

Baudelaire Ngwakonwi Che

ACTIVE ROLE OF AN IMPORTER OR AGENT WITHIN A
RESPONSIBLE PURCHASING MODEL.CASE ALKO OY

Degree Programme in Business Management and Entrepreneur-
ship
2018

AGENTIN TAI MAAHANTUOJAN AKTIIVINEN ROOLI VASTUULLISESSA OSTOMALLISA. KAUPPAYHTIÖ: ALKO OY, SUOMI

Ngwakonwi Che, Baudelaire
Satakunnan ammattikorkeakoulu
Liiketoiminnan johtaminen ja yrittäjyys
Syyskuu 2018
Sivumäärä: 80
Liitteitä: 5

Asiasanat: Agentti, toimittaja, yhteistyö, yhteiskunnallinen vastuuhankinta, toimitusketju, johtaminen

Tämän kvalitatiivisen opinnäytetyön tarkoituksena oli tutkia Alko Oy:n maahantuojien ja edustajien (tavarantoimittajien) hankintamalleja ja tutkia sosiaalisesti vastuullisten hankintojen (SRP) käytäntöjen ymmärrystä ja toteutusta toimitusketjussa. Tässä tärkeimpänä on hyvän suhteen ja yhteistyön rakentamisen maahantuonnin ja viennin välille ja vielä eteenpäin maahantuojan ja Alkon välille jolla taataan tehokas suorituskyky, dynaaminen suhde, sitoutumista yhteisiin sääntöihin ja varmistetaan samalla vastuullinen hankinta Alkon toimitusketjussa.

Globalisaation vuoksi organisaatiot saavat kritiikkiä perinteisistä ja pitkän menestyksen ja voittoa tavoittelevista käytännöistä, jotka lähes horjuttavat muita tekijöitä. Tästä johtuen sidosryhmien on esitettävä ja vaadittava riittävät sosiaaliset vastuut tavarantoimittajille ja edustajille. Idea on kuitenkin tuottaa voittoa niin että työntekijöiden, työnantajien, yritysten ja yhteiskunnan sosiaaliset vaatimukset täyttyvät. (Gupta 1995, 2)

Toimiminen vastuullisesti tarkoittaa sosiaalisen näkökulman huomioimista päätöksenteossa sekä vastuunottoa. Kaikki juurtuu yhteiskuntavastuusta (CSR), se että yritysten on osoitettava avoimuutta, rehellisyyttä, tietoisuutta ja liiketoiminnan etiikan kunnioittamista, kun he harjoittavat liiketoimintaa ja siten edistävät kestävä kehitystä. Toimittajien, edustajien ja toimitusketjun epäsäännöllisten käytäntöjen vuoksi sidosryhmät, mukaan lukien kuluttajat, kyseenalaistavat roolinsa yhteiskunnallisen vastuun hankinnassa. Sosiaalisesti vastuulliset hankinnat (SRP) on yhteiskuntavastuun (CSR: n) sivutuote tai jälkeläinen, tämä tarkoittaa, että SRP on peräisin CSR: stä.

Koska tutkimus on tehty kvalitatiivisesta eri päällikkötehtävissä mukana olevien Alko Oy:n toimittajien haastattelujen kautta on havaittavissa asian olevan hyvin ymmärretty ja toteutettu yhtiön käyttöönotettaman liiketoimintastrategian mukaisesti. Kvalitatiivisessa tutkimuksessa korostetaan myös laadukasta kirjallisuutta, joka mahdollistaa ja helpottaa tutkimustyön tavoitteiden ymmärtämistä, se myös lisää ymmärrystä sosiaalisesti vastuullisista hankinnoista ja siitä millainen osa yhteiskuntavastuulla on osakeosto päätöksiä tehtäessä.

ACTIVE ROLE OF AN AGENT OR IMPORTER WITHIN A RESPONSIBLE PURCHASING MODEL.

Ngwakonwi Che, Baudelaire
Satakunta University of Applied Sciences
Degree Programme in Business Management and Entrepreneurship
September 2018
Number of pages:80
Appendices:5

Keywords: Agent, Supplier, Cooperation, social responsible purchasing, management

The purpose of this thesis was to investigate the active role of an importer or agent(suppliers) within a purchasing model of Alko OY in Finland and to investigate the understanding and implementation of socially responsible purchasing(SRP) practices in the supply chain of Alko Oy. It involves the building of a good relationship and collaboration through importer-exporter cooperation and collaboration between suppliers and Alko Oy to enhance performance, commitment, building of a dyadic relationship, assuring responsible purchasing in the whole supply chain of the Finnish alcoholic beverages company, Alko Oy.

Because of globalization, companies and business entities receive a lot of criticisms due to the traditional objective they have of profit making practices and almost neglecting other factors that will bring them long success. Due to this, various stakeholders need to present proper accountability through the social responsible practices of suppliers or agent's behaviors. The idea is to yield economics profits same time as they meetup with the social demands of the workers, employees, company and society at large. (Gupta 1995, 2)

All these enables companies to embrace challenges and practice purchase in a socially responsible manner. Trying to behave responsibly means taking into consideration social aspect in decision making and to be rendered accountable. All these boils down to corporate social responsibility(CSR) showing that companies must show transparency, integrity, consciousness and the respect of business ethics as they engage in business related activities that will enhance sustainable development and long-term success for all stakeholders involved. Due to irregular practices by manufacturers, suppliers or agents in the supply chain, stakeholders including consumers question their active role as they practice socially responsible purchasing. SRP is a byproduct or descendant of CSR. This means SRP is derived from CSR.

Because the research is done qualitatively, through interviews of Alko Oy Suppliers involved in the different supply chain management positions, different understanding of socially responsible purchasing(SRP) is noticed all following the business strategy put in place by the company. The qualitative research highlights good quality literature that enables or facilitate the understanding of the research objectives and purpose. It is also shedding more lights on SRP and goes a long way to describe the incorporation of social responsibility practices by companies when making decisions on purchasing.

LIST OF ABBREVIATIONS

CSR- Corporate Social Responsibility

RP- Responsible purchasing

SRP- Social Responsible Purchasing

SP- Social Performance

BSCI- Business Social Compliance initiative (Amfori)

Importer/ Agent- Supplier

SCM- Supply chain management

SDGs- Sustainable Development Goals

CONTENTS

1	INTRODUCTION	7
1.1	Background	7
1.2	Purpose and objective	9
1.3	Research structure	10
2	CORPORATE SOCIAL RESPONSIBILITY (CSR).....	11
2.1	History and types of corporate social responsibility(CSR)....	11
2.1.1	Economic and legal responsibility.....	13
2.1.2	Ethical responsibility.....	14
2.1.3	Philanthropic responsibility.....	14
3	SOCIALLY RESPONSIBLE PURCHASING(SRP).....	16
3.1	Drivers of socially responsible purchasing	20
3.1.1	External drivers.....	21
3.1.2	Internal drivers.....	25
3.2	Indicators of socially responsible purchasing	26
3.3	Barrier or challenges faced in socially responsible purchasing implementation	29
3.3.1	Institutional barriers.....	30
3.3.2	Financial barriers.....	31
3.3.3	Behavioural barriers... ..	31
3.4	Importance of socially responsible purchasing.....	33
3.5	Socially responsible purchasing management for the future.....	35
3.6	Responsible purchasing in the beverage industry... ..	39
3.7	Agency theory model.....	41
4	CASE STUDY.....	44
4.1	Beverage industry in finland.....	44
4.2	Alko Oy.....	45
5	METHODOLOGY.....	49
5.1	Case study research design	49
5.2	Research approach.....	50
5.3	Research method.....	51
5.4	Methods of data collection.....	51
5.4.1	Primary method.....	51
5.4.2	Secondary method.....	52
5.5	Explanation and validation of research method used.....	52

5.6	Collection and Analysis of data.....	53
5.7	Reason for using case study research method,importance and challenges...	55
6	RESULTS FROM INTERVIEWS.....	57
6.1	Objectives.....	57
6.1.1	Objective 1.....	57
6.1.2	Objective 2.....	60
6.1.3	Objective 3.....	62
6.1.4	Objective 4.....	65
6.1.5	Objective 5.....	67
6.2	Formulation of the concept model.....	68
6.2.1	Incorporating the conceptual framework in agency theory model.....	68
6.3	Limitations of the agency theory model.....	70
7	CONCLUSION, RECOMMENDATION AND RESEARCH IMPLICATION..	70
7.1	Consequences and lessons learnt from the research.....	71
7.2	Recommendations and conclusion.....	72
	REFERENCES.....	74
	APPENDICES.....	

1 INTRODUCTION

1.1 Background

Because of globalization, companies and business institutions have realized that to survive or cope with our contemporary world of business, they need to take a social stand into consideration. Companies do not only think of making profits from quality products but also need to be concerned with its employees, their health and safety, remunerations and how they also contribute to working for the wellbeing of population involved and their communities. (Website of the business news daily 2017).

Responsible purchasing (RP) and supply chain performance are taking an alarming stand in the corporate business world and this makes suppliers and stakeholders involved to incorporate the social aspect more as it stands to bring added value to the entire society and world at large. This goes a long way to see how, companies treat their workers, safety standards respected and to see how companies helps communities through humanitarian and other donor aid projects. (Mont & Leire 2008, 02).

Social responsible sourcing and purchasing integrates a pillar of sustainability and it also serves as an integral part of business strategy for companies as they believe its incorporation will help the company to be sustainable and thus operates for long run with social ethics respected and social interaction and communication existing between the employers and employees. (Cohen 2011, 424)

Various researchers have come up with different ideas and thoughts considering agents or suppliers to provide motivating factors by companies to practice responsible purchasing and corporate social responsibility(CSR). So many opportunities are seen when suppliers practice responsible purchasing including managers who lead through examples, thus encourage and motivate workers as more trust and commitment is seen in their day to day business activities with social responsibility demonstrated throughout, hence increase company performance and productivity(Idowu & Louche 2011, 67) So many researchers think and have realized the importance of practicing socially

responsible purchasing even though obstacles do exist both internal and external, hindering suppliers and companies from implementing it. Internal factors go from behavior, negative attitude and in some cases inadequate knowledge about SRP. External factors such as limited funds, time, inadequate resources and infrastructures hinder its implementation. Despite these challenges, companies are willing and ready to put efforts to realize SRP as it is profitable and sustainable. (Campbell 2017,80)

Nowadays, most customers put pressure and demand for high quality products in their purchasing habits. In most cases, they will like to know the origin of the products and to know if the companies producing them practice socially responsible purchasing and implementation.

Many companies are being held accountable by stakeholders in so far as the social performance(SP) of companies is concerned. Customers and suppliers are more concern about the traceability of products, making sure companies respect and protect their employees and act in a socially responsible manner. The consumption of a product should not only be based on cost and quality combination, but it should also be based on availability, maintainability and the product reputation which all together gives the expectation and requirement when the product is purchased. (Crowther & Green 2004, 87)

There is imperative need to integrate socially responsible purchasing in our business since it is vital in improving the social standards, wellbeing and living conditions of communities hence helping to achieve resilience and sustainability. There is also need to do checkup of implementation and demonstration of social responsibility all the time so that it is subjected to modifications and regulations to meet up with future request, demands and profitability goals. (Campbell 2017, 79,)

Though the study is on socially responsible purchasing, but because of globalization other factors are coming up such as climate change, new health and safety regulations which will have a lot of influence on the business and economic challenges. This means that it is important to monitor threats that could affect socially responsible purchasing from being successful. (Meadowcroft 2007, 197)

Socially responsible purchasing should be an effort that must be continuous and at the same time conscious. The global market trend has left companies to adjust to the demands of the customers and stakeholders, making it important for companies to be aware of a loss of market share and profits if they do not adjust to markets and global changes. (Website of the national association of purchasing management 2000,64)

The challenging task of purchasing managers is to make sure that not only economic but also social matters must be incorporated in their purchasing decisions. This is to ensure that social standards are met. (Crane et al 2008, 381) Suppliers are forced to play an active role by principal company's supervision in the management of the supply chain model with the help of proper, efficient and active responsible behaviors.

My case company is alcoholic beverage company Alko Oy in Finland. State own retailer of alcoholic beverages in Finland. As a state-owned company, Alko Oy has higher expectations for the responsible purchasing in practice than a regular company. Sustainability as such is one of the four cornerstones of Alko Oy business strategy. For this sustainability to be felt, supplier, employers and employees must play an active role in terms of social responsibility in the whole supply chain. Due to the need to improve the cooperation within the supply chain, there is need to investigate the active role played by suppliers as they practice economic, social and environmental responsibilities within the purchasing model.

1.2 Purpose and objectives

The main purpose of this research was to identify, analyze and improve the roles played by suppliers within a responsible purchasing model. It goes as far as investigating the supplier's view of their relationship with the alcoholic retailing companies or factories and to oversee how suppliers' express responsibility not only economical but also socially to build a better cooperation, improve performance and strengthen sustainability in the whole supply chain management. It will also

- Improve the overall responsible purchasing practices between the suppliers, the manufacturers and the producers in the wine industry.

- Highlight the potential for closer cooperation between Alko Oy and the suppliers or agents.
- Illustrate how understanding and implementing an appropriate socially responsible policy is vital and important for the company.

The empirical objectives of this research are as follows:

- What do you understand by the term social responsible purchasing (SRP).
- What are the major roles played by suppliers in a responsible purchasing model and their importance.
- What factors (drivers and indicators) affects (hinder or facilitate) the supplier or agent's role in implementing a responsible or sustainable purchasing model within the supply chain.
- What measures are taken by the company to stay socially responsible and sustainable in the future

1.3 Research structure

Chapter 1 is the introduction, consisting of the background of the study. Theoretical part of this study consists of the chapters 2 and 3. Subsections are provided under this chapter to enable us to understand the main purpose and objective of the case study. It constitutes a review of literatures from different authors in relation to corporate social responsibility(CSR). Subsection 1 gives us the contributions of previous researchers and authors to help facilitate our understanding of the concepts of CSR.

Socially responsible purchasing(SRP), then its drivers and indicators, its origin and trends are also seen here. Still in these chapters, we go as far as seeing the challenges or barriers faced when practicing responsible purchasing, their importance derived and various ways of practicing responsible purchasing in the future.

In Chapter 4, the outline of the alcoholic beverage company in Finland (Alko Oy) is highlighted with its scope. Furthermore, the demonstration of how companies operates is noticed and how responsible purchasing is practiced by customers, suppliers within the company. This chapter will also see how suppliers and customers demonstrate active roles during the implementation of socially responsible purchasing.

Chapter 5 describes methodology and research process for data collection methods. Case study design method was used with a qualitative method with the help of interviews. Five managers were interviewed consisting of two from Alko Oy and the rest from its suppliers responsible for practicing socially responsible purchasing and sustainability. The Importance of using this study approach is also seen and a way forward to deal with trends in the responsible purchasing model.

In Chapter 6, upon conducting the interviews, data were interpreted into information and then results established. What conditions will be used for evaluating our data are discussed under this chapter. Based on the objectives of the study stipulated in Chapter 1 and 2, through the data received from interviewees, they were analyzed to provide answers to the objectives, with some suggestions. This chapter also includes the limitations and possible implications for trending topics and questions that could well be taken in to consideration.

The last chapter focused on suggestions, contributions and recommendations for future research.

2 THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY(CSR)

2.1 History and types of corporate social responsibility(CSR)

The concept of corporate social responsibility has been so much talked about in a way that most global companies have been forced to incorporate into their business strategy. Big corporations now practice CSR due to its importance and as it helps for company performances. Business in globalized world both the capitalist and emerging is done in a way that a lot of attention is given to the CSR of companies. Companies fail,

loose partnerships and have failure in signing new deals with actual or potential companies when it is found to have a bad record of CSR. Because of previous history of CRS, there are different approaches or methods used to handle sustainability both in the company and outside as well. (Steger 2004,46)

Corporate social responsibility “analyses economic, legal, moral, social and physical aspects of the environment” (Barnard 1938, 7). This means organizations aside from their profit-making objective, they are obliged to follow the law and respect rules while performing their business activities and being a corporate citizen. Corporate social responsibility(CSR) is regarded as; "number one issue in its role in helping organizations to responsibly increase prosperity" (Website of the Chartered Institute of Purchasing and Supply 2014). When the company brings ethics into their organizations, it expands their brand, more value is added to their products hence increases the company’s performance, positive conducts and actions. (Website of Achilles 2014).

However, some companies still suffer from irresponsible practices and with pressure coming from stakeholders, they are ready to take the responsibility of their suppliers or agents to protect their brand, increase performance and assuring the value deserved by its customers. Since Companies answer to their stakeholders, because of this companies outsource some activities to suppliers which they in turn report to the company. Because of some non-active role played or asymmetric information got during implementation, it affects performance and sometimes threaten the supply chain shut down by legal authorities and drop in demand. Companies put in so much efforts to avoid these issues from happening.

