Implementation of Sustainability Standard into Commodity Supply Chain Networks: A Processual Case Approach

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Abstract
This paper investigates the process of implementing sustainability standard into shea butter supply chain networks. Using an exploratory processual case study methodology informed by Pettigrew Contextual Approach. In this paper a conceptual model was developed using the relationship among the external actors to investigate the contextual factors that support or obstruct the implementation process over a period of time. The findings suggest that the standard setting organizations are the pace-setters for the other external actors in the implementation process, while contextual factors related to socio-cultural context, historical context and political context are responsible for the slow implementation process in the supply chain networks. Research implication for the study was presented together with contributions and conclusion.

Keywords: External actors, supply chain, sustainability standards, contextual factors, shea butter industry, Nigeria.

1.0 Introduction
Sustainable supply chain management has become a global issue, in which academic researchers, private businesses and policy makers have developed interest in finding out why sustainability issues in supply chain continues to persists (Revilla & Saenz, 2014, Brindley & Oxborrow, 2014). According to the United Nation Global Compact (2010) sustainable supply chain is described as the “management of environmental, social and economic impacts and the encouragement of good governance throughout the life cycles of goods and services”. As they suggest that the objective of supply chain sustainability is to create, protect and grow long-term environmental, social and economic value for all actors involved while bringing products and services to the market. Nevertheless, the implementation of sustainable supply chain standards has been extremely problematic in commodity supply chains, this may be as a result of the poor understanding of stakeholder’s relationships in supply chain network and the startegies applied in the process of implementing sustainable supply chain standards. (Hamprecht 2005; Bitzer et
al., 2011; Garetti, 2013; Newton, 2013). But in recent years, there have been proliferation of studies on sustainable supply chain management in many agricultural commodity supply chains but little evidence is available from the perspective of transmission of sustainability standards by non-supply chain actors (external actors) i.e. government, NGO and local authorities. The significance of the present paper is to show the context and process of sustainable supply chain management implementation strategies that were deployed over a temporal period of time to ensure sustainability in shea butter supply chain. Using the case study of the Nigerian shea butter industry, this study investigates how the external actors transmit and implement sustainability standards into supply chain networks.

The paper is structured in the following way. First, we present the research question, followed by the literature review on sustainable supply chain management. Then, a processual case study methodology and approaches for data collection is explained. More importantly the paper further presents a conceptual model which depicts the relationship between the external actors involved in the implementation process of sustainable supply chain standards. The findings were discussed in the context of processual analysis followed by the theoretical and contextual contribution of the study. Finally, we draw conclusion from the findings and we showed the research implication.

1.1 Research Question
What are the processes involved in the transmission and implementation of sustainable supply chain standards into shea butter supply chain networks.

2.0 Literature Review
2.1 Meaning of Sustainable Supply Chain Management
Sustainable supply chain is an important agenda among stakeholders in today’s business world (Awaysheh & Klansen, 2010). Researchers are developing interest in sustainable supply chain management (Yawar & Seuring, 2015). In which socially and environmentally sustainable supply chain standards are characterized by the relationships that exist among various supply chain actors (Waddock et al., 2002; Hoejmose et al., 2014). The concept of Sustainable Supply Chain Management (SSCM) drew researchers’ attention in the 1990s for stakeholders to see to social, economic and environmental related issues in supply chain such as forced labour, child labour, unfair pricing, discrimination etc. Gimenez et al. (2012), discoursed that social responsibility integrates social, economic and environmental responsibility. Also the International Chamber of Commerce, ICC, guidance on supply chain responsibility (ICC, 2007) Opined that: “Supply chain responsibility, also referred to as sustainable sourcing, can be broadly defined as a voluntary commitment by companies to manage their relationships with suppliers in a sustainable way”.

