‘caste’ systems are existing
Attribution of Blame	No evidence found	No evidence found

Table 3: Comparing Moral Disengagement with Elements of Business Sustainability

<div> <div>Moral Disengagement Mechanism</div> <div>Elements of Business Sustainability</div> </div>	(i) Moral Justification	(ii) Euphemistic Labeling	(iii) Advantageous Comparison	(iv) Displacement of Responsibility	(v) Diffusion of Responsibility	(vi) Disregard or Distortion of Consequences	(vii) Dehumanization	(viii) Attribution of Blame	Total Count
(i) Outside Pressure	✓			✓	✓	✓		✓	5
(ii) Commodity	✓		✓	✓					3
(iii) Collaboration				✓	✓				2
(iv) Transparency	✓	✓	✓		✓	✓	✓	✓	7
(v) Organizational Supply Chain Length				✓	✓				2
(vi) Geographical Supply Chain Length					✓	✓			2
(vii) Cultural Differences							✓		1
(viii) Holistic Supply Chain View				✓					1
(ix) Vertical Integration				✓	✓	✓			3
(x) Power				✓					1
(xi) Holistic Internal View				✓	✓				2
(xii) Managerial Support	✓	✓	✓	✓	✓	✓	✓	✓	8
(xiii) Responsibility				✓				✓	2
(xiv) Incentives			✓	✓					2
(xv) Measurements				✓	✓	✓			3
(xvi) Education	✓	✓	✓	✓	✓	✓	✓	✓	8
Total Count	5	3	5	13	10	7	4	5	52