When agency takes certain responsibility issues for granted, knowing they need to be accounted for, it creates tension in supply chain that retailers like Alko Oy with more power is somehow obliged to use some moral influence on the weaker supplier or agent (Amaeshi, Osuji, & Nnodim 2008, 223&224.)

Various organizations and companies have different responsibilities to carry out in a supply chain model. These responsibilities range from economic, social or environmental. Carroll defines the concept of CSR as follows: “Corporate social responsibility

encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time” (Carroll 1979, 1991). For a company to be corporate and sustainable, it should make sure it meets up with all these responsibilities adding the ethical aspect as well. (Sison 2010, 72)

2.1.1 Economic and legal responsibility

Economic responsibility is one of the four pillars of CSR. Also known as the economic dimension, the primary objective of an organization or a business entity is the economic responsibility it is attached to. The profit got from business transactions serves to keep the company running in terms of covering its fixed and variable cost. Paying its workers, renting or buying of infrastructures, signing contracts and covering procurement and outsourcing business operations. This helps the company run to meet up with its social and environmental responsibility while paying its taxes and respecting the rules and laws in place. (Subhabrata & Banerjee 2009,44)

Legal responsibilities deal with the respect of rules and regulations as requested by the society to be respected by business entities and organizations. This covers both the social and environmental dimensions. These rules and laws put in place are made by lawmakers representing the society and they must be respected by companies for them to implement a good corporate social responsibility practice to assure resilience and sustainability. In most cases, it deals with the respect of human rights, respecting the principles to be a corporate citizen, environmental protection against climate change and global warming and meeting the legal obligations of its stake holders. (Idowu & Filho 2009,234)

2.1.2 Ethical Responsibilities

Ethical responsibility is the “ability to recognize, interpret and act upon multiple principles and values according to the standards within a given field and/or context.” (website of Suny Empire State College 2017) This simply means that the act of doing the right thing as required by the company and trying to always be consistent. Setting up a business integrity recognizing that business integrity and a good moral behavior through some benevolent gesture not stipulated in the law will drive towards resilience and sustainability. (Carroll 1991,42).

As a social dimension, social demands of stakeholders, employees should be incorporated and respected in our business activities, hence bringing a positive impact and improved living standards demonstrated in our communities. Social dimension is also through the means of friendly communication with work colleagues, considering that they must do their best in form of maintaining the company’s reputation, values and giving respect to its customers, and all other stakeholders involved. There should be behavioral understanding between each other to tackle issues, differences between employees and stakeholders. (Mullerat 2010, 60)

2.1.3 Philanthropic Responsibilities

Philanthropic responsibilities involve extra efforts to do certain actions or duties that will be beneficial for the society. It is also known as a voluntary dimension in CSR which serve as a charitable act to help society or an institution. Companies doing good work is helpful and beneficial for the society and company. In most cases, this responsibility is performed after all the other responsibilities have been met and the company is profitable.

Of course, certain companies do these responsibilities alongside their business even when they are still to expect reasonable profits. This could be through charitable gestures, aids or donations. An example is the Bill gate foundation that gives humanitarian

and emergency aid to citizens in emerging countries. This makes the company have a global and better brand compared to its competitors and render it sustainable.

It is an act of good corporate citizenship and we should know that philanthropic responsibilities are one of the most importance components of CSR which proves it is a trend and will be sustainable. (Asongu 2007, 21)

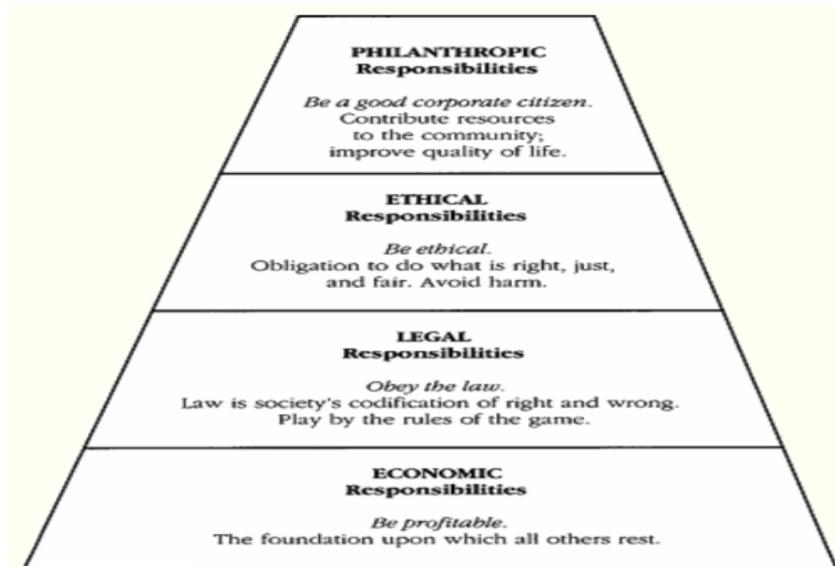


Figure 1: Four-part model of CSR by (Carroll 1991,42)

Figure 1 above shows the various stages involved in corporate social responsibility by Carroll. All of them are essential and needed for social responsibility demonstration when performing business operations. In the development of the thesis, all the other dimensions of CSR will not be covered except the social one. This is because the thesis is centered around socially responsible purchasing habits of suppliers within Alko Oy supply chain.

Table 1: Corporate social responsibility and Environmental Management (Dahlsrud 2006, 4)

Dimensions	The definition is coded to the dimension if it refers to	Example phrases
The environmental dimension	The natural environment	'a cleaner environment' 'environmental stewardship' 'environmental concerns in business operations'
The social dimension	The relationship between business and society	'contribute to a better society' 'integrate social concerns into their business operations'
The economic dimension	Socio-economic or financial aspects, including describing CSR in terms of a business operation	'contribute to economic development' 'preserving the profitability' 'business operations'
The stakeholder dimension	Stakeholders or stakeholder groups	interactions with their stakeholders' 'how organizations interact with their employees, suppliers, customers and communities'
The voluntariness dimension	Actions not prescribed by law	'based on ethical values' 'beyond legal obligations' 'voluntary'

Source: Corporate Social Responsibility and Environmental Management (Dahlsrud, 2006)

Table 1 above shows all the various dimensions involved in CSR from voluntariness, social, economic and environmental. Since the research is based on social responsibility, all the other dimensions will be handled except the environmental dimension that is excluded.

3 SOCIALLY RESPONSIBLE PURCHASING (SRP)

The terms purchasing and buying have different kinds of aspects. Purchasing is more of a strategic approach including needs of identifying supplier selection, evaluation and forecasting. Buying or ordering are more operational terms with the purpose of placing orders to suppliers without the evaluation of prices, request for quotation, contracts and negotiations. Most limited term is call off, which indicates electronic or oral announcement for receiving the agreed material from supplier. The most widely used term is procurement. This term is related to purchasing but included in the overall responsibility of purchasing functions. (Iloranta et. al., 2012, 49). Procurement is a critical role for receiving the competitive advantage for the company by integrating the purchasers and supplier's processes closer. (Christoffer 2008, 14.)

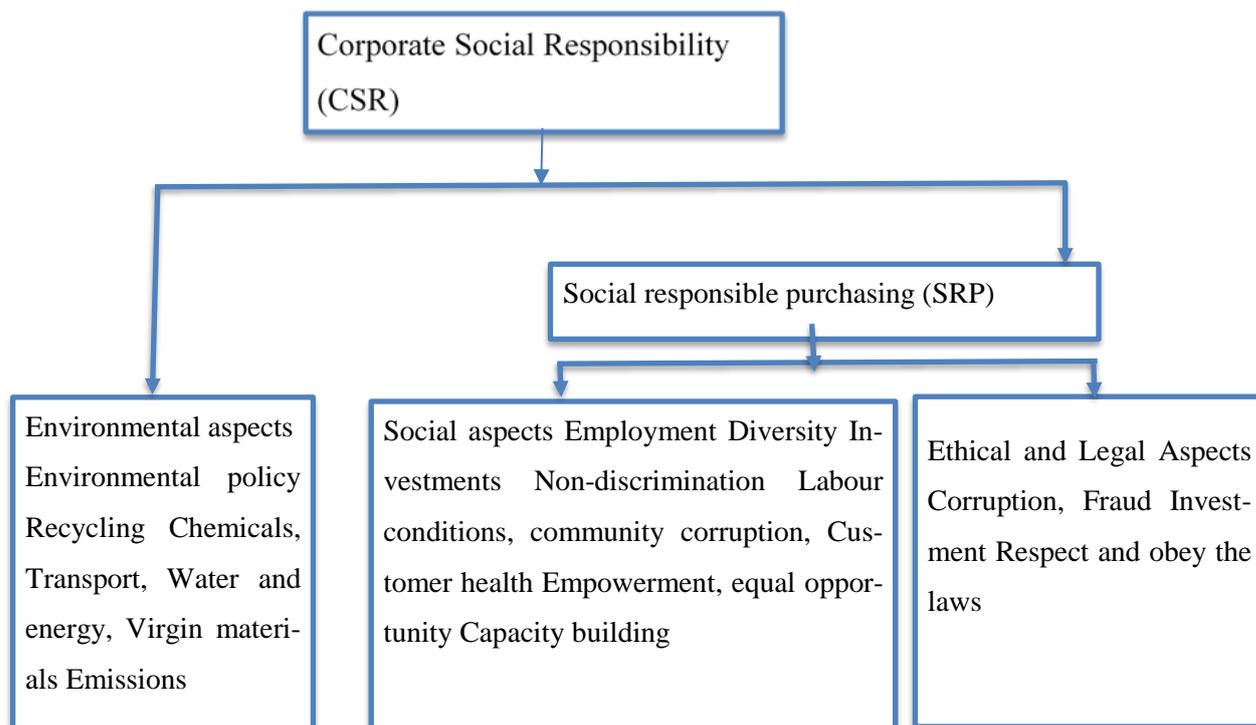


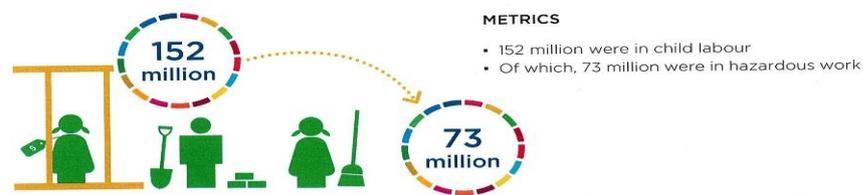
Figure 2: Environmental, social and ethical aspects in CSR. (Adapted from Mont & Liera 2009, 7)

The Figure 2 above shows SRP as a derivative of CSR dealing with all social related dimensions associated with business activities, ranging from gender empowerment, respect of human rights and minimum wages to the respect of the rule of law, avoiding corruption cases and doing more in terms of sensitization and trainings to create room for improvement to ensure sustainability.

Many scholars as well as researchers have been putting a lot of efforts to study various activities that result in socially responsible behavior of companies (Carter and Jenkins 2004). It is important to reiterate that as a derivative of CSR, socially responsible purchasing functions is a way to make all stakeholders behave as corporate citizen as they engage in business activities while respecting code of conduct, labour code and participating in building a responsible and sustainable community. The idea of Socially responsible purchasing (SRP) takes different forms, demonstrating the sense of responsibility as some include the health and safety of workers, to avoid deformation of new born kids by deformed employees, selecting appropriate suppliers who proof to schedule training programs for their workers, create awareness and embrace innovative policies that ensures sustainability. (Loice et al 2015,199)

Business societies and companies due to global trends are forced to demonstrate corporate skills globally through the promotion of CSR which has a strong effect on brand strengthening, hence giving more value, better product performance, and cost reduction. Protecting brands while practicing SRP helps ensure a conducive and sound working area for the satisfaction of workforce and staffs, creating a forum for brand sensitization and responsiveness hence building a relationship of win-win situation for business institutions, sponsors, donors and all participants. (Creel 2012, 20)

On any given day in 2016 children aged 5-17 years



REGIONAL PREVALENCE OF CHILD LABOUR

■ Africa	19.6%
■ Americas	5.3%
■ Arab States	2.9%
■ Asia and the Pacific	7.4%
■ Europe and Central Asia	4.1%

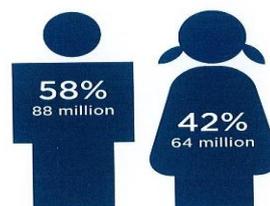


OF THE 152 MILLION CHILDREN IN CHILD LABOUR

AGE PROFILE



GENDER



ECONOMIC ACTIVITY



Figure 3: Global Estimates of Child Labour: Results and trends from 2012-2016. (ILO website, 17 September 2017). The 2017 Global Estimates present the scale, prevalence, and key characteristics of child labour in the world today.

Records on figure 3 shows that about 153 million child labour cases and doing hazardous job, meaning there is imperative need to take a social stand in child labour abolition and respect for gender right in business related activities. According to the world bank (Website of the international labour organisation, 2004) "Ensuring the freedom of association and collective bargaining can go a long way toward promoting labour market efficiency and better economic performance and there are obvious economic and social reasons for banning slavery and all forms of forced labour." Due to global social ills, societies have written to the international labour organization(ILO) addressing the need for international labour standards and the need to respond to a growing number of challenges and obstacles most employees faced and through its conventions is doing all it can to strongly address the issues to build a healthy and strong business environment. (US Congressional Record, V. 144, PT. 14, 1998, 19809)

With potential and actual customers joining the community to fight socially irresponsible purchasing practices in private and public business organizations, there is a strong desire and motivation to act responsibly during purchasing even though some obstacles retard the implementation. Thus, there appears to be a gap between the societal desire for more socially responsible practices and purchasing, and the slow and scattered implementation and uptake of socially responsible purchasing (SRP). Creating awareness is very important as some different terminologies are used to achieve the SRP such as ethical purchasing, responsible procurement and social responsible buying. All these acts as same function but companies value its pertinence and are determined that SRP through CSR is incorporated as a business strategy by all these institutions. (Mont & Liera 2009, 2&3)

Table 2. Key facts on child Labour, ILO 2010



Key facts on Child Labour (ILO)

- 246 million children are child labourers
- 73 million working children are less than 10 years old
- Every year, 22,000 children die in work-related accidents
- 127 million – age 14 and under are in the Asia-Pacific region
- 8.4 million children are trapped in slavery, trafficking, debt bondage

Table 3: Global estimates of child labour by major age group, 2008-2012. (Website of International Labour Organisation, 2013)

Major age group	Child labor (000) million 2008	Child labor (000) million 2012
5-11	91,024	73,072
12-14	61,826	47,381
Total 5-14	152,850	120,453
Total 15-17	62,419	47,503
Total 5-17	215,269	167,956

According to the data provided by the International Labour Organisation(ILO) in 2010, on table 2, 246 million children are child labourers not forgetting those dying in work related accident due to socially irresponsible activities they do for companies and institutions. There is imperative need to control and stop child abuse, children trafficking globally in business institutions and to practice socially responsible and sustainable purchasing and production to meet the company demands and sustainable development goals initiated by the United Nations .In table 3, according to the ILO between 2008-2012, the child labour statistics has been dropping but more still has to be done to eradicate this socially irresponsible behaviour of companies and institution for a better SRP and business behaviour of business institutions. In most globalized economies, the government, civil society and private institutions are putting pressure and stricter rules for private and public corporations to follow, in so far as CSR and SRP is concern, thereby improving social standards that help in social and economic development of the global community. (Mohrman et al 187)

3.1 Drivers of socially responsible purchasing

Different institutions use different tools to make social responsibility have an impact in the society or global community. One of those powerful tools used nowadays is social media. A globalized society full of technology have made it possible through

innovation for business organizations to draw so much attention whether social economic or political to help business institutions follow the rules and laws. Social media through twitter, Facebook, Instagram, television programmes, adverts and documentaries help a lot in sensitizing the population and strengthens communities for their wellbeing, cooperation and collaboration to integrate policies and strive for sustainability. (DiStaso & Bortree 2014, 99)

In recent years, some companies had issues with greenwashing which according to Forbes 2016, false reports were given of socially and environmentally responsible practices to consumers. These practices ruins company reputation, drop in sales and hence lead to not only economic issues but social and environmental as well. Greenwashing makes consumers to lose confidence in products that are environmentally friendly making it a hindrance for investors to have confidence in such socially responsible investments. When ethics are not respected and practiced, socially irresponsible behavior is practiced which create an unsustainable business society. (Sim 2003, 40)

Because of the challenges of SRP implementation, there is absolute need to intensify studies in this field as it stands as a trend that affect sustainability in the global business community. The drivers of socially responsible purchasing are divided into two categories consisting of external and internal drivers. The corporate and non-corporate institutions use both internal and external drivers to implement socially responsible purchasing. (Mont & Leire 2009,391)

3.1.1 External Drivers

This constitute those who put pressure and make sure organisations and companies behave in a socially responsible manner. According to Mont & Leire (2009,392), consumers are the most influential external drivers as they make sure SRP is been practiced or implemented by companies. They serve as activators to the implementation of SRP. The United Nation(UN) through its sustainable development goals(SDGs) is a strong driver and has been proven to be a clear framework for those companies that have difficulties to find the starting point for their sustainability activities.