2.2 Transmission of Standards in Supply Chain Network
The Danish Council in 2010, suggest that for sustainability to be achieved, companies must be able to create meaningful dialogue with their suppliers to uphold human right and
environmental standards and prevent its violation. This means that corporate organizations together with other stakeholders are expected to respect global and local sustainability standards on social and environmental issues along their supply chains to remain sustainable. (Carter & Rogers, 2008; Klassen & Vereecke, 2012). This action is otherwise referred to as respect for the Triple bottom line (TBL), researchers such as Weele (2009) and Elkington (1998) studied and built upon the TBL and came up with another related three concepts which is referred to as People, Planet and Profit. In this regard they made assertions that profit making shouldn’t be the ultimate thing in businesses but rather the wellbeing of employees and the society is paramount. Van Weele (2009) gave an explanation of what he meant by people, planet and environment. He explained that the notion behind “people” involves all activities that are focused on labour conditions in which employees in supply chain network are able to develop their own skills effectively. He explained the “planet” involves all activities concerned with the use of raw materials and natural resources efficiently in the supply chain network and the “profit” refers to strategies for sustainable financial development in supply chain networks. Research has shown that external stakeholders play a significant role in the transmission and implementation of sustainability standards even though they are not really part of the supply chain network. Research has shown that very few studies have delved into the area of sustainable supply chain management from the perspective of the other external actors. The majority of the studies which are empirical in nature, focused on investigating how companies implement and coordinate suppliers to comply with set codes of conducts (Ayuso et al., 2013).

3.0 Methodology
In order to investigate the process of implementing sustainable supply chain standards in to shea butter supply chain networks, we utilized an exploratory processual case study methodology with semi-structured interview approach for data collection. In management science research, there is a growing priority that is given to the use of processual approach to understand process and outcome in the field of organizational management study (Pettigrew et al., 2001). In which more priority is given to the holistic understanding of an organization by studying how phenomenon relates to specific outcomes through the course of process. According to Langley et al. (2013) “Processual case research involves the empirical examination of how and why some significant temporally evolving phenomenon unfolds over time. For example, processual case research has been used to examine identity development in individuals; group decision making; organizational change; the process of program implementation; and the process of emergence, development, and dissolution of relationships over time”. Mohr (1982) described processual method as a theory that gives explanation of how events unfold, in terms of sequence of different events which leads to outcome. He further argued that temporal ordering is key and very essential in process theories. Kohn & Christiaens (2012) said “The goal of qualitative research is the development of concepts which help us to understand social phenomena in natural (rather than experimental) settings, giving due emphasis to the meanings, experiences, and views of all the participants”. Thus a qualitative approach is considered to be the most appropriate to suit my research questions.
and objective. Analysing a process data requires a researcher to give an account of what, why and how that links context, processes and outcomes (Pettigrew, 1997). The processual approach points at the significance of temporality and context; such as the history and culture of the organization, power play, political process and decision making that brings individuals together for negotiations in communications that are often wrongly interpreted or re-interpreted in ways that are capable of creating uncertainties, confusion and ambiguities (Dawson & Andriopoulos, 2014).

3.1 Case Study and Data Collection

The study was carried out in the Nigerian shea butter industry. Though, we concentrated on the Niger State shea butter industry. The shea butter industry in Nigeria is not a fully regulated industry at the moment. According to the global shea alliance, the Nigerian shea butter industry is one of the largest suppliers of shea kernel and butter in the African shea belt, the total export for shea kernel and shea butter is estimated at about 45,000 metric tons on yearly basis (Bello-Bravo & Lovett, 2013). The government of Nigeria considers the shea butter industry as an industry that can revive the rural economy (Garba et al., 2015). Though, it is an industry confronted by social, economic and environmental sustainability challenges, the industry has high usage of child labour, poor working condition, environmental degradation and exploitation (Ebayaya, 2014; Obibuzor et al., 2014). With this negative development, various initiatives have been designed by the external actors to ensure sustainability in the shea butter industry.

