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The influence of collaboration and decision-making in sustainable supply chain management: a case study analysis on Skechers USA Inc.

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Abstract

This paper aims at discussing two elements, which contribute to greater sustainable supply chain management (SSCM), namely collaboration and decision-making. SSCM is a relatively recent concept, ranging from the three pillars of sustainability to the management of supply chains, that is starting to become a priority in many organizations, both from a social awareness standpoint but also from a governmental standpoint. In fact, consumers are becoming increasingly empowered and identify much more with the brands they purchase and the company's sustainability is starting to be mandated.

Based on a literature review and a case study of Skechers USA Inc., including semi-structured interviews of several persons across lower and upper management, this paper examines a real-life example of collaboration with stakeholders and ethical decision-making in a supply chain and more specifically in the retail industry.

This paper provides a background to better understand how collaboration and decision-making are linked and how they influence the network and SSCM of a company. The research allowed us to identify means that are internal and external to the network and that positively influence the collaboration between a company and its partners.

The findings of the study suggest that managers should continue to take actions towards more collaboration, and collaboration between lower and top-management should be improved to achieve effective decision-making. Particular attention should be paid to stakeholders' demands, actions and processes.

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1 Introduction

There has been a growing concern for sustainability in both the business and the scientific communities (Gimenez, Tachizawa, 2011). Customers are increasingly cautious about corporate social responsibility when making their purchasing decisions (Beske, Seuring, 2014). They care about the company's reputation, and that the company's products should be environmentally friendly and socially conscious (Walker et al., 2008). The company's stakeholders are increasingly attentive to organizations' management of environmental and social issues (Carter & Easton, 2011).

The integration of sustainability in the supply chain is a key concern in academic literature but also in managerial practices (Brandenburg & Rebs, 2015). By implementing a sustainable supply chain management (SSCM), companies seek to improve their sustainability performance, and to comply with sustainability guidelines (Beske & Seuring, 2014). These practices are intended as long-term changes (Ahi & Searcy, 2013) that can develop gradually within the company (Beske & Seuring, 2014). Organizations are now facing external pressures and incentives from various groups, including governments, customers, non-governmental organizations, and other stakeholders (Hassini et al., 2012; Large & Gimenez Thomsen, 2011; Seuring & Müller, 2008; Sharfman et al., 2009; Walker et al., 2008). Therefore, the importance of sustainability as a strategic concern is growing, as customers and stakeholders take greater interest in a company's environmental impact (Sharfman et al., 2009).

Studies have noted positive links between an organisation's environmental actions and its performance (Wu & Pagell, 2011; Walker et al., 2008). Pagell and Wu (2009) also consider the ability to be innovative as a necessity for a successful SSCM. Gimenez and Tachizawa (2011) note that companies that implement supplier assessment tools, codes of conduct, or collaboration with suppliers as standard practice enjoy a more responsible supply chain. Pagell and Wu (2009) have identified practices that work as enhancers (for example; measurement and reward systems linking employees' behaviour to sustainability, performing well on traditional operational metrics, proactive and committed organizations with a business model aligned with environmental and social factors of sustainability) or as inhibitors (performing poorly on traditional operational metrics) of sustainable outcomes.

Not all authors see environmental supply actions as utterly beneficial, as they consider them with scepticism or as “greenwash” actions and PR exercise (Walker et al., 2008). Indeed, as a result of the growing importance of environmental issues in the mind of the customers, these actions can be seen as a means to increase the company’s publicity in order to win over new customers (Walker et al., 2008).

The current challenge for organizations is to manage the trade-off between running a viable business and not compromising the natural environment in the future (Wu & Pagell, 2011; Zhu, Sarkis, & Lai, 2008). Making choices about the environment leads organizations to operate in a dynamic setting, facing “information uncertainty, evolving decision parameters and changing decision boundaries” (Wu & Pagell, 2011, p. 577). This uncertainty and risk arising from the trade-off between short-term profitability and long-term environmental sustainability results in a complex and ambiguous situation (Wu & Pagell, 2011).

However, academic literature increasingly studying the cooperation within the supply chain (Frostenson & Prenkert, 2014; Gimenez & Tachizawa, 2011) and shifting perspectives of SSCM to a sustainable supply network and as a major element of the sustainable approach (Frostenson & Prenkert, 2014). Sustainability should be considered at different levels of a company (Frostenson & Prenkert, 2014) since stakeholders ask more and more for company responsibility in both working conditions and production circumstances (Park & Rees, 2008).

Supply chain management was originally linked to environmental management in order to improve economic performance, and finally grew into SSCM (Beske & Seuring, 2014). In Seuring and Müller’s (2008) definition of SSCM, information sharing between stakeholders is key for the serious management of a sustainable supply chain. Stakeholders are commonly defined as “any group or individual who can affect, or is affected by, the achievement of the organization’s objectives” (Wu & Pagell, 2011, p. 577). Cooperation between the various elements of the supply chain is then a key element for overall management and performance.

In order to consider the organisation with its new boundaries, i.e. every person who impacts or is impacted by the organisation’s actions (Park & Rees, 2008), more collaboration is necessary and, as stated by Alexander et al. (2014), more collaboration asks for more important and consistent decision-making processes.