The consumers are the principal people who trigger SRP in a supply chain. When customers demand that responsible purchasing rules to be respected through retailers, the retailers feel pressured and are forced to trace the supply chain through their agents or suppliers. This means that agents must play an active role in implementing SRP as they serve as the middle man between the supplier and the manufacturer. As consumers create more awareness on ethical purchasing, so as companies are obliged to implement SRP to keep the good reputation, add value to their products and increase market shares. Though emerging countries are embracing it, the pace is slow and for the past few years it's been having an impact as customers are shifting from companies not practising SRP to those that are respecting and implementing it in their business strategy. (John 2013,148)

Table 4. Examples of stakeholder actions driving socially responsible purchasing (Mont & Leira 2009,392)

Driving stakeholder	Example
Media	News, movies and articles in newspapers about activities of Swedish companies and their suppliers in many countries that do not follow basic human rights principles and conventions on decent working conditions, e.g. Swedish SVT1 programme "Uppdrag granskning" on practices of Indian and Chinese suppliers to Swedish producers and retailers.
Nongovernmental organisation	Include environmental and human rights groups, consumer advocates and other potential activists who together represent "civil regulation". For example, the work of Swed-Watch, Fair Trade Center and Rena Kläder on investigating in what conditions medical instruments and hospital cloth are produced in Pakistan and India (Bjurling, 2007). Another example is the Swedish campaign "Mina skattepengar" that provides some examples

	for how to ensure that tax money is spent in an ethical and socially responsible way (Minaskattepengar, 2007).
Competitors	For example, Dem Collective – a small company that is built on principles of ethical and environmental sourcing is driving other companies in textile business to consider more socially responsible purchasing (Dem Collective, 2008)
Consumer	The growing consumer awareness and voting through purchase of Fair Trade products, such as coffee (Wallace, 2006), or textiles and clothes, or plants with Fair Flowers Fair Plants label. Consumers can also take part in boycotts or campaigns against specific products, e.g. toys produced in China, or companies
Investor	For example, Ekobanken has defined specific environmental and social criteria for their investments that support start-up companies and continuous environmental and socially responsible sourcing (Ekobanken, 2008).
Government	EU and Swedish legislation - Directives for the public sector on socially responsible purchasing, e.g. EU Directive COM (2001) 566 (European Commission, 2001).

Due to the challenges faced by the corporate business world nowadays, investors are aware that any business operations they engage in must be socially responsible.

Table 4 demonstrates the various stakeholders participating in the implementation of SRP pushed by various stakeholders such as the customers, media, government, non-governmental organisations and investors.

However, the influence of investors on SRP practice of a company does not have a significant impact on its strategy. Integrity and reputation is becoming more and more

important even though certain manufacturing companies pay less attention thereby giving more work to supplier who bear the burden as the middle man in the process. Alko Oy as a retailer is forced to question the active role of suppliers as pressure keeps coming in from customers as SRP is becoming more and more important. Media serves as a very powerful corporation that has a strong impact on people and the whole community. Through media, a company can have a strong reputation or a damaged one. Communication stands as an effective tool through information sharing and sensitization.

Kids, youth, adults and elderly people pay so much attention to the media nowadays that what they see or hear will affect their purchase and consumption for a product or service. It is a powerful medium of creating awareness that must be respected. Media can either make a company have a good reputation through socially and economically practices or destroy its reputation through its socially irresponsibly practices. Even though through media reporting, we could see companies that have embraced SRP, which encourages sustainability, but media also uses propaganda through bringing people together for trade exhibitions and other event while certain untold or greenwashing is unfold. (Bloomsbury Publishing 2015,189)

Non-governmental organisation (NGO)

Because of some companies and institutions having corporate scandals that are detrimental to business, emphasis is laid on creating awareness and sensitization in different forms to make sure social obligations are met through non-governmental organisations(NGOs) for businesses to accept more responsibilities not only economically but also socially as well (Spicer 2013,215)

There has been an increase in NGOs with regards to their quantity and influence in SRP for the last few decades. (Website of the Economist 2000). Because companies define more economic objectives and pay less attention to their social and environmental responsibilities, NGOs through activist and campaigns have brought drastic changes in so far as governance and responsible behaviours are concern (The Economist 2003). Not only public organizations or state are fighting for companies to imple-

ment SRP, NGOs such as Greenpeace Switzerland for example makes it illegal to cultivate crops improved genetically until 2021. Such crop should be for research purpose not consumption, hence saving life and wellbeing. (Greenpeace international 2017).

3.1.2 Internal Drivers

The ethics built that we should do the right thing, is the main idea behind internal drivers. It is of prime interest to know that doing the right thing, brings integrity, trust, more cooperation and collaboration between suppliers and customers relationship, thereby building a better and sustainable organization through better performance, cost reduction strategy and a better symmetric flow of information. When SRP is respected and implemented, performance increase, both economically and socially responsible values are achieved. (Mont & Liera 2009, 392)

The ability to build a good reputation through honesty, integrity, practice and implementation of SRP is of great concern to corporate institutions. Because of the financial bubbles and global trend in the business world, the image of a company is very important. Prevention is better than cure. Most companies know the amount of risk involved and are ready to abide by the law to make sure actual and potential customers stay by their sides to practice sustainable purchasing.

Companies will always avoid the disclosure of a negativity in their social practices due to the damage it will cause on their reputation. That is why they will make sure to be trustworthy, socially responsible and portray a corporate picture. To work in a responsible and sustainable manners it is imperative to incorporate responsible purchasing in business operations. That is why few companies such as Visa blue -chip companies are extending their markets in emerging markets to solve the social issues faced with responsible and corporate models. (Idowu et al 2008,334).

Employees are the engines and creators of products. When they are not well taken care of, it affects productivity and unsustainable practices. I will use this quotation to support this.” The grass is not, in fact, always greener on the other side of the fence. No, not at all. Fences have nothing to do with it. The grass is greenest where it is watered”

(Fulghum 2010,160) If you do not take good care of our employees, you will lose productivity, profits and spend more. Workers demand for better salaries, better working conditions, human and labour rights be respected.

Some Developing and emerging countries are still having issues with child labour, poor working conditions and low pay such as china, sub-Saharan Africa. All these are changing but the change is slow. Unfortunately, unethical business behaviour is still an issue in many part of the world. There are country risk tools used for evaluation on a regular base.

Socially responsible purchasing is a business and social strategy nowadays that corporate organizations have incorporated into their business to have an edge over their competitors.

3.2 Indicators of socially responsible purchasing

Different scholars have criteria for identifying a good indicator. A good indicator needs to be specific, objective, sensitive and reliable, flexible, can be used and understood easily, can be collected easily, efficient and effective to measure, it should be a good financial and management instrument and lastly enable the protection of company data. Various business institutions use different indicators to measure their performances or if their business strategy is working and sustainable. (Manning 2013, 28 & 29).

An indicator is defined as data or whatsoever is at disposition, that will help analyze the present state of a company or organization and helping it achieve its goals and to answer the question, where the company will want to be in the future. In most cases, indicators serve to assess the company to see if it is on track and also if it meet up its social, economic or environmental obligations.

Companies doing business at some point will do some analysis to know if they are on track to achieve their goals. It enables them to restructure their goals, seeing certain

objectives to be attained and problems arising should be of concern. (website of International Institute for Sustainable Development, 2013)

A lot of contribution works on some sets of social responsibility and sustainability indicators worth of acknowledgement has been laid down by the UK government. The UK government through social accountability standards is trying so much that companies abide by the rules and implement responsible practices. The modern slavery act, new UK legislation put into law on the 26 March 2015 supports the responsible way of conducting business. Some indicators of social responsibility include a healthy Community, respect of human rights, creating awareness through sensitization, training and education, child labor abolishment and socially responsible investment. Despite the quality of report and checks, a lot of distrust could be noticed with some companies whereby gender improvement was not noticed, women occupying higher positions of management nor loss of working days due to stress. (Aras 2016 ,628)

Table 5. Social aspects and indicators, GRI 2006(Mont & Liera, 2009,24)

Social aspect	Indicator	Number of times mentioned
Aspects of labor practice and decent work	Employment	10
	Labor/Management relations	9
	Occupational health and safety	12
	Training and education	7
	Diversity and equal opportunity	3
Human rights performances indicators	Investment and procurement practices	1
	Non-discrimination	9
	freedom of association and collective bargaining	10
	child labor	12
	forced and compulsory labor	12
	Community	3

Society performance indicator	Corruption	5
	Public policy	1
	Compliance	7
Product responsibility performance indicators	customer health and safety	2
	product and service labelling	4
	marketing communications	-
	Compliance	3

Many social indicators provided by the global reporting initiative(GRI) in 2006 on Table 5 shows social aspect of society performance indicators such as corruption, public policy and its effect in our community, human rights performances indicators through freedom of association and non-discrimination when practicing SRP. With the help of education and continuous improvement through various forms of training and better health and safety measures the respect of labour rights and provision of descent jobs are encouraged and promoted.

Indicators can be measured qualitatively or quantitatively

Qualitative indicators just illustrate actions, policies and analysis that have been carried out by a company to achieve its goals in a socially responsible manner. They can be done as a focus group.

Quantitative indicators are measured in term of units' quantity in figures. Many companies easily use quantitative as it will quantify the amount of socially responsible activities demonstrated to increase long-term performance and productivity. Different business institutions use different indicators, and some find success using qualitative while other achieve their goal with quantitative all depending on what the indicator is aimed for (Gallop in 1997,17). In all, measuring a company's productivity, through certain indicators defined by that company helps traceability, serves as a guiding mechanism and social responsibility in the long run. (Aagaard 2016,73)

It is important to note that indicators are changing because of the global trend with human abuse, child labor and poor wages linked with climate change problems. Indicators helps provide accountability, traceability and opportunities for information

sharing and collaboration for the company, the state and even donor and NGOs working to achieve wellbeing and a specific structural or institutional policy that is sustainable. New indicators are being created to suit these challenges to improve performance, wellbeing and sustainability. On a general note, especially with social responsibility, quantitative indicators are hard to find. The number of audits, follow-up work is significant, but the fundamental effect is difficult to show. (Holzer 2004, 444)

3.3 Barriers or challenges faced in socially responsible purchasing implementation

So many barriers exist that hinder socially responsible practices to be effectively implemented in business institutions by public or private agents. Companies do business for many reasons ranging from economic, social, philanthropic or other reasons. If they should achieve economic reasons, they must do things that will not have a negative impact on their stakeholders and if that happens immediate remedy plan must to put in place to solve that. This shows how committed and determined companies will go to be economically, socially and financially viable to its customers. Even though their main aim is to be profitable, they are ready to overcome the obstacles to bring better and high-quality value of product to customers while ensuring the wellbeing and better welfare state of the community in which they operate. (Campbell 2007,951)

The sensitization campaigns and creating awareness helps counter barriers faced by suppliers, customers and companies from practicing socially responsible purchasing. Employees easily learn from their employers to practice SRP in companies. Having an individual conscious of responsibility is important to implement it but when managers and supervisors are ignorant or not respecting the practice, it becomes a barrier for the whole company.

Countries implementing social programmes might face economic challenges when these programmes are non-profitable to them. Four decades ago, certain companies because of rising issues of apartheid in south Africa were not allowing to trade with south Africa but on the contrary countries that did that benefited as they paid cheaper

for products while the other countries respecting the policy had to pay higher from other countries there by not benefiting from competitive advantage of lower price purchase in the future. (Gabriel 2005, 24&25)

3.3.1 Institutional barriers

Different institutions have different challenges and deploy different means to tackle socially irresponsible purchasing behaviors. The private actors and some companies have the prime duty to make sure companies operate in a socially responsible manner through auditing and continuous control routines for improvement. However, public institutions play a measure part in public policies to see that companies implement social responsibility even though failures are seen in terms of bad leadership and poor cooperation. Ignorance and lack of adequate sensitization play a big role by public and private business institutions. Lack of creation of awareness by these institutions in various supply chain department hinders the implementation of SRP by suppliers, retailers and customers. Sensitization through inclusive reforms, policies concerning both internal and external stakeholders will help but when some parties are excluded for selfish or other reasons, it becomes a hinderance. (Idowu &Vertigans 2016,195)

Socially responsible purchasing should be seen in the whole supply chain from the primary sector to the tertiary sector, same as from manufacturing up to the final consumers. This means that in all, the different departments involved, supervisor and managers need to constantly preach the rules of SRP to all workers to be aware and to practice.

Lack of legislation is a challenge to SRP implementation.

Some emerging countries advanced the challenges of implementing SRP due to corruption and unqualified personnel dispatched to control this process. Corporate executive leaders react to adopting new laws by contacting the legal department to make sure it is incorporated immediately to avoid sanctions or ignorance. Meanwhile in an emerging country like brazil, managers or executive will try to look for alternative

ways to avoid working with the new law. Better and improved rules and polices to counter corruption, ensure transparency and respect the norms of better leadership will only motivate and enhance suppliers and companies to practice and implement SRP and sustainable investment. (Ray & Raju 2014,87)

However, the mentality of corporate citizens is changing but still slow and needs intensive cooperation and training to understand the importance institutions will play if they go by the law. Still in certain countries, like developing and some emerging countries, the lack of rule of law and lack of implementation of new and existing laws still hinders proper SRP practices. (Idowu et al 2014,214)

3.3.2 Financial barriers

When institutions and companies introduce responsible purchasing into their business strategy, it changes the main organization for good. This means because of the cost involved, there is a structural change in the whole company which stands as a challenge. Example is the cost incurred in the creation of a CSR or Sustainability department in the company with its own budget to follow traceability and SRP implementation. Some companies prefer to suppliers and outsource some of this task to cut cost since it will be better to outsource to experts with cheaper cost than do it by themselves through insource which will be so costly.

Aside the huge cost involved, constant checking and auditing, low level of education of many employees, accompanied with dishonesty behavior of supplier or agents still serves as a barrier to SRP. (Website of 2degreenetwork)

3.3.3 Behavioral barriers

Many problems are encountered during the implementation of SRP because suppliers are reluctant and at times have other difficulties to impose changes within the supply

chain that will improve performance and make companies act responsibly and sustainable. According to Yuen, Lim (2016, 50&51), the lack of resources will affect the behavior of small and medium size enterprises(SME) to practice SRP. When companies operate in small scale, they find it difficult to implement SRP than bigger companies that have a lot of resources. Due to the limited resources, the realization of SRP is really limited or at times not possible because these companies prefer to operate other projects that will give them more production and turnover so that they can cover cost and grow bigger. (Lim 2016, 50&51)

The Complexity of the perception serves as a barrier and slows or hinders our ability to discover the delay in people's reaction to intervention and act responsibly, as it is involuntary. Shareholders expecting consistent and ever increasing financial returns is interpreted as having a mindset which kind of have pressure on companies for fast profits. This is just a simple indication that negative attitude of suppliers and customers coupled with reluctance stands as a huge challenge to practice SRP. (The World Watch Institute 2006,177).

Table 6: Barriers for companies to engage in socially responsible purchasing (Mont & Liera 2009, 396)

Internal barriers for focal organization	External barriers for focal organization	External barriers of suppliers
Lack of information on how to develop and implement SRP	High costs of auditing suppliers and poor quality of external auditors due to increasing competition among auditing companies and lower prices for audits.	Customers' practices of short-term orders and increasing speed of deliveries facilitate poor working conditions and lack of attention to health and safety
Lack of top management commitment for initiation and especially implementation phases of SRP	Difficulties with establishing long-term and cooperative relations with suppliers, partially due to fire-fighting management style of suppliers	Numerous often contradictory requirements, from different customers

Need to justify the activity and its cost based on profit or business benefit	Lack of understanding of the importance of social aspects by suppliers and double-bookkeeping and cheating at audits	Lack of legislation or its enforcement for suppliers in various countries
Significant changes in the focal organization might be needed	Difficulties with influencing beyond the first-tier suppliers and high costs of switching suppliers	Conflict between higher social performance standards and diminishing margins for products
Additional costs for education, training in focal organization	Suppliers' employees may support current practices, e.g. overtime	Difficulties with influencing beyond the first-tier suppliers
Lack of educational material for personnel training due to specificity of each sector and company	Lack of clear legislation for customers on how to integrate social issues in supply chain	Time spent on preparing for audits and inspections, keeping several sets of accounting books

Both the internal and external barriers that hinders SRP from being implemented are illustrated in the table 6 above, starting with internal barriers such as financial cost in educating and training all the stakeholder, and the need for top management committee to coordinate and supervise the implementation. The external barriers cited here include lack of understanding in social aspects, double booking and a times cheating practices are noticed, high cost of external auditors as competition within auditors render SRP implementation difficult.