In December 2014, an advocacy visit was done to office of the Director, NSCEPA, who helped us to identify the external actors. . The external actors identified are the Niger State Commodity and Export Promotion Agency (NSCEPA), German Technical Cooperation (GIZ), Nigerian Export Promotion Council (NEPC), Global Shea Alliance (GSA), FADAMA Project, Ministry of Agriculture (MoA), Ministry of Women Affairs and Social Development (MoWA&SD), Ministry of Environment, Parks and Forest Resources (MoEP&FR) as well as the Local Government Authorities. Letters were distributed to them to notify them of the research and possible date of interview. Between January 2015 and April 2015, 12 interviews were conducted with the external actors which include representatives of the standard setting organizations, state actors, non-state actors, managers of the small factories, while 11 interviews are conducted with the local suppliers who are mostly women. A total of 23 interviews were conducted for the study, in which each interview lasted for a period of 1 hour to 2 hours. The data was transcribed and then analysed using QSR Nvivo 10. With QSR Nvivo 10.

3.2 Conceptual Model

The conceptual framework for this study is directed at how sustainability standards are transmitted and implemented by the external actors. As well as how it is adopted by the local suppliers who are divided into two supply chain network i.e. the controlled supply chain network and the uncontrolled supply chain network.

The following is the explanation of the conceptual model in figure 1:

- The dotted circle (A) showed the external actors in the case study, their roles and relationships depicts that the standard setting organization initiates the idea of
sustainability standards and how they engage the other external actors (state actors, non-state actors and the local authorities) towards implementing SSCS.

- Triangle (B) shows how the other external actors liaise with suppliers in the controlled supply chain network (SCN) who are perceived to be the small factory owners.
- Point (C) depicts how the external actors together with the suppliers in the controlled SCN transmit sustainability standards to the suppliers in the uncontrolled supply chain network, who are mostly rural women in the local communities.
- Point (D) shows the relationship between the suppliers in the controlled supply chain network and the suppliers in the uncontrolled supply chain network.
- Point (E) depicts how the process can lead to the adoption of sustainability standards in supply chain by the suppliers in the uncontrolled supply chain network.
- Point (F) shows the contextual factors which could support or obstruct the successful implementation, transmission and adoption of sustainability standards into suppliers practices.

Figure 1: Sustainable Standards Implementation Model

Source: Researchers (2016).
4.0 Findings
The findings of this research is based on the data collected from the external actors and suppliers in the shea butter industry. The main objective of this study is to investigate the relationship among the external actors in the implementation and transmission of sustainable supply chain standards into supply chain network in the context of the Nigerian shea butter industry.

4.1 Nature of Supply Chain Network Before The External Actors’ Intervention
Our study found that there is a traditional supply chain network before the intervention of the external actors. This traditional supply chain network involves suppliers in the controlled and uncontrolled SCN, in this context supply chain practices is greatly influenced by culture. This type of supply chain network did not take into consideration the sustainability aspect of supply chain (e.g. social, economic and environmental aspect of supply chains). Participation in this supply chain network bettered off the condition of supplier in the controlled SCN and worsened the condition of suppliers in the uncontrolled SCN. The notable shortfalls in this supply chain is the weak relationship in terms of information sharing between the suppliers in the controlled SCN and the suppliers in the controlled SCN as well as the unsustainable practices of the suppliers in the uncontrolled SCN. In fact this traditional supply chain network did not represent a sustainable supply chain and therefore did not promote social, economic and environmentally responsible supply chains.

4.2 Implementation Process of Sustainability Standards
In the past 10 years, major external actors in the shea industry came up with initiatives that will bring sustainability to the shea butter industry. They collaborated and established the Global Shea Alliance (GSA) in 2011. GSA is a non-profit industry association that gives priority to public-private partnership and transmits sustainability standards and guidelines to suppliers of shea products.