For Beske and Seuring (2014), there are indications that changes have to be made in the supply chain and in the way it is managed in order to achieve an improvement in sustainability performance. The implementation of a sustainable supply chain implies the consideration of a larger part of the supply chain such as nongovernmental agencies (NGOs) or competitors (Pagell & Wu, 2009). Therefore, Pagell and Wu (2009) suggest that the supply chain should be reviewed in order to include the non-traditional stakeholders. Beske and Seuring (2014) have identified SSCM practices as falling into five distinct categories; orientation, continuity, collaboration, risk management, and proactivity. However, Beske and Seuring (2014)'s paper is only theoretical; further empirical research is required in order to test some features of the framework in a practical context.

Out of the five categories represented in **Figure 1**, we chose to focus on collaboration. Indeed, it is essential for a company to build partnerships in the supply chain and a means to achieve this is collaboration (Lim & Phillips, 2008). As Nike's example demonstrates, building socially responsible partnerships without collaboration will only lead to failure (Lim & Phillips, 2008).

Figure 1: SSCM practices



Source: Own elaboration based on Beske and Seuring (2014)

Moreover, the growing concern for sustainability resulted in questions about how it should be integrated into an organization's level of decision-making. For Alexander et al. (2014), due to the importance of collaboration for a successful SSCM, decision-making processes between the firms of a same supply chain are important. Global organisations present in different cultural contexts should use ethical decisions-making processes to manage and reduce risks (Collier & Esteban, 2007), but the different decision contexts

also ask for different decision-making methods (Alexander et al., 2014). Furthermore, Vachon and Klassen (2008) noticed that joint planning and environmentally related decision-making can be forms of collaboration.

Consequently, collaboration and decision-making should be seen as two complementary elements. There has been little research done to show the consequences of necessary conditions or specific management style (i.e. purchasing power, governance mechanisms or collaboration) in the supplier-customer relationship and if this relationship would impact the influence of supply requirements that are related to the environment (Simpson et al., 2007).

Furthermore, considering Skechers USA Inc., involvement in social and environmental matters, along with their leading position on the market and high number of stakeholders, we decided to base this study on Skechers USA Inc., henceforth referred to as Skechers. Skechers is a company active in the footwear and apparel industry since its incorporation in 1992. Since then, the company has become a major player on both the national and international stage. We chose this industry because of our genuine interest in the complexity of retail supply chains as well as the contemporary challenges faced by retailers. Moreover, only a few studies examine the role of a major customer in a supply chain (Simpson et al., 2007) therefore Skechers will be studied as part of this thesis.

Skechers has demonstrated extraordinary development over the last decade, reaching second place for the best performance footwear brand in the United States. The company shows tremendous drive, determination and hard work in this race and aims to catch up to its number one competitor, the giant Nike Inc. Most importantly, through diverse corporate social responsibility actions, Skechers is strongly invested in helping and contributing positively to the community. The brand's popularity is also increasing sharply, particularly through its collaboration with high-profile athletes and celebrities.

In 2012, Skechers distribution centre in California was the largest facility in the U.S. awarded with the LEED Gold, a certification for trade facilities evaluated in terms of sustainability performance, water and energy efficiency, use of resources and innovation (LEED stands for Leadership in Energy & Environmental Design) (Clay, 2013). It was rewarded for its outstanding environmental standards compliance and for the most state-of-the-art sustainable development of its field. Skechers shows commitment to developing its activities in a sustainable manner (Clay, 2013).

Moreover, CEO Michael Greenberg was ranked 17th best US CEO at a mid-cap company (Skechers was the only footwear company in the top 20) by the social-network platform ExecRank based on experience, professional success and reputation, business outcomes, and earnings progress (Butler-Young, 2015).

With Skechers' numerous international partners in all regions of the world, a good management of their supply chain is crucial in their growth if issues such as the ones faced by their competition presently or in the past (i.e. sweatshops) want to be avoided. From all of the above, Skechers appears to be taking measures towards the sustainability of its supply chain and this is why we chose them.

1.1 Research project

Beske and Seuring (2014) identified five SSCM practices, including collaboration. However, their paper is only theoretical, leading us to bring a concrete example on these practices. This thesis aims to examine collaboration practices and to better understanding the link between collaboration and decision-making, as a supply chain must be adapted to become more sustainable.

The academic literature on SSCM emphasizes the importance of collaboration in the current organizational world, but also the importance and the complexity of decision-making. Both are related: collaboration cannot be achieved without making decisions, and decision-making is made more complicated through the development of a collaborative network. Therefore, the research purpose is to understand how those two elements are related and influence the SSCM. With this research we seek to understand the link between collaboration, decision-making and the SSCM of a company.

Accordingly, our research question is "how are collaboration and decision-making influencing each other to impact the SSCM of a company and its network?"

This paper analyses collaboration and decision-making processes occurring within an organisation, and more specifically within Skechers. The study is based on three sources used to build a case study. First, a literature review on SSCM, collaboration and decision-making leading to propositions and limiting the scope of the research. Secondly, primary data collected through semi-structured interviews of managers at Skechers head offices in Manhattan Beach (