3.4 Importance of socially responsible purchasing

Through the practice of appropriate socially responsible habits, companies create added value to their products (brand protection) and hence expand the consumer segment and guarantee resilience and sustainability of their existence. It is our moral obligation to act responsibly as we perform our daily operations and transactions. It is our moral responsibility to do good that will improve our wellbeing and community. Employees and employers prefer to work in business institutions that do more of good

than harm. Getting the mindset not to be persuaded before doing good is a strong business ethics that corporate shareholders and business leaders seek for. Doing good and acting socially responsibly will help achieve future success and sustainability. (Website of the Huffingtonpost 2015)

The first importance is that of risk minimization. Companies involve in business activities in a supply chain management system are exposed to risk ranging from social to environmental. Depending on the companies and government policy, these risks can be reduced somehow. There is imperative need for companies to protect and improve the social standards of their employees through better pays, wages, innovative health and safety systems, better collaboration and cooperation between employees and employers.

When there exists good communication, good leadership, mutual respect, SRP can be well implemented. In the years 2000, CSR was seen more as a risk management where it is used as a tool to protect company reputation through social forecasting and social response but in the years 2020 and beyond, companies want to be good corporate citizens within the community. (Caselló & Lozano 2009, 379 & 380)

Due to the trends in global markets and the need for companies to act responsibly to restore a sociable business society as well as acting beyond economic reasons, employees demand companies to do more in practicing social responsibility in their business activities. It boosts their skills, cooperation and innovation in management. From statistics, we realize that CSR practices including socially responsible practices proof to be very pertinent to boosting the morals of employees, make them to be more loyal and increase company productivity.

It is all about coming up with a strong and sustainable brand that will portray a strong shared value representing both the social aspects during purchase or production and a strong customer satisfaction. Today, many companies ask themselves why their competitors have an edge in the global market over them. They are beginning to realize that a competitive advantage through the practice of active CSR policies will help strengthen product brand, social as environmental responsible practices as well. (Website of Huffington post 2015)

In addition, CSR practices, has more benefits aside the challenges it has ranging from engaging in benevolent acts, it could be seen in charity, added opportunity in terms of innovation for a company. (Website of Huffington post 2015)

3.5 Socially responsible purchasing management for the future

Global consumers are willing to put their money where their heart is when it comes to goods and services from companies committed to social and environmental responsibility practices. (Agarwal 2008,38)

According to the company (Future for everything 2017), Companies have realized positive impact for the past 50 years and they are now at the point where their attention is shifting from CSR to corporate social impact(CSI). There is a change of mindset from the idea of what can someone change in his business activity to get more turnover, to what can he do to bring a positive and sustainable change in the whole community. This just show that people's mentality has been changing a lot that they are interested to see how business activities by companies will bring social impact and improve the wellbeing of people in their communities. (Website of future for everything)

The new way most companies want to adopt is to do business nowadays with CSR incorporated in it. Nonetheless, there is a bright future for the next few years ahead in so far as social responsibility in involve, as it is serving as a transformative and innovative strategy serving both business organizations and building healthy societies at large. (Website of future for everything 2017)

There is a trend in global business that brings in innovation to meetup with the way business is done nowadays, as it enables real time CSR reporting, which will lead to widespread adoption across industries. So, every company, private or public, big or small, local, national, or global, will be expected to report its social responsibilities. This shows that it will become a culture incorporated in business that cannot be avoided and will lead to company's resilience and sustainability.

Sensitizing and encouraging the youths, employees, suppliers and customers more through awareness and motivational incentives, helps the active role of suppliers including all stakeholders to implement SRP and increase sustainability practices in the supply chain. With pressure coming from customers concerning SRP, companies are trying various ways such as consultancy and dialogue forums to improve and meet up with the challenges to secure sales and safe their investment. If the irresponsible practices persist, consumers boycott some products, media damage on companies and heavy sanctions could be applied by NGO and state on those companies. (Bruel 2016,181)

An example is the company L'Oréal, global leader in beauty and cosmetics stuffs, makes sure that it creates constant awareness, educating its employees on all the labour code, human right respect issues which serves as a big inspiration for socially responsible purchasing programs, it is engaged in such as Buy & Care program. It is also important not only to educate but also to monitor the active role and implementation through better tools used to help in keeping assessment reports. Sanctions to socially irresponsible practices, could be contract termination, training and creating awareness for continuous improvement and sensitization campaigns (Mont & Leire 2009, 404).

Communication of the importance of socially responsible purchasing in all company departments is a barrier as not the whole departments in company gets all information. One of the biggest barriers to engaging in SRP is communication. Communication act as an engine especially in the whole supply chain. Through communicating the need to respect rights, work ethics, joined with an intrapreneurial and socially responsible mindset will help employers and employees in all department to get its needs and strive for long-term added value to customers and sustainability.

Information giving and sharing to all stakeholders is primordial and a proactive measure to enhance socially responsibility behavior while creating awareness through its good intensions and actions to help SRP implementation. However, through some empirical research, it is also imperative that supervisors have more active roles through the taking of a continuous firm stand from informing and responding to involving all

stakeholders to actively participate in the whole CSR practices. (Morsing et al 2006, 327, 333&334)

The active role of suppliers and customers is very important for the proper functioning and implementation of SRP. The concept is very important and must be monitored as suppliers are still so attached to economic motives and at times feel reluctant to perform social responsibilities. Due to this reluctance, unsystematic nature, limitations, laziness and at times refusing to implement, the government, local and international assigned committees are engaged to monitor and present a report of every company on the evolution of SRP especially at the earlier stage so that proposal are given to better the practice. (Mont & Liere 2009, 54).

Developing code of conduct and setting goals enables rules to be followed and objectives attained. Ethics play a central role in practicing what is appropriate, good, promote wellbeing while maintaining integrity. Integrity is doing right thing following the law in place and in possession of a good moral behavior to pursue the goal that are meant to achieve. (Molina 2016,2). A solid organization put in place that follows the rules and policies will facilitate integrity in the whole unit. This means for CSR and sustainability to be attained, all actors involved need to put in their hearts and efforts to work like respecting the rules stipulated by the company, local, national and global institutions. Supervisors and managers serves as role model as they represent those who behave socially responsible and practice rules so that employees can learn from them.

One of these code of conduct is the business social compliance initiative (Amfori BSCI), which is a tool used by Alko Oy and its suppliers that helps and guide actors, stakeholders as they engage in activities in Alko Oy supply chain through the following of rules of work, working rights and child labor abolishment. (Website of amfori 2018). Getting information about various task realized by stakeholders, enables a platform to correct errors, solve litigations and through innovation bring better and improved solutions to improve performance and increase value added to customer and suppliers.

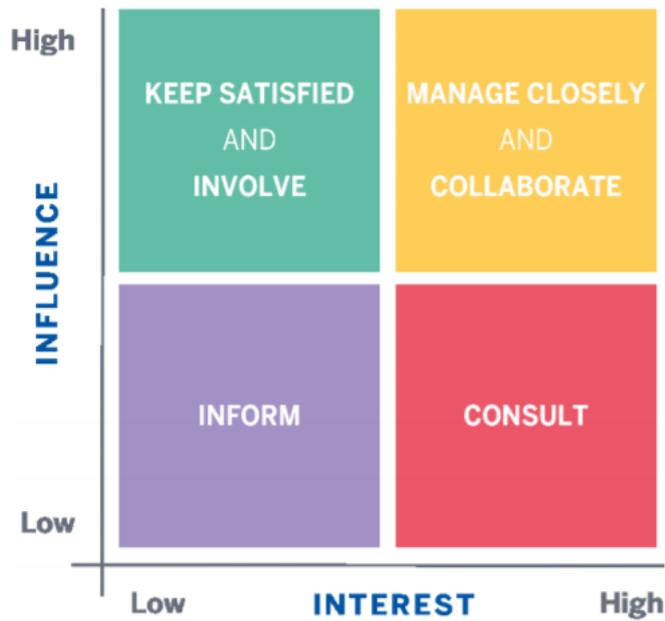


Figure 4: Ways to engage with stakeholders (Website of the Amfori BSCI, 2018)

The figure 4 above shows how to engage various stakeholders involved in the Alko Oy supply chain towards their communities while meeting up with the company goals and objectives.

The main idea of feedback is to give space for performance improvement, self-awareness, boost of confidence and serves as a tool of behavior change and its impact on outcome and value effects of feedback on self-awareness, self-confidence, and job performance. (London & Smither 2002). Feedbacks are useful in a way that those that value it, will digest and incorporate it into their business to effect change, performance and productivity. Those who pay less attention to feedbacks face challenges and consequences of not accepting innovative ideas in their businesses to effect positive change. (Svyantek 2017, 174)

However, not all feedbacks are positive and beneficial as negative feedback in terms of ethical misbehaviors such as poor working condition, indecent working hours, use of child labor or poor wages pay and lack of social management systems (Website of Alko Oy 2017) shows signals of socially irresponsible practice and no sustainability as they affect brands, productivity and wellbeing as well. (Mehdi et al 2017, 7517)

Supporting innovations towards SRP and incorporation of socially responsible practices in the whole supply chain. When there are constant changes in the markets, this makes companies change supervisors and policies so that they fit with the markets dynamics. New management might incorporate or implement a better and advanced social responsibility practice which will strengthen brands, through its strength, efficiency and advanced technology that will replace obsolete or old-fashioned techs. As SRP and CSR are key elements in competitive business strategy, a well-structured and better strategic planning will be good for the stakeholders and drive towards sustainability.

3.6 Responsible purchasing in the beverage industry

The idea of companies and customers to behave in a socially responsible manner has drastically improved from the last 50 years but still face challenges as ignorance, laziness and little participation to practice is still noticed. Global leaders, corporate agents, customers and stakeholders find it pertinent to preach and monitor its practice and implementation as that labour force exploitation is abolished, better working conditions and innovative infrastructures are made available to promote socially responsible consumption in the whole beverage industry.

The UN economic and social council, an international institution is also doing more in the fight against child abuse and labour exploitation through the implementation of policies that will protect their rights and impose sanctions to companies violating those policies. Countries of origin have the willful power to make certain industries abide by the rules to ensure that CSR policies are respected and reported to avoid employee exploitation, produce products with social and environmental rules that satisfies customers decision making (Santos, Carmen R. 201305, 17)

Table 7. Benefits of socially responsible purchasing (Isen 2012, 18)

SOCIAL BENEFIT	HOW
Improving wage levels and working conditions and advancing human rights	Ethical sourcing
Promoting strong local economy	Local buying
Supporting vulnerable and minority groups and providing community services	Community-benefit & diversity purchasing
Promoting economic opportunity and benefit sharing with indigenous people	Aboriginal purchasing
Improving conditions in emerging economies	Fairtrade

There is need for suppliers to engage in fair trade, ethical sourcing and purchasing as shown on table 7 to improve societal conditions of employees and local community indigenes to strive towards sustainable purchasing. Because of international business, industries and stakeholders face social and environmental issues because of economic and social challenges encountered. Due to this, civil societies, NGO, international community demands corporate behavior, socially and environmentally from suppliers and producers to ensure social responsibility and sustainability in the whole supply chain (Siegert 2014, 1&2).

Because of the market dynamics, companies are ready to set up competitive strategy to have an edge over their competitor thereby ceasing the opportunities to practice responsible purchasing to meet up with the growing demand of corporate consumers. This shows that companies with bad reputation of CSR loose demand as their brand name is tarnished and both actual and potential customer switch to socially responsible brands.

3.7 Agency Theory model

The problem of agency has existed for several decades and so many scholars and researcher have given various contributions as to tackling the challenges involved around this issue.

According to Bendickson et al (2016, 438), the problem was brought to light by Adam Smith in 1776 during the time he was writing his book titled, *The Wealth of Nations*. In the book, he alluded to the emergence and increasing prevalence of the joint stock company that created a conflict between owners and managers. This shows the origin of an agency theory because of conflicts that existed between owners and managers.

Some researchers (Jensen & Fama 1983, 345) had already used the agency theory to help study how business institutions survive because of separating business ownership and management. Due to the differences that both parties had in business activities, there was a need for a third party to come to mediate in the issue. Since then, issues involving a principal (owner) and a supplier are facilitated through agency to help build a cooperation, collaboration and partnership. (Wells 2018, 526)

Since conflicts between owners and managers had a replicating effect on the economy and organization, Smith saw this as a focus to help the emergence of free enterprise system (Bendickson et al 2016, 438). The conflicts come because of failed relationships, which are stimulated either by bad communications, unrealistic expectations, lack of trust because of mutual benefits or goals not met. (Logan 2000, 21). To tackle this problem, it is important to identify the restraining forces and the driving forces. To achieve change and positive results, it is important to put more resources available for the driving forces.

According to Logan (2000, 21), there exist three different theories that will guide user and provider in evaluating outsourcing relationships. We have the Resource based view (RBV), the transaction cost economies (TCE) and lastly the agency theory. The resource-based view is articulated on competitive advantage based on the core competencies, focusing most resources on what they are best at doing. This enables the company at the first stage to identify all its core competencies and focus more there, since they will spend less and profit more. Where they have less expertise, they must outsource it. (Logan 2000, 21)

The second stage involves the transaction cost economies, which is the least cost policy of cutting cost as a behavioral law (John Groenewegen, 2012, 3). It is the situation

where the company identifies its least core competencies and decides to buy in that area in the form of outsourcing and produce in house where it has absolute advantage. Outsourcing the non-core competencies helps reduce cost, and improve effectiveness, performance and productivity. (Power 2006, 43)

Table 8. Competencies (Mark Power 2006,43)

Core Competencies	Non-Core Competencies
Are integrated into the organization's products and services	Are required for the daily operations of the business
Differentiates the organization from its competitors	Indirectly impact the products and services of the organization

Despite, the fact that noncore competence is outsourced as shown on table 8, it is cost effective for the company. Doubts and fears affects the minds of these companies as they want innovative services from their suppliers so that it is different from domestic service providers. Handling emergencies, the need for guidance (handling of contracts, choose customers and services, develop relationships), over time payment, is a problem as both want to protect their profit margins (Logan 2002, 21). When suppliers grow and expand a lot, they start to control companies, choose customers and discriminate suppliers.

Last stage is agency theory which is the stage where a model must be designed that entails an innovative contract to help bind(support) both relationships instilling an environment of trust and to solve the differences existing between both relationships. (Logan 2000,21)

According to Eisenhardt (1989, 72), the agency theory lays a foundation that is trustworthy, accurate and exceptional when solving a problem of cooperative struggle in differences and contribution through an empirical study. From her point of view after empirical test conducted, using agency theory by organizations and scholars is important and useful to study the issues surrounding principal-agent faced with firms and companies (Clarke & Branson 2012,407)

The agency theory model will help support both parties to achieve mutual benefits, opportunistic behavior exhibition will be avoided, successful long-term relationship will be established as shown on table 9.

Table 9. Needs of the Customer and the Provider with Areas of conflict highlighted (Logan 2000,24)

Needs of the Customer and the Provider with Areas of conflict highlighted			
Strategy			
Needs	Resource-based View	Transaction Cost Economics	Agency Theory
User	Focus on core competencies	Service improvement Cost Reduction	Third party consultants Measurement
Conflicting	Specificity of service Level of service	Asset specificity Investment Uncertainty	Outcome vs Behavior based contracts Alignment of goals and values Access to information
Provider	Focus on Core competencies Use existing resources	Service improvement Economies of scale Economies of scope Bundles of services Profit	Third party consultants Measurements Develop reputation

4 CASE STUDY

4.1 Beverage industry in Finland.

The beverage industry is a combination of both alcoholic and non-alcoholic drinks sold and consumed in Finland. These drinks are being marketed to consumers with strict regulations considering socially and environmentally responsible practices. Apart from bars, Alko Oy, a state-owned and monopoly in Finland is the only company authorized to sell alcoholic beverage above 5.5% alcoholic content. Retail stores or grocery chains such as S Group, K Group, Lidl, sells alcoholic drinks below 5.5% alcoholic content.