4.3 How Sustainability Standards Were Implemented and Adopted
With respect to sustainability of the shea butter industry, the state actors and non-state actors played passive roles in the Nigerian shea butter industry before the emergence of the Global Shea Alliance (GSA) in the year 2011, and thereafter every stakeholder including the private businesses became important actors in the promotion of sustainability standards in supply chain. During this period a deliberate attempt was made by the external stakeholders to intervene into the sustainability aspect of the shea butter industry. This development brought about the idea of implementing sustainability standards into the shea butter industry to disrupt the unsustainable practices in the traditional supply chain network which was not in line with the principles of sustainability. Speedy commitment was then given to this initiative by the state actors who felt that their intervention would create deliberate value for the society and promote sustainability among processing communities.
The state actors together with the non-state actors came together to set up sustainability initiatives and collaborated the local authorities to develop and design a detailed strategic plan
using the GSA sustainability standard and guidelines. By the time the strategic plans was finalized, the sustainability challenges were fully identified and priority were given to establishing shea-butter-villages in three political zones of the state to curb the sustainability challenges in the shea butter industry. The NSCEPA took the lead as the managing department of Niger state shea sector. The then director of the NSCEPA had participated in various sustainability initiatives organized by Global shea alliance or USAID and the NSCEPA was part of the actors that brought about the GSA sustainability standards and ensured that the suppliers in both controlled and uncontrolled supply chain network comply and adopt with sustainability standards across the processing communities.

In the year 2010, the Niger state government in collaboration with the Bank of Industry came up with a decision the three shea-butter-villages should be built along with the formation of cooperative groups simultaneously, with the prospect of replicating the initiative in many other communities. Nevertheless between year 2011 and 2015 no additional shea-butter-village was built, until 2016 when PZ Cusson Foundation donated PZ Nasara Shea butter processing facilities to Tunga Wawa women Cooperative group in Kontagora LGA of Niger state (Okereocha, 2016). During the field work for this study, the implementers admitted that the concept is expected to be a model that would be replicated by other stakeholders especially the private sector but with respect to sustainability standards many stakeholders doubt the use of sustainability standards in the uncontrolled supply chain networks.

5.0 Contextual Factors and Implementation Contents

5.1 Historical Context

The historical context of the supply chain networks are characterised by unethical and unsustainable practices related to human rights abuse (Use of children as nut pickers and shea butter processors) exploitation and environmental degradation. This unsustainable situation had been there in the shea butter industry even before the European Union pronounced shea butter as 5% cocoa butter equivalence which led to the proliferation of unregistered suppliers into the shea butter industry. All this challenges were also recognised by consumers, buyers and the media. Thus, the Global Shea Alliance, being an association of about 400 international actors in the shea butter industry was in the best position to introduce sustainability standards. GSA was fully conscious of this important context as quoted from a representative of GSA during the fieldwork.

“It is quite very difficult to change suppliers’ practices, but with the strategy we employed collaborating with the government, NGO and local authorities, we believe it can be done. The rural women had started forming cooperative groups in anticipation that they will benefit from sustainability standards.....This means that suppliers are ready to change their practices”

The assertion of the respondent above showed that the prospect of changing the current supply chain practices is bright. But the major concern of the Global Shea Alliance is about total sustainability of the industry, with their mission to go into public-private partnership, while promoting the shea butter industry sustainability, promoting quality practices and standards are
equally important. The mission of the GSA focused more on developing the focal suppliers by providing better working condition, empowering women, development of local communities and protection of the ecosystem.