According to (Santos et al 2013,307), the main categories of beverages are nonalcoholic (sweets drinks, water and juice) and alcoholic (wines, beer, whisky, spirits). Both industries have evolved a lot few centuries ago. Beverage companies have gone through an evolution from local firms that mainly produced products for local markets in the 1900s to a corporate business institution respecting SRP and trading globally. Different countries have different rules for marketing their products but as research shows, the beverage companies' diversity into product portfolio, in various locations due to the limited growth opportunities in this sector is such that they can sell a wide range of products to have a big market share. (Nambisan 2010,92)

Alcoholic drinks in Finland by legislation are consumed by adults above eighteen years of age and the demand varies according to everyone's taste, price, brand or socially responsible habits of active suppliers and producers. Alko Oy implement social responsibility by making sure that authorized age is respected when buying alcohol through presentation of identification. In Finland, the age group 18-19 are only sold alcoholic beverage below 22% and above 22% is for the age group 20 years and above. (Website of Alko Oy 2017)

Finnish Parliament Approved a new alcohol law on the 15th of December 2017 stating that as from the 1st of January 2018, grocery shops could sell drinks with alcoholic

percentage of up to 5.5% compared to 4.7%, the previous years. Bars are authorized to sell above 5.5% alcoholic level. (Website of Law Library of Local Congress, 2017)

4.2 Alko Oy

Alko Oy is the state-owned beverage retailing company in Finland, Europe. It is state monopoly as it stands as the only company that retails alcohol of beer, wine and spirits etc. above 5.5% alcohol. The number of Alko shops has been on a rise with statistics showing that in 2009, Alko Oy had 346 shops and 121 order points in the country.

Due to Finland's long habit of drinking or consumption between the 1919 and 1932, the government had to intervene and to look for a means to curb the rising problem of alcoholic consumption and abuse. In 1932, through a referendum, the government up-lifted the ban and took full ownership with the new name as Oy Alkoholiliike Ab. Since then, the government of Finland has been in monopoly control from import, export, production, wholesale and retail sales, not forgetting the listing of their prices. The reason for state takeover was to use controlled measures through the reduction of alcohol consumption and crime related issues influenced by alcohol. (Website of nordic welfare 1994)

Even though, the state has control for the alcoholic beverage industry, private local industries still have been producing beer with private licenses since 1932, there by showing that economic reasons of private profit making have not been eliminated and bars and restaurants still sell all these alcohols. (Website of Nordic welfare 1994)

According National Supervisory authority for welfare and health abbreviated in Finnish as Valvira (Website of Julkari 2017), Alko had 346 shops and 121 ordering locations in the whole country. This Valvira oversees issuing the authorization of location in a specific area. In case an authorization is not issued, there are reason advanced for the wellbeing of its citizen. There was a case of a denial of the issue of license location in koivukylä, Vantaa due to the presence of a kindergarten located around that premises. (Website of wikivisually,2017)

However, areas that were evaluated through some feasibility study and found conducive to harbor an Alko Oy store were given licenses by Valvira. By law, alcoholic drinks may only be sold to those aged 18 or above. People below 18 may be accompany in to Alko stores with their parents or guardian or an adult but can never be sold any alcoholic drink. Restrictions also apply to those deemed visibly drunk or intoxicated clients cannot be sold any alcoholic drink. Alko Oy is prohibited from doing adverts that concerns alcoholic drinks through window display, but glasses and catalogues are allowed. Suppliers and manufacturers can advertise their wines or alcoholic drinks, but it is prohibited to do advert on drinks above 22% alcoholic content.

Because of state monopoly to control the beverage sales in Finland (drinks above 5.5% alcohol), in February 2005, other stores such as the Finnish Food Marketing Association which include supermarkets, had asked the department in charge at the European union (a pressure group of the country's supermarkets like K-Kauppa and S-Group) for authorization to sell alcoholic drinks same as Alko Oy that was granted just in December 2017. Most Scandinavian countries have allowed their governments to take control of their alcoholic beverage industry. As Alko oy, is in Finland, in Sweden is Systembolaget, in Norway is Vinmonopolet, and Iceland is Vínbúð, except Denmark.

Alko Oy practice responsible purchasing in collaboration with other Scandinavian alcoholic monopoly countries through the respect of socially and environmentally policies together with its suppliers to build a socially responsible and sustainable supply chain. Alko Oy belongs to an organization called Amfori business social compliance initiative(BSCI)which helps facilitate and improve socially responsible practices and cooperation in global supply chain management.

Figure 5 below highlights the various stages of a company's approach to cooperate and collaborate with its suppliers and business partners towards facilitating the implementation of socially responsible purchasing and helps in the long run to achieve the sustainable development goals(SDGs) by the year 2030 defined by the united nations development programme (UNDP).

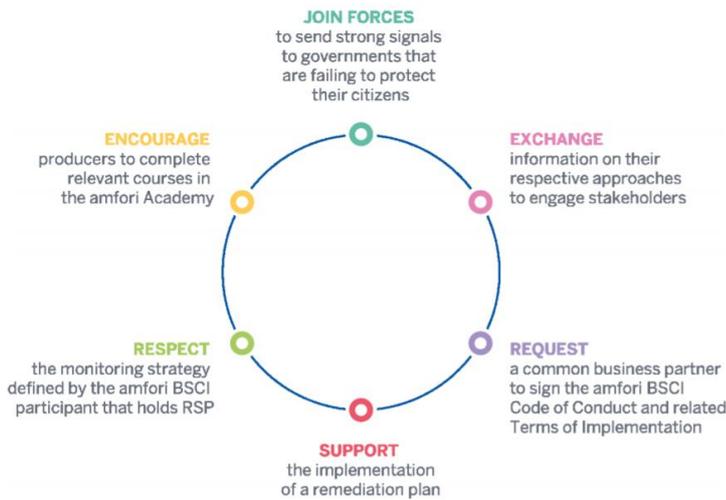


Figure 5: Company's cooperation approach with other Amfori BSCI participants. (Website of Amfori 2018)

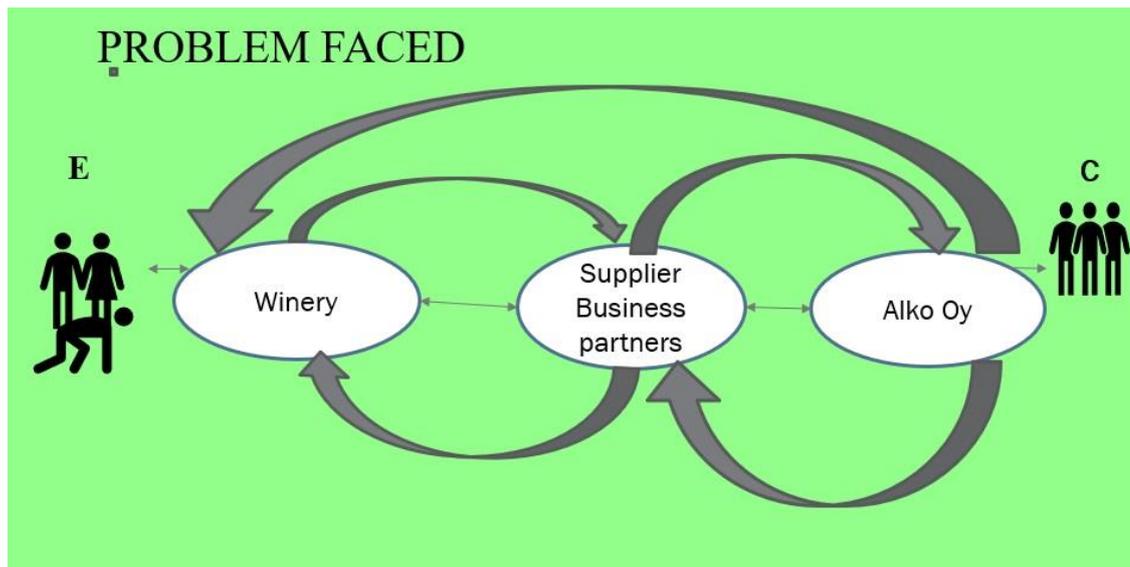
Amfori Business Social Compliance Initiative (Amfori BSCI) is a nonprofit international CSR organization in which Alko Oy belongs and is a member of an international corporate social responsibility (CSR) organization. It is aimed at improving the social performances, visibility and traceability within Alko Oy and its suppliers through various ways like creating awareness, sensitization, providing training programmes and monitors implementation, practices socially and environmentally responsible purchasing within Alko Oy whole supply chain. Initiated by the united nations(UN) and other conventions, it gives rules that follows ethical principles by stakeholders, active suppliers to strive towards a global sustainable purchase and development. There are eleven solid codes of conducts that binds all the partners and suppliers to engage in social and sustainable business through the respect and improvement of better and sound working conditions, avoiding child labour, having favorable conditions for seasonal work; better work contracts and working conditions. Issues related to occupational health safety issues and extended working hours respected, trading with conscience and consciousness in favor of employees, local wines producers and creating a favorable conducive business environment for all. All these helps support the united nations achieve the sustainable development goals (SDGs) by 2030.

Table 10. Social Responsibility at the core of business.

The Amfori BSCI Code of Conduct (website of Amfori 2017)

Functions	Explanation
Code Observance	Our enterprise is obliged to protect workers' rights as mandated by the law and the amfori BSCI Code of Conduct.
Workers' Involvement and Protection	Our enterprise keeps workers informed about their rights and responsibilities.
Supply Chain Management and Cascade Effect	Our enterprise uses the amfori BSCI principles to influence other business partners.
Grievance Mechanism	Our enterprise provides a system to collect complaints and suggestions from employees.
Advocate for continuous improvement	Done through better learning methods, workshops and online completion courses
Inclusion both locally and internationally	Helping the voices of all to be heard in business operations, so that there are mutually shared benefits
Encouraging micro businesses and enterprises	Working through networking for women empowerment and better remunerations to support their husbands, local and global communities

Table 10 above shows the functions of the Amfori BSCI code of conduct, serving as a guiding tool for suppliers to implement SRP in their day to day business operations and respecting this code will ensure SRP implementation and a sustainable business environment.



E- Employees and **C-**Customers

Figure 6: Problem faced in the supply chain model of Alko Oy.

The supply chain of Alko Oy model is demonstrated above highlighting the connection from the customer(C) and other drivers pushing the company to practice SRP all the way to the employees(E) working in the vineyards.

5 METHODOLOGY

5.1 Case study research design

The case study design is the chosen research design used for research study. According to Design (1984,343), he defined research design as a strategy drafted to be used in completing or realizing a specific task in an orderly manner through an empirical research to be carried out. However, various ways used in collecting, gathering and analyzing data to attain our goal is also research design. (Brooker & Waugh 2013,118) There exist many types of research designs both qualitatively and quantitative and I would elaborate only on case study design as it is the design I will use for this research. Case study design involves an in-depth study to get some findings and analysis of a specific problem. Getting to know the problem entails the understanding of the change

of circumstances so that there can be a contribution to solve the problem at hand. (Eisenhardt 1989,534) Case studies research design applies in different situations and hence helps to contribute to the knowledge of a group of people, individuals or associations. It helps us to get insights into problems, challenges of multiple or complex issues. (Yin 1984, 4&5)

In a nutshell, case study is an amalgamation of interviews, observations and questionnaires combination either through a qualitative or quantitative means. The research conducted provides evidence available for analysis so that it becomes information. Case study enables the explanation of events, analyzing data and lastly formulation of new theories that could be innovative and help in sustainable policies. Case study provides us with detailed description of specific and rare cases even though it has disadvantages since the case may not be representative of the bigger problem that is under investigation. (Huber 1995,67&68)

5.2 Research approach

This induced qualitative approach stipulates that upon collection of data, they are processed and analyzed, then a theory is generated from the new data collected. There is the use of questions at the beginning to reduce the scope and stay focused on the topic at hand. This approach is research intensive as the researcher begins with a completely open mind, no preconceived ideas so that a theory is generated at the end of the research. After having analyzed the data, previous theories are examined to position the new theory. (Saunders et al 2009, 490)

Deductive approach is a quantitative method of research and more suited towards testing a hypothesis. It always begins with some hypothesis so that at the end, it is either accepted or rejected. In most cases this involves interconnection among variables. With this approach, first must develop your theory, put the hypothesis and then collect data and process. The progression stages here should be linear as the steps are pure and reasonable. It is the reverse of the inductive approach. (Bryman & Bell 2012, 24&25).

5.3 Research method

Qualitative method was used to conduct this research. This type of research method is geared towards a target audience to know their behavior or perception on certain issues that need to be addressed. It is more of behavioral sciences and is done through interviews, questionnaires to individual or group of people to get their thoughts about a problem or issue. The results of interviewees here vary as it is more descriptive of own experience or perception. The data collected are from individual or group and contain in depth questions answered through surveys or phone, physical or semi- structured questionnaires. The data are richer and helps to get a good knowledge that helps future scholars, companies and analyst. (Lail & Amandeep 2014,61)

5.4 Methods of data collection

According to Pawar (2004, 3), a research cannot be performed without data and for these data to be available, various means are used to acquire them. This means that the quality of our research depends to correctness, suitability, the quality and quantity of the data we collect. Our criteria of data collection will depend on how our research problem looks like, the required time and cost to get it and lastly how is the data made available to us.

The act of following procedure through a process to collect, analyze and make data available like information is what most researchers term method of collecting data. This means the research design we use must be comprehensible and clear. For it to be put in place, it should be coherent. It is important we get a true research data so that it would help solve the questions and objectives. (Pawar 2004, 5)

5.4.1 Primary data

Primary method of data collection entails data got on the field as firsthand information. They are mostly collected either through survey conducted or through some experiment conducted. Here data collected are gotten from face to face interview or phone

or skype interviews and questionnaires while through experiments, data is got in quantity when measured and helps to proof hypothesis stated at the beginning of the research. (Salkind 2010, 1095) In the present case study research, an interview method is used where interviewees answer structured questions that are formulated. The data collected is later transcribed and analyzed to be presented as information, answering the research questions.

5.4.2 Secondary data

It consists of data that typically covers a large sample of individuals and institutions such as archives in library, school, representing a broader population or a specific sub-population. It serves as another form of data collection apart from the primary source of collection. It is important to note that some of the data collected here can be downloaded from internet website and in some cases, educational or corporate institutions sign contracts to get these data available to their employees, students and institution. (Vartanian 2011, 3&5)

It is important to go through the past work of researchers, text and online books, publications, conferences information and past events or journals. This helps us gather more data that are pertinent and vital for the success of the research. For professionals and scholars, there exist a solid reason for the use of secondary data since its covers wide range of topics, people's works, contributions from either educational institute or company's experiences that we can select what we need. (Vartanian 2011, 4).

5.5 Explanation and validation of research method used

Using a case study method depends on the kind of case study we are doing, taking in to account our skills and the resources at our disposal. It also depends on the research problem, research objective, design and the purpose of our research. (Ghauri, & Grønhaug 2005,3). This means as an inductive approach is used here, it necessitates the use of a specific explanatory as we have a case that is critical and choosing a case study design here is good also due to its flexible nature, since it can be modified, revised or changed completely provided we argue with good justifications. Nevertheless,

if the study was in the form of a deductive approach, considering an overview or general frame, in that case, a case study design will not be recommended as this form of approach deals with the consequences of a theory whereby facts are gathered to help reject or accept a hypothesis (Ghauri & Grønhaug, 2005 16).

As a case study design is chosen, this will help determine the factors to deal with whether is government, asymmetric information or cost issues that hinder the successful practice and implementation of socially responsible purchasing in the alcoholic beverage supply chain. Through the research interviews with honest responses given, it helps understand the challenges of human behavior in the supply chain. Using a qualitative approach is the best option here as the results from our findings will enable us come with a theory at the end of the research. Quantitative approach is also used when we engage in collecting data, analyses and interpret information without going to meet the interviewees and doing every research on spot to give the result (Wethington et al 2017, 528).

According to (Trauth 2001,4), one of the reason to defend the choice of our research method is also by the type of research problem we have and based on this, what we want to learn will tell us the best possible way of going about learning it.

As an interpretative research, there must be credibility, dependability, conformity and accountability for us to validate the case study research design method. According to Mc Cracken (1988,17), justifying the research method, shows that being qualitative, in the process of data collection, majority of researchers use themselves as instruments accepting all cultures, being flexible, trying to get imaginative insights from interviewees while keeping distance as participant observation is noticed (Santos 2009, 7&8)

5.6 Collection and analysis of data

The collection of data has been the prime objective so that this data will be put together, analyzed and presented as information. A set of twenty questions were drafted. The process of data collection has been systematic from the stage of communication through sending emails and the drafted questions before hand to those responsible in

the branches of CSR. Upon receiving the questions, a date and time is fixed despite their tied schedules to help answer the questions through a face to face interview to facilitate the process.

As an ethical rule, confidentiality is respected as no name will be disclosed in the study as interviewees were asked to have recorded audio as it was time consuming to write the responses immediately and the fear of not remembering all what was said. Five interviews were conducted and done by the managers in charge of the CSR branches for some companies in Finland. This is because they are well placed to answer these questions with their experience and awareness in this field of study(SRP). It is important to specify here that due to the data gathered from the internet, text books, past researchers and scholars, it helped with understanding the theories and pave way to have a proper link from theory to practice gotten from those who see and implement this SRP from experience.

Though choosing the appropriate research method is very important which is the case study method, the tough challenge faced later was that of analyzing the data collected. Based on our research problems listed in chapter 1 to help attain our research objectives, the data is analyzed based on the given responses to those question and objectives defined. In the case where, we discover new ideas and responses, we write them down as our new findings. (Yin 2012,15&16).

Upon acquiring the data through interviews from the various respondents, with the help of phone recorder face-to- face, the data is later transcribed in to words on a words document separately for each respondent. The transcribed data is well organized, analyzed and presented as research information. It is important to note that this data is gathered as per question for different responses to facilitate common or similar ideas and those who disagree or have differences of opinion were also differentiated to help later in interpreting the data and guiding to acquire new discoveries. (Anastas 2012, 68)

5.7 Reason for using case study research method. Importance and challenges

Using the case study research enables us to understand the insight problems, milieu, community and individual, that helps us carry out a research. With the insight problems known, it enables a progressive response to problems encountered and helps researchers use such an approach to tackle problems. This enables good progress to help researchers use this approach to apprehend complex learning culture, hence building a resilient, responsible and sustainable business society. (Hamilton & Whittier, 2012)

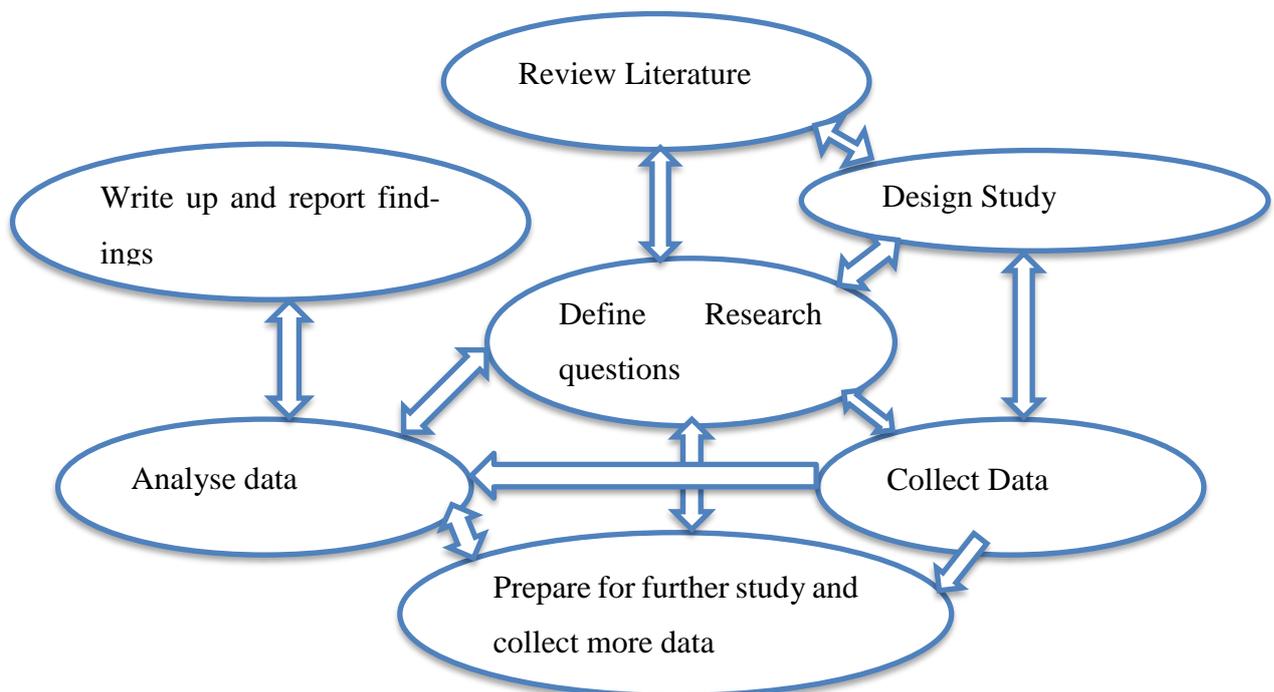


Figure 7: Emerging Approach (Lee & Saunders 2017,7)

Through the illustration above on figure 7, it helps us see and follow the various steps in conducting a successful case study research.

Advantages of case study research:

The case study research serves as goal to assist and deliver history, clarification of unique and distinctive experience and events. Through the research and event, it serves to build a theory after our understanding of all the occurred events. (Filho & Zint 2016, 136). Due to the continuity in research, a case study research will add information

through experiences that had existed from researches done so far. Through this type of research, theories and concepts are built from observations and studies thus helps analyze present life situation and reaction of human behavior towards choice and habits in the future. This goes a long way to help contribute in developing new researches and help innovation.

Case studies are one of the best ways to stimulate new research. The challenges of using a case study method are many. Bias might occur in the interpretation of findings as interviewees fear leak of information (confidentiality). Since the research represent a case study not whole, it does not represent the whole group, meaning they might be chances of some vital information missing, which might make it difficult to provide a better and refined interpretative information.

Even though limitations exist, many scholars and researchers still like to use this research method even though it has its disadvantages. This means that it has more advantages than limitations for scholars and researchers (Naarmala 2009,17). The Case studies research takes a lot of times and might be so intensive and long especially with fresh researchers who are not familiar with.

After haven elaborated on case study methodology, it is important to note that a qualitative induced method has been used. The questions were drafted and sent by Email beforehand to the interviewees so that they could to go through them. Then later, an agreed date and time was fixed for interviews that were conducted with physical presence on issues pertaining to socially responsible purchasing. A total of five managers were interviewed holding top management positions of which two were Alko's representatives and three representatives of suppliers including a chef executive officer(CEO) of a company was also interviewed to know the active roles played in socially responsible purchasing in the supply chain of Alko Oy. A face to face interview was conducted with the help of a recorder upon their acceptance. All the data was gathered and coded for security and confidentiality. They were later transcribed and analyzed to be provided as information. In the next chapter, the findings, analysis and interpretation of the data collected are elaborated.

6 RESULTS FROM THE INTERVIEWS

After having conducted the empirical research, the transcribed data was analyzed while answering the objectives of the study and then presented as information. Outcomes from findings.

6.1 Objectives

6.1.1 Objective 1

Investigating the knowledge of the term; social responsible purchasing(SRP) and how companies define it?

The idea here was to get the understanding of the term SRP by the various suppliers and how it is defined in their company as they perform responsible business. All the interviewees have a different perception in so far as the SRP is concerned and how much importance they give to it.

Interviewee 1 said that SRP is quite important and the company gives so much attention to responsible purchasing and the social dimensions but then they do not necessarily call it SRP. There is no specific definition for SRP but more of purchasing including criteria relating to responsible as an example. SRP is really incorporated in how they want to act as a company.

Interviewee 2, said to have heard of the word SRP, but does not have a specific way of defining it as the company is small and it is easier to talk to the whole group about it. The laws and rules are obeyed and made sure they apply to all their suppliers and sub suppliers as well. SRP is an integral part of all their work and their motivation is to accomplish it in everyday part of their work.

Interviewee 4 said the term has been heard a lot and that there were two issues to handle, that of sensitizing children and youths on alcohol consumption, create awareness on proactive measures of responsible drinking and secondly responsible purchasing. SRP is of course a core of our purchasing strategy and key principles guided by

the code of conduct which must be respected and signed by committed suppliers to trade with Alko Oy.

Interviewee 5 said a lot has been heard about SRP and that SRP is viewed as a social dimension in responsible purchasing. Meaning, the ability to respect employees, minimal wages, providing occupational health and safety for its employees and having a positive impact in the community. SRP is incorporated in their way of working and is part of it automatically. That cannot be avoided as it is seen in the position held all the time.

Interviewee 3 said SRP has been heard before and that responsibility in all aspect is part of the global strategy within the company. As Finns, they are responsible and obedient and take it seriously.

However, the main idea is improving life standards, having a positive influence in every human being's life. SRP is integrated into a company's strategy locally and globally in many ways. All employees are educated in various responsibilities, and many have all been forced to attend and pass on-line training courses around various responsibility topics, strongly including SRP in all the initiatives and subjects. The code of conduct which entails principles helps guide and create more awareness on responsible drinking, performances and social success.

From the various data, a precise definition of SRP was not given as some companies are not even aware of the term yet and this is not encountered in everyday work as some say but then, different companies define it in their own way so that it is part of their strategy and incorporated in every activity they do.

SRP is part of CSR and this has come to light due the pressure from stakeholders, government and customers to bridge the gap that exist between the societal needs of employees, local communities and the whole principal company. It was revealed that SRP is becoming more and more of concern in the supply chain model and for purchase and business to be successful and sustainable, there is imperative need for all actors to actively committed to strive toward a sustainable development (SDGs) as

stated by the United Nations organizations where by employees are protected and work in a conducive and sustainable environment. (Mont & Liera 2009, 70).

Due to the complexity to find a specific definition to the term SRP, collecting the various versions as defined by previous researchers could help come up with a harmonized definition. Companies and business organizations do their best to make sure there are corporate in their responsibilities. Principle companies' corporate organization rely also on how suppliers perform responsibly. This means that suppliers performance in terms of outsourcing and towards partner or other importers or suppliers affects the SRP behavior and organizational performance of principal company, Alko Oy.

SRP in most cases have been prevalent at the upstream stage which is the primary level of production. At this stage of the supply chain, the employees or institution experience issue of great concern ranging from unsafe working condition, human rights violations of the local population, work contracts, extended working hours, corruption practices and biased competition. High social risk experienced in different forms make it quite difficult to coin a specific definition to SRP. However, the remarkable issue encountered here is the social risk that must be addressed for sustainability to be part and parcel of company's strategy in the long run. (Muthu 2014,61)

Finally, from data collected and from researchers, it shows that there is a kind of non-systemic inclusion of social responsibility in the framework of CSR of companies (Mont & Liera 2009, 9) even though different appellations are a times used to represent SRP such as responsible procurement management (Aagaard 2016,82), CSR in the whole supply chain (Hopkins 2012,9), purchasing social responsibility (Carter & Jennings 2002,153) and sustainable purchasing (Isen 2012,16). For SRP to be felt, social issues must be integrated in purchasing decision so that social value has an impact in the society. However, this should be done not to tamper with the price and quality policy of purchases as economic responsibility will also help achieve these goals. It is also important to note that due to global trend, a lot of changes are noticed as companies sets indicators that will meet up with market dynamism. Local and international institutions help to keep institutions and companies alert so that indicators match with

innovation as it is used in the business through the conversion of inventiveness, ideas and knowledge into better and development ideas. (Cook and al 2012,379)

Due to the importance attached to SRP by customers and stakeholder, the integration of the social aspect will help the long-term performance of business and due to this **Alko Oy including all suppliers commits to SRP and to meet up the demands of the stakeholders including customers.**

6.1.2 Objective 2

What are the major roles played by an importer or agent in a responsible purchasing model and their importance.

The case study research also had as purpose to investigate the active roles of suppliers in implementing SRP practices in the whole Alko Oy supply chain model. It is very important that suppliers demonstrate an active role towards their agents and partner suppliers so that SRP model is respected all along from Alko OY up to the employees working in the factories and producing companies. There is a significant change in the role played by suppliers for companies in the fast-changing world of business. This is due to business innovation, competition, mixture of different cultures, high quality information technology, and improvement in the logistics department. (Moser 2007,2).

The active role of suppliers facilitates traceability and assures responsible purchasing within the supply chain. The areas of concern in so far as suppliers demonstrate socially responsible behaviour are:

- Selection criteria
- Respecting the Amfori BSCI and other codes of conducts relevant in the SRP supply chain
- Building a good relationship and cooperation
- Awareness and knowledge of the steps in performing SRP
- Being responsible for other sub suppliers, and producers

- The effectiveness and activeness to provide traceability information
- Development of wellbeing standards in jobsites and encouraging gender inclusion in leadership culture.

It was revealed by the **interviewees** that suppliers need a lot of support to be active in the supply chain of Alko OY. This is because some suppliers do not understand how to really implement SRP and needed time, discussions, dialogues and cooperation. The idea of sensitization, face to face talking on issues such as human rights respects and non-violations of laws, payment of minimal wages and non-use of child labour enables the building of trust. All these are stated in the Amfori BSCI and must be respected by all as Alko makes sure all suppliers sign the Amfori BSCI code of conduct and operate responsibly. Responsibility is a key in everything, every action taken and should be implemented into strategies and everyday communication in all ways possible. When suppliers and everyone is active, it is an investment in the future and should play a key role in every decision and moves taken.

However, information revealed by interviewees concerning problems faced in implementing SRP goes from insufficient resources(funds) as small companies have limited funds in that department. But then, some suppliers hide behind the problem of limited resources meanwhile one big reason is lack of knowledge. Everyone need to know it is an obligation by law though they forget and there is the problem of knowing if the required tools used are still active. One interviewee mentioned that one of the problems is also that some producers and suppliers are based in Finland and due to this it is difficult to be aware of the problems in the home producing countries. Alko Oy representatives talks to producers maybe few times in a year but the suppliers talk to them daily weekly or monthly, so they cannot be skipped as they are more in touch with the producers. A snow ball effect is noticed here and is of great concern if proactive measures are not used to solve this. Suppliers know better the problems and are well placed to demonstrate active measures as they know partner suppliers and producers well. There is need to activate the next supplier or producer to be active as well.

The biggest barrier so far is knowledge according to **interviewee 5**. Continuous sensitization, creating awareness and the need to use appropriate means and tools to enable

active suppliers in SRP implementation. Using the right people is also important as responsibility should be backed by power. All the suppliers need to work together to make this work. Suppliers through a common network could help in the communication and implementation process before meeting the Alko Oy representatives. When you follow the rules, understanding cultures, then it facilitates communication and implementation. Playing an active role in SRP brings more value added as purpose. Conscious firms and other nordic consumers buy organic products, want to know its origin and a lot of feedbacks keeps coming. Alko Statistics show that organic and certified products are selling more since there is a traceability. So, it is important by law and by heart as it represents doing the right thing for the customer.

Interviewees further revealed that continuous training and information sharing will help a lot in enabling the activeness of suppliers to take SRP serious. Forwarding certificates and documents from seasonal suppliers and partners will help traceability as some do business few times with producers and do not follow-up traceability documents. The activeness of suppliers in terms of SRP in Alko Oy purchasing model brings added value, enhance monitoring, increases awareness, better use of socially responsible tools during purchasing and assures sustainable purchasing. The analysis above helps us understand that the active and effective roles of suppliers will be critical in assuring SRP implementation in the Alko Oy supply chain and will also facilitate to build a better and sustainable business environment.

6.1.3 Objective 3

What are the indicators of SRP that agents or suppliers and Alko Oy have used in implementing a responsible or sustainable purchasing model within the supply chain model?

The whole case study research has as objective to see what the company including its suppliers have used as indicators of SRP in Alko Oy supply chain model. Indicators

serves to measure the progress of a company or institution towards attaining its objectives. Indicators also shows how business institutions or companies follow up or monitor their performance and establish specific goals for future performance (Cooper 2017, 185). Indicators are importance as they serve as a chain of follow up for continuous SRP implementation so far and to assure future sustainability and performance.

Interview 1, mentioned that their company do not really use indicators like audit or other types, but certificates are tracked on the brand sides and rating tool as colours are used to appreciate or precise where there is need to improve. The BSCI audits are taken seriously and the grade given helps to work right and better. It was revealed in the interviews that some companies do not have a systematic follow up or strategy but do respect BSCI as it a guidance tool. For sure, their internal audits certainly have indicators and through that, there can measure the company's performance.

Other interviewees revealed the use of indicators and proceed to say both hard and soft indicators are used. Soft indicators include discussions where suppliers are invited few times a year in a meeting for discussions about the state of SRP implementation. Education sessions are conducted, e learning tools through online courses are taught to help improve performances. Certificates are handed upon completion. The hard indicators entail audits and checklist. The audits done enables information sharing and the checklist are used for every producer in the responsibility area, face-to-face talking and annual measurement of the checklist to know how to rate it. So, every visit has its own checklist that shows how the SRP practices have been implemented through production. The company takes in to account legislation changes when doing the monitoring.

The checklist used to monitor the implementation of SRP include many items such as: employees;

- Training, Health and safety
- Occupational health and safety
- Sound infrastructure
- Human rights and working conditions performance indicator
- Contracts
- Rights violation

- Labour union activeness
- Child labour
- Human trafficking
- Forced labour
- Women inequality and exclusion

Wages

Indigenous purchasing

Local and Community wellbeing

- Capacity building
- Healthcare centre and schools

Society performance indicator

- Corruption
- Public policy
- Village community development

It was revealed that various companies have their own indicators even though Amfori BSCI is standard for all Alko Oy suppliers. So, suppliers develop their indicators following their goals and what they want to achieve as objectives. Some suppliers just discuss them and do not follow a documented report to monitor performance in order to render the company sustainable.