5.2 Socio-Cultural Context
The socio-cultural context of where the supply chain network is rooted is believed to slow down the implementation process. In the rural communities where the uncontrolled supply chain networks are found, are mostly characterised by social capital and cultural beliefs. In this context suppliers are familiar with one another through social interactions. Consequently, this contextual factor can slow down the implementation and adoption process of sustainability standards because of the ties and relationships. The suppliers can easily disseminate personal opinions to other suppliers even when it have negative implications. Moreover, culture is a very sensitive factor, suppliers may feel reluctant to do away with their cultural beliefs. One of the suppliers responded that

“Those trained by the government on how to change our practices, tell us to do away with some of the aspects, we belief to be right, we don’t argue with them because we know it will be very hard for anybody to change our ways of practicing our livelihood”

One of the approaches used by the external actors was training of the women and social development directors at the local government level, they made them the representatives of the implementers. The social directors monitored the suppliers activities and influenced their practices positively by getting involve in their day-to-day activities: one of the social directors commented that

“I go to the rural communities and participate in the shea butter processing and marketing activities and use the opportunity to transmit sustainable guidelines into their practices. Sometimes the suppliers think am intruding into their ways of doing things but I make them realize that am doing it for their own good”

All of these may have consequences on the implementation of sustainability standards. Though the external actors do not allow social ties or culture to affect their relationships with other external actors in the implementation process. The external actors seems to cooperate with one another even though they have their different roles, high level of cooperation can lead to positive impact on the implementation process. More so, weak relationship and lack of information among the external actors involved can disintegrate their relationships.

5.3 Political Context
The external context with the help of the state actors used a sentient political instrument by negotiating with the traditional authorities to intervene so as to limit sustainability challenges by spelling out the consequences of degrading the ecosystem to the traditional leaders. The external actors encouraged the traditional leaders to talk with other local chiefs under them to convince the communities in which suppliers are inclusive to act responsibly in their supply chain practices. One of the external actors said
“Traditional institutions are very important, they are close to the community, than the government, they can assume the leadership role in attaining sustainability in the shea butter industry. Though they are not part of the suppliers but their influence is very important to influence our course adequately”

This political strategy and the idea behind using the traditional authorities actually worked and the desire to expand the implementation towards having a wider coverage is achievable with the support of the traditional institution. Generally the external actors saw this move as an attempt to ease their work and allow the communities shape the framework by themselves.

6.0 Research Implication
The external actors, problematized the sustainability challenges and took an action to collaboratively transmit and implement sustainability standards in two different supply chain networks i.e. the controlled and uncontrolled supply chain networks, the controlled supply chain network had partially adopted sustainability standards while the implementation process in the uncontrolled supply chain network, is still on-going. The implication of this, is that the implementation of sustainability standard requires the continuous intervention of the external stakeholders. While the involvement of the traditional authorities in the management of sustainability aspect of supply chain is an additional achievement to the implementation process.

7.0 Research Contributions
In this paper, we present two contributions to knowledge. First, it presents theoretical contribution to the existing literature on sustainable supply chain management (Hamprecht et al., 2005; Newton et al., 2013; Yawar & Seuring, 2015) which have deficiencies in the understanding of processual approach for examining the relationship between the external and internal context of change in supply chain management. In this regard, the inherent contribution is the conceptualization of the diffusion of requirements for sustainability in the practices and relationships of supply chain actors at the upstream through the implementation of guidelines in the local supply chain context. Secondly, the paper present a sustainability standard implementation model for analysing SSCM, where contextual factors were brought to play their role by establishing relationships between contextual factors that draws from historical, socio-cultural and political context. This represents an important footstep for supply chain actor’s integration into sustainable supply chain networks which is a major contribution to sustainable supply chain management literature.

8.0 Conclusion
In this study, a conceptual model which brings the Pettigrew contextual approach into the scene of standards implementation using the temporality of time was developed. We used the case study of the controlled and uncontrolled supply chain network to study the implementation process. This study presents a new way of studying the implementation of sustainability standards in the local context. We hope that this research will interest multinational companies.
who are trying to implement and transmit sustainability standards to their suppliers in the local context. It will also be of importance to the researchers interested in the implementation of sustainability standards. Researchers can build on our conceptual model to carry out further investigations either in the shea butter context or other commodity supply chain contexts.

References