Alko Oy is out to help all its suppliers improve in all the areas and as their major aim is continuous improvement, risk reduction, more dialogue and communication and low cost. Following the discussion and checklist, the indicators are easy to follow and reliable. Through the indicators reports, Alko Oy can evaluate the sustainability of its supply chain and identify all areas of concerns and the future opportunities. That is why it is important for suppliers to be active in the whole supply chain to help in the traceability process and it will be beneficial for all not only Alko Oy. From the above analysis, a better and up to date indicator will be vital and reliable to help SRP implementation and help establish a sustainable management system.

6.1.4 Objective 4

What are the drivers facilitating the implementation of SRP?

The study has identified some drivers that helps suppliers to practice SRP. Regarding this, few drivers were identified that are of high importance. They include, Customers, media, Nongovernmental organisation, International and governmental control agencies, employers and employees.

Customers:

Customers stands as one of the strongest drivers of SRP. Customers monitor and send a lot of feedbacks to companies to improve on product quality, encouragement of organic product, the practice of SRP by companies to maintain sustainability in the whole Alko Oy supply chain model.

As some of the **interviewees** especially **interviewee 4 & 5** rightly said, some customers drop the consumption or purchase of certain products when they realise employees have health and safety issues, badly treated and use child labour. They prefer to be proactive and do business with companies that practice socially responsible purchasing as it makes them have more confidence and trust with whom they do business. An interviewee raised the point of customers checking the respect of minimal wages of employees and questioning how corporate or responsible companies are before they continue to buy their products.

Employees:

As some **interviewees** mentioned, it is very important to take good care of the employees as their happiness during working process is felt by customers as they purchase the product. Employees are beginning to raise awareness on mistreatment and irregular practices done by some employers. When employees are dissatisfied, it affects productivity and hence in the long run, it will have a repercussion on the final customers. So, many poorly educated workers are suffering due to lack of better infrastructure, no access to better IT tools, poor security and health care there by slowing down SRP implementation and sustainable economic growth (Moyo 2018,3&33). As Richard Branson rightly said, employees come before clients not vice versa. (Mannix,2018,4)

Meaning that when the employees in factories, wine yards, manufacturing companies are well taken care of, then they will also take good care of their clients. It is important to note that if Alko Oy supports and supervises the implementation of SRP for its suppliers and companies, it would help grow businesses and rewards or supports would be a fantastic driver as well.

It was revealed by interviewees that the **Media** is a very strong driver in so far as SRP implementation is concerned. Nobody will want to look bad in discussions and to the public. The media is linked to company reputation and brand protection and doing the right thing to the audience is always a priority. However, staying real and believing in suppliers and partners is important as at times not all what the media says is always true. It is also important to note that the history of ownership, who is doing what, the culture heritage and values of each country gives a different image of how they practice SRP during implementation processes. It is very important to be proactive than reactive and respecting the rules, doing what is right, continue efforts of educating and increasing awareness of customers and all involved in the Alko Oy Supply chain model will drive to better SRP implementation. However, seeing the media as a friend are not an enemy is a good mindset as they also raise important things for social wellbeing. (Ashman et al 2016,519)

International and governmental control agencies

So many international institutions like the United nations(UN) through the International labour organisation(ILO) are doing everything possible to promote employees and at the same time protect jobs. The Finnish control through Valvira, the nordic union under BSCI Amfori and other control agencies are doing all they can to help supervise and facilitate the implementation of SRP practices. A whole team of control, auditors and sensitization campaign are set to make sure the laws voted should be respected and implemented. Suppliers and producers follow rules and policies from the local government, UN sustainable development initiative from 2015-2030, the Amfori BSCI in the Nordic countries and other EU, Asia and African policies.

However, according to **interviewee 4**, after many years of addressing social issues and looking for a suitable model that will be followed by all nordic suppliers, in 2012,

Systembolet of Sweden, Alko Oy of Finland and Vinmonopolet of Norway came together and accepted to use the Amfori as a standard model for all suppliers. When suppliers follow a standardise model, auditing and implementation through continuous improvement will give value added to the customers and employees as well. **Interviewee 5** added by saying that through the Amfori, a lot of trainings sessions are organising to sensitize all, pilot awards are also awarded. It was also proposed that as Alko Oy united and support suppliers towards SRP implementation, it could be a good idea to see that the suppliers of Alko Oy cooperate also together and work hand in hand as it will facilitate Alko Oy task of constant control and supervision of SRP implementation. The drivers are vital and help a lot in the SRP implementation in the Alko Oy model.

6.1.5 Objective 5:

What procedures and steps are taken by the company to stay socially responsible and sustainable in the future:

Resilience and sustainability is what many companies strive for and it is very important to come up with concrete steps, ideas and policies that will enable Alko Oy to be sustainable in the implementation of SRP practices. Some interviewees mentioned the idea of continuing with the work of SRP, as it is a continues process, improving more processes in the brand side and trying the best to make processes comprehensive and consistent to the whole company. The idea of participating in doing the Amfori BSCI audits, having the SRP in the process and with partners during continuous discussions. Continuous information sharing within the company so that new and old employees, guest and whole company should be aware of what to do and what not to do. Through participation in discussions and dialogue, the problems of asymmetric information can be addressed.

However, **interviewee 5** mentioned the idea of intensive information technology support (IT support), communication and building improved systems will facilitate the

distribution and harmonisation of knowledge to all suppliers and stakeholders involved. This will facilitate producers working on desk to send information to Alko Oy, Systembololet and other Nordic and EU countries avoiding individual and asymmetric information delivery. Having a harmonised version for all will facilitate information sharing for all internal and external groups, governments and unions as well.

Interviewee 3 mentioned that they have setup long-term targets and goal which are being followed step-by step by a percentage rate of development achievement. The idea of the company having a big goal, and the affiliates having their own local goals set, for which the development to achieve them is being reported regularly to headquarters. A good system of continuous follow up to maintain continuity.

However, when employees are protected and empowered, it will attract and keep skilled workers, helps motivate old workers as workers issues are well handled and better infrastructure, sensitization and ICT tools are available to enable them work in a sound and SRP manner. (Aras & Crowther 2012,119). Being proactive, striving for continuous communication and sensitization and adapting with business trends, acting as a lens in all our activities and doing the best to incorporate SRP in all business-related activities. **Staying proactive, acting more as a lens in SRP activities and adapting with new learning tools and ICT tools that will help Alko Oy ensure and operate socially responsible and sustainable.**

6.2 Formulation of the Concept Model

In this section, the elaboration of the agency theory will be seen, and the various stages involved to arrive at an agency theory model.

6.2.1 Incorporating the conceptual framework in agency Theory model.

Because of Alko Oy questioning the active role of agents or suppliers within a re-possible model, this means the company is ready for a positive change, to improve performance and productivity in its supply chain.

Stage one entails the Resource based value(RBV) where the supplier is ready to evaluate its core competence used to satisfy the services of the principal and to see if it meets up to the expectations required by the principal. RBV is considered when expectations such as the practice of socially responsible purchasing is observed in terms of human right rights of employees, child labor abolishment, training on improvement of code of conducts, health and safety respected. After the analysis, if the agent happens to meet up with demands of the principal, either through the supply of services or goods, then both parties will proceed to the next stage.

The second stage is the transaction cost economies(TCE), which involves the supplier to evaluate its assets, liabilities, quality services it can deliver, opportunities and unforeseen circumstances so that it will be easier to do its cost estimations in terms of profits or losses. Due to trends in the global markets, the agent needs to assess its ability to embrace innovation to offer better and advanced value or services. Evaluation of indicators also to know if the terms and active role of agent in SRP is noticed and if not, measures of re enforcement must be put in place to assure performance on current time basis. The idea here is not only buying or selling but also making sure rules are respected, minimal wages are employees get better pay, employees are well dressed to avoid example of deformities of future born kids and making sure social responsibility is practiced throughout.

The last stage is to assess the cost of the agency so that it will benefit both parties involved. This stage will also see the tackling of differences to achieve common goal, actives roles defined and respected, taking into consideration all stakeholders. After the tackling of differences and defining actives roles, an agreement is reached, and a new design contract will be established with implementation follow up procedures defined.

6.3 Limitations of the agency theory model.

Some scholars and researchers have advanced their criticism in using the agency theory. Anderson (2010, 4) who criticize by advancing his argument by questioning the adequacy of the principal -agent model, saying that the model focuses more on managers and shareholders as they go for their own best economic self-interest. The agency problem that shareholders are afraid, is that manager and directors should not waste fund on unproductive projects but rather control them to use it on investment funds. (shleifer & vishny 1997,43).

However, Anderson continue to write that, the stakeholder theory argues that employees, suppliers, customers also have important stakes in the companies, as a result their interest should also be of concern including those of shareholders. (Baker & Anderson 2010, 4). Donaldson and Davis (1991) also argue that agency theory considers economic out-comes and ignores the ethical dimensions of managerial decision, accompanied with sociological and emotional problems which counts as well. However, the defense of stakeholder theory is paradoxical and is convincing given that the same stakeholder theory is presented to defend the stakeholder theory. (Saeed 2011,16-18)

The monitoring regulatory agency theory is centered around precisely the faultiness or differences that exist between the principal and agent, which is mainly asymmetric information. As a result, there are other irregularities been neglected or ignored. Meaning it is more of a single period model and is not a dynamic model that can cover many purposes (Rosston & Waterman 1997,276)

7 CONCLUSION, RECOMMENDATION AND RESEARCH IMPLICATIONS

The main aim of the research was to identify, analyse and improve on the roles played by agents or suppliers within the alcoholic beverage Alko Oy supply chain and to investigate the views of the suppliers in terms of the relationship that binds them with

Alko Oy. It goes as far as overseeing how suppliers demonstrate not only economical but most importantly socially responsible behaviour to achieve their goals in terms of successful and sustainable business operations. Due to the asymmetric information between the suppliers and Alko Oy, the study will contribute to close the gap while resolving differences to foster better cooperation, improve performance, sustained productivity and building a resilient and sustainable network in the global market.

As Mont and Leiria, (2009, 391) outlined, the most important reason why companies implement social responsible behaviour is due to external shareholders mounting pressure either through media, NGOs and other means to respect social responsibility as they engage in business activities. All the pressure including the internal ones' force business institutions to show a lot of concern to its workers, in terms of respecting the rules, providing them with necessary tools to build a structural supply chain. Because of too much concerns in this area, institution prefer to implement proactive socially responsible purchasing behaviour than reactive risk management culture.

7.1 Consequences and lesson learnt from the research.

From the research carried out, the concept of SRP is still new in many companies though different definitions are attributed to the concept by various interviewees. Nonetheless, companies defined the concepts based on their company strategy, whether it is economical or business, but the main idea is to satisfy all stakeholders involved, both internal and external.

Alko Oy has as main objectives to make sure suppliers understand their roles and stay active and proactive in its supply chain model. One of the main issues Alko Oy stressed on was traceability, seasonal work, contracts, working conditions, extended working hours, occupational health and safety standards and issues with better wages for employees. There is need to engage in educational and sensitization campaigns, forum to enlighten all suppliers and employers on the importance of SRP and the need to respect the checklist to facilitate the work of auditors.

According to interviewees, the research conducted shows the indicators used by Alko through Amfori BSCI and the meetings held were important and helps a lot to know how far SRP has been respected and staying proactive towards realising business, economic and social objectives.

Customers, employees, employers, suppliers and Alko Oy are all benefiting from this research as it helps all stakeholders adjust with the market dynamics. This research has been an eye opener to many suppliers and even the whole Alko Oy supply chain as different terms were used in place of SRP and how the active involvement of all workers, employers and suppliers will facilitate its continuous sensitization and implementation. Business corporations see the benefits of SRP through employees' satisfaction and increased productivity, better health and safety measure and infrastructures, mutual understanding and improved cooperation and collaboration.

7.2 Recommendations and Conclusion

According to the analysed data got from the research, it is important for suppliers to use and follow indicators before the Amfori BSCI audits. This helps facilitate their operations and adjust to the markets needs before Alko Oy comes to do their audits. It keeps suppliers awake, proactive, helps them anticipate and stay sustainable in the future. It is also important to note that instead of having annual meetings for suppliers in Finland, it would also be good to have them in the countries involved with productions so that being in the field helps identify issues and problems that could not be identified while in Finland. It will be easier to have access to local NGO, local famers and syndicate to sensitize them on active roles of suppliers and the importance of trust building, cooperation and proactive company and business strategies in the future. The use of monthly reports could be used for a year or two and later quarterly reports to follow performances, focusing on areas where attention is needed from feedbacks and trends. Innovative volunteerism would also be a good tool to help sensitize and bring a participatory approach between companies and the unemployed, employed, skilled, unskilled and local women who would want to be involved in the SRP and global sustainability issues.

This research has been an eye opener for companies in understanding and using proactive than reactive measures to implement SRP in Alko Oy supply chain model.

Sticking with the social aspect of CSR gives a better insight and understanding of social issues that affect the SRP implementation in the Alko Oy supply chain. The study has helped in breaking down the concept of SRP and showed how social implementation in purchasing practices lead to more economically and socially responsible purchasing and sustainability assurance in the future.

The research has been relevant and important even though a few challenges were encountered. It took so much time to do the interviews because of the busy schedule of the suppliers, and some needed more time to gather information as the concept of SRP sounded new. Agreeing a specific date was difficult as some were on meetings abroad and vacations as well. Despite the limitations, interviewee 3,4 and 5 sacrifice too much time in the interview putting forward better insights on the issues related to SRP and some future recommendations that need to be considered. There is an imperative need for active suppliers' cooperation with Alko Oy to wipe away the problem of asymmetric information sharing whereby there is expression and free dialogue without fear.

SRP is a new concept that has just existed few years and different companies use different appellations for the same concept. Despite the various appellation, it is still a derivative of CSR and is very important in so far as sustainability issues are handled in companies. For future research topics, suggested topics could be; How culture influence SRP implementation? Define indicators used by suppliers to achieve SRP implementation. More research could be done to see how the old and new indicators will help towards company sustainability and their efficiency as well. Another research question could be; Examining the role and impact of a supplier within a Responsible Purchasing Model of Alko Oy; Innovative approach towards the principle-agent approach in Alko oy supply chain model.

REFERENCES

- Aagaard, D, A. 2016. Sustainable Business
- Anastas, J. 2012. Research Design for Social Work and the Human Services
- Asongu, J. 2007. Strategic Corporate Social Responsibility in Practice
- Aras, G & Crowther, D. 2012. A Handbook of Corporate Governance and Social Responsibility
- Aras, G. 2016. A Handbook of Corporate Governance and Social Responsibility
- Academic Conferences and Publishing Limited (2017,235), ECRM 2017 16th European Conference on Research Methods in Business and management studies. Dublin. 22-23 jun2 2017.
- Agarwal, S. 2008. Corporate social responsibility in India
- Amandeep, T. 2014. Market Research Methodologies: Multi-Method and Qualitative Approaches
- Amaeshi, K., Nnodim, P. & Osuji, O.2008. In: Journal of Business Ethics, Vol. 81,
- Anastas, J. 2012. Research Design for Social Work and the Human Services
- Aras, G. 2016. A Handbook of Corporate Governance and Social Responsibility
- Argenti, P. 2015. Corporate Responsibility
- Ashman, K. & Hull, Jr. 2016 519. Empowerment Series: Generalist Practice with Organizations and Communities
- Asongu, J. 2007. Strategic Corporate Social Responsibility in Practice
- Baker, K. & Anderson, R. 2010. Corporate Governance: A Synthesis of Theory, Research, and Practice, H. Kent Baker, Ronald
- Banerjee, B. 2009. Christian R. Thauer, 2014. The Managerial Sources of Corporate Social Responsibility
- Banerjee, S. 2009. Corporate Social Responsibility: The Good, the Bad and the Ugly
- Bendickson, J. Muldoon, J. Liguori, E & Davis, P. 2016. "Agency theory: background and epistemology", Journal of Management History, Vol. 22 Issue: 4, pp.438
- Benson, V. & Filippaios, F. 2016. ECRM2016-Proceedings of the 15th European Conference on Research Methodology

- Beverage October 16, 2015. Educational article (Value Line Research Department, Industry Overview):
- Bloomsbury Publishing, 2015. Business Essential
- Brooker, C. & Waugh, A. 2013. Foundations of Nursing Practice E-Book: Fundamentals of Holistic Care
- Bruel, O. 2016. Strategic Sourcing Management: Structural and Operational Decision-making
- Bryman, A. 2012. Social Research Methods.
- Campbell, C. 2017. The Customer is NOT, Always Right? Marketing Orientations in a Dynamic business world
- Campbell, J. 2007. Academy of Management Review 2007. Vol. 32, No. 3, 946–967. Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility.
- Castelló, I. & Lozano, J. 2009. "From risk management to citizenship corporate social responsibility: analysis of strategic drivers of change", Corporate Governance: The international journal of business in society, Vol. 9 Issue: 4, pp.373-385, <https://doi.org/10.1108/14720700910984927>
- Clarke, T. & Branson, D. 2012. The SAGE Handbook of Corporate Governance
- Cohen, N. 2011. Green Business: An A-to-Z Guide,
- Cooke, P., Parrilli, M. & Curbelo, J. Innovation, Global Change and Territorial Resilience
- Cooper, S. 2007. Corporate Social Performance: A Stakeholder Approach
- Crane, A., McWilliams, A., Matten, D., Moon J & Siegel, D. The Oxford Handbook of Corporate Social Responsibility
- Cree, T. 2012. How Corporate Social Responsibility Influences Brand Equity
- Congressional Record, 1998. V. 144, PT. 14, September 9, 1998 to September 21, 1998
- Crowther, D. & Aras, G. 2010. Corporate social responsibility, principles, stakeholders, sustainability part 1,
- Dahlsrud, A. 2006. Corporate social responsibility and environmental management
- DiStaso, M. & Bortree, D. 2014. Ethical Practice of Social Media in Public Relations
- Eisenhardt, K. 1989. Building Theories from Case Study Research, The Academy of Management Review, Vol. 14, No. 4 (Oct., 1989), pp. 532-550
- Fawcett, S. 2000. National Association of Purchasing Management 2000.

- Filho, W. & Zint, M. 2016. The Contribution of Social Sciences to Sustainable Development at Universities
- Fulghum, R. 2010. It was on fire when I lay down on it
- Gabriel, V. 2005. Management third edition
- Ghauri, P. & Grønhaug, K. 2005. Research Methods in Business Studies: A Practical Guide.
- Green, M. & Crowther, D. 2004. Organizational Theory
- Groenewegen, J. 2012. Transaction Cost Economics and Beyond
- Gupta, D. 2005. Corporate Social Accountability: Disclosures and Practices
- Hamilton, L. & Whittier, C. 2012. Using Case Study in Education Research
- Hemmingsen, A. 2013. Barriers to implementing a sustainable approach in the procurement function
- Holzer, M 2004. Public Productivity Handbook, Second Edition
- Hopkins, M. 2012. Corporate Social Responsibility and International Development: Is Business the solution?
- Horoszowski, M. 2015. Research-Backed Ways Your Business Will Benefit by Being More Socially Responsible, www.huffingtonpost.com
- Huber, G. 1995. Longitudinal Field Research Methods: Studying Processes of Organizational Change
- Idowu, S & Filho, W 2008. Global Practices of Corporate Social Responsibility
- Idowu, S. & Filho, W. 2009. Professionals' Perspectives of Corporate Social Responsibility
- Idowu, S. Vertigans, S. & Burlea, A. 2014. Corporate Social Responsibility in Times of Crisis: Practices and Cases from Europe, Africa and the world
- Idowu, S. & Louche, C. 2011. Theory and Practice of Corporate Social Responsibility
- Idowu, S. & Vertigans, S. 2016. Corporate social responsibilities: Academic insights and impacts
- Isen, M. 2012. Developing a sustainable procurement strategy for Fashion Buyers in the German retail sector
- Julkari 2009. Alkoholijuomien kulutus
- John, W. 2013. Management science, Logistics and operations research

- Lee, B & Saunders, M. 2017. Conducting Case Study Research for Business and Management Students
- Logan, M. 2000. "Using agency theory to design successful outsourcing relationships" *The international Journal of Logistics Management* Vol. 11 issue, p 21,24
- Loice, K., Komen, J., Cherop, F & kihara, N.2015. Effects of Socially Responsible Purchasing on Supply Chain. Performance. Evidence from Kenya Supermarkets,
- Manning, E. 2013. *Parks and Carrying Capacity: Commons Without Tragedy*
- Mannix, D. 2018. *Protect and Provide: Customer-Centric (and Compliant) Insurance Sales*
- McCracken, G. 1988. *The Long Interview*
- Meadowcroft, J. 2007. *Conceptual Innovation in Environmental Policy*
- Mehdi, D. 2017. *Encyclopaedia of Information Science and Technology, Fourth Edition* Khosrow-Pour
- Miljöstyrningsrådet Rapport 2008: E8
- Morsing, M. & Schultz, M. 2006. Corporate social responsibility communication: stakeholder information, response and involvement strategies.
- Mohrman, J. & Lawler III. E. 2017. *Corporate Stewardship: Achieving Sustainable Effectiveness*
- Mont, O & Leire, C. 2009. "Socially responsible purchasing in the supply chain: drivers and barriers in Sweden." *Social Responsibility Journal* 5(3): 388-407.2&3, p 391,392, 396,404, 34
- Mont, O & Leire, C. 2008. "Socially responsible purchasing in the supply chain: drivers and barriers in Sweden." *Social Responsibility Journal* 5(3):
- Mont, O & Leira, C 2009. *Socially responsible purchasing in the supply chain: The present state in Sweden and lessons for the future.*
- Moser, R. 2007. *Strategic Purchasing and Supply Management: A Strategy-Based selection of suppliers*
- Moyo, Dambisa.2018. *Edge of Chaos.*
- Mullerat, R. 2010. *International Corporate Social Responsibility: The Role of Corporations in economic order of the 21st century*
- Muthu, S. 2014. *Social Life Cycle Assessment: An Insight*
- Naarmala, J. 2009. *ICT and Teachers in Higher Education: A Case Study on Adopting Web Based*
- Nambisan, S. 2010. *Information Technology and Product Development*

- Pawar, M. 2004. Data Collecting Methods and Experiences: A Guide for Social Researchers
- Power, M. 2006. The Outsourcing Handbook: How to Implement a Successful Outsourcing Process
- Powell, R. 2010. Basic Research Methods for Librarians, Fifth Edition, Lynn Silipigni Connaway
- Ray, S & Raju, S. 2014. Implementing Corporate Social Responsibility: Indian Perspectives.
- Rosston, G & Waterman, D 1997. Interconnection and the Internet: Selected Papers from the 1996, telecommunication, a policy research conference
- Saeed, S. 2011. Corporate Governance & Firm Performances in the Biomedical Industry
- Salkind, N. 2010. Encyclopedia of Research Design Nide
- Santos, H. 2009, 7-8 CIW2009-8th European Conference on Information Warfare and Security: ECIW2009
- Santos, C. 2013. Consumption Culture in Europe: Insight into the Beverage Industry: Insight into the beverage industry.
- Saunders, M., Lewis, P & Thornhill, A 2009. Research Methods for Business Students
- Siegert, L. 2014. Sustainable development approaches in the food and beverage industry: A comparison between Nesle SA and kraft food inc
- Shleifer, A & Vishny, R. 1997. Fire Sales in Finance and Macroeconomics
- Sims, R. 2003. Ethics and Corporate Social Responsibility: Why Giants Fall,
- Sison, A. 2010. Corporate Governance and Ethics: An Aristotelian Perspective No. 1, 08.2008, p. 223-234 Corporate Social Responsibility in Supply Chains of Global Brands: A Boundary Less Responsibility? Clarifications, Exceptions and Implications.
- Spicer, D. 2013. Custom Bradford People, Work & Organizations MAN0131
- Steger, U. 2004. The Business of Sustainability: Building Industry Cases for Corporate Sustainability
- Svyantek, D. 2017. Sports and Understanding Organizations
- The World Watch Institute, 2006. State of the World 2006. Special Focus: China and India
- Trauth, E. 2001. The Choice of Qualitative Methods in IS Research.

Van Weele, A. Fifth Edition, 2010. Purchasing and supply chain management

Vartanian, P. 2011. Secondary Data Analysis

Weathington, B, Cunningham, C & Pittenger, C 2017. Research Methods for the Behavioural and Social Sciences. Available: <https://www.2degreesnet-work.com/groups/2degrees-community/resources/7-barriers-implementing-sustainable-approach-procurement-function/>

Wells, H. 2018. Research Handbook on the History of Corporate and Company Law

Yin, R. 1984. Case Study Research: Design and Methods

Yin, R. 2012. Applications of Case Study Research

Website of amfori BSCI code of conduct. Referred 24.02.2018. Available: <http://www.amfori.org/content/bsci-code-conduct>

Website of amfori BSCI code of conduct. Referred 15.07.2018.

https://www.amfori.org/sites/default/files/Part%20I%20System%20Manual_0.pdf

Website of the economist Referred 05.12.2017. Available: <https://www.economist.com>

Website of Achilles. Referred 25.03.2017. Available: <http://www.achilles.com/en/about-achilles/industry-insights/1349-the-importance-of-corporate-social-responsibility-and-supply-chain-mapping>

Website of business news daily. Referred 04.01.2018. Available: www.businessnewsdaily.com/4679-corporate-social-responsibility.html

Website of globalforumljd. Referred 02.04.2018. Available: <http://global-forumljd.org/sites/default/files/resource/protecting-children-from-cybercrime-latin-america-2015.pdf>.

Website of Nordic welfare. Referred 15.02.2018. Available: <http://www.nordicwelfare.org/PageFiles/15165/Finnish%20social%20alcohol%20research%20and%20alcohol%20policy.pdf>

Website of Huffingtonpost Referred 2015.30.11.2017. Available: <http://www.huffingtonpost.com>

Website of julkari Referred 26.12.2017. Available: www.wikivisually.com/wiki/Kilju

Website of wikivisually. Referred 15.12.2018. Available: <http://www.wikivisually.com/wiki/Kilju>

Website of international labour organization Referred 12.12.2017

Available: <http://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/lang--en/index.htm>

Website of international labour organization Referred 02.2.2018 and 04.04.2018.
Available: http://www.ilo.org/ipec/Informationresources/WCMS_IPEC_PUB_23015/lang--en/index.htm

Website of Law Library of Local Congress. Referred 27.12.2017 Available:
<http://www.loc.gov/law/foreign-news/article/finland-parliament-approves-new-alcohol-law/>

Website of globalforumljd. Referred 26.11.2017. Available: <http://globalforumljd.org/sites/default/files/resource/protecting-children-from-cybercrime-latin-america-2015.pdf>

Justice. Maria Carmen dos Santos Lemos 2005. Protecting Children from Cyber-crime - Global Forum on Law, Justice. Available: Website of global forum:
<http://globalforumljd.org/sites/default/files/resource/protecting-children-from-cyber-crime-latin-america-2015.pdf>

Questions

1. Can you please introduce yourself?
2. In which department do you work, your position held and how long have you held that position?
3. How long have you been working with the company?
4. Have you heard of social responsible purchasing(SRP) and what is your motivation behind the practice?
5. How does the company define SRP and is it incorporated in your company business strategy?
6. What criteria does the company use to select its suppliers and how does SRP influence it?
7. When did the company start implementing SRP?
8. How do you see your company's development since it started the implementation of SRP?
9. What do you think are the roles and the responsibilities of suppliers within the responsible purchasing supply chain of Alko oy?
10. Any reasons advanced as to why some suppliers demonstrate non- active roles in business operations with companies?
11. How effective are the suppliers and what do you think can be done to enable them more active and take more socially responsible role in the supply chain of Alko oy?
12. What are the consequences of non-active role of agents in the alcoholic beverage supply chain?
13. How would you rate the relationship between your company and producers? and why?
14. What are the indicators used by your company to stay socially responsible within the purchasing supply chain?
15. Do these indicators facilitate the company to quantify and qualify its efficiency(productivity) and help predict the near or far future results?
16. Are there some drivers that help or affect agent's role during the implementation of SRP by the company?

17. What are the tools and principles used to guide implement and achieve SRP results during procurement and purchasing in the primary sec and tertiary sectors of production?
18. What measures are taken by the company to stay socially responsible and sustainable in the future?
19. How are symmetric and asymmetric information managed and reported between the company and the suppliers as well?
20. With trend and competition in global business nowadays, are both parties willing and ready to solve the differences existing between them to build a better, efficient sustainable cooperation and collaboration for better business relationship in the years ahead?

ANNEX 7 – BSCI BUYERS CHECKLIST

This document intends to support buying departments in the identification of imminent social risks when visiting a producer.

This checklist does not intend to substitute a social audit but rather help a person without specific social compliance expertise to identify risks related to a producer's social performance.

This information is to be shared with relevant managers usually at company headquarters (e.g. CSR). This will allow the BSCI Participant to take further steps in line with its CSR strategy. (E.g. When scheduling the BSCI Audit, the auditor may be informed about these pre-identified areas of concern).



QUESTIONS			
Requirement	YES	NO	Comment
1. Is the BSCI Code of Conduct posted in a visible area?	<input type="checkbox"/>	<input type="checkbox"/>	The Code should be in a language understandable by workers.
2. Is the person in charge of implementing BSCI in a senior role?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Is there any kind of complaint mechanism / suggestion box visible?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Do people address colleagues and subordinates with respect?	<input type="checkbox"/>	<input type="checkbox"/>	
5. Is any information visible on how shifts are organised? Or lunch breaks? Or working hours?	<input type="checkbox"/>	<input type="checkbox"/>	
6. Is the workplace clean and organised?	<input type="checkbox"/>	<input type="checkbox"/>	Also eating facilities and food storage should be clean and organised
7. Are the toilets clean and equipped with soap and the necessary accessories to respect workers' hygiene and morals?	<input type="checkbox"/>	<input type="checkbox"/>	E.g. Separated by gender, locks in good condition.
8. Is drinking water made available and accessible to workers?	<input type="checkbox"/>	<input type="checkbox"/>	E.g. The same applies in dormitories or housing provided by the producer to the workers
9. Are workers using Personal Protective Equipment (PPE)?	<input type="checkbox"/>	<input type="checkbox"/>	E.g. In noisy areas, wet areas. PPEs should be clean and in good condition.

10. Are there first aid kits with enough material available?	<input type="checkbox"/>	<input type="checkbox"/>	
11. Are signs and warnings posted in the right place and are they intuitive enough to be understood regardless of the level of literacy?	<input type="checkbox"/>	<input type="checkbox"/>	E.g. Are restricted or dangerous areas properly marked?
12. Are escape routes/aisles and exits properly marked, unblocked and easily accessible?	<input type="checkbox"/>	<input type="checkbox"/>	E.g. At least 2 exits on each floor/workshop and the doors open from the inside.
13. Are there fire extinguishers available and in good condition?	<input type="checkbox"/>	<input type="checkbox"/>	An official sticker indicating the validation date should be posted on the fire extinguisher
14. Is a fire alarm system installed?	<input type="checkbox"/>	<input type="checkbox"/>	
15. Is the evacuation plan posted in a visible place and intuitive enough to be understood regardless of the level of literacy?	<input type="checkbox"/>	<input type="checkbox"/>	
16. Are electrical wiring and/or electrical installations in good condition and can imminent hazards be seen?	<input type="checkbox"/>	<input type="checkbox"/>	



17. Are chemicals stored and disposed of in a way that avoids leakage?	<input type="checkbox"/>	<input type="checkbox"/>	Both the workplace and surroundings should be visibly free of waste.
18. Do workers look old enough to be allowed to work?	<input type="checkbox"/>	<input type="checkbox"/>	
19. Is there a place that allows visitors to wait without entering the work area?	<input type="checkbox"/>	<input type="checkbox"/>	E.g. Very often children may be waiting for their parents in the working area, which is not safe for
20. Is the building in a good condition and no imminent hazards can be seen?	<input type="checkbox"/>	<input type="checkbox"/>	E.g. Roof, walls, humidity signs, window glasses, locks in good condition.
TOTAL			

Other comments or recommendations

Any other circumstance you would like to report? E.g. Workers show what could be perceived as too much respect towards their supervisors, security guards hold weapons in the workplace.

Requirements put forward by the Norwegian alcohol monopoly Vinmonopolet.

Producers and farms must take specific steps to make workers aware of their rights and responsibilities according to the BSCI Code of Conduct. The information shall be presented verbally and, in a language, that workers understand.

Producers and farms must establish or participate in effective operational-level grievance mechanisms for workers to inform or to put forward a grievance regarding conditions that does not comply with the BSCI Code of Conduct.

Producers and farms must follow up on any grievance and shall document what follow up activities that have been done from the producers/farms side.

Producers and farms shall ensure access to, and make sure that personal protective equipment is being used.

Producers and farms shall build sufficient competence among workers that work with pesticides. Such training shall address how spraying with pesticides shall be done without exposing other workers in the vineyard.

Producers and farms shall ensure access to clean drinking water. If necessary, water samples must be analysed.

Producers and farms shall comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved based on collective bargaining, whichever is higher. This applies for all workers, regardless if they are permanent workers or seasonal workers. In cases where producers and farms hire workers from a contractor, it is still the producer/farm that are responsible to make sure these requirements are met.

Producers and farms shall respect the right of workers to form unions in a free and democratic way and not discriminate against workers because of trade union membership or activity. Producers and farms shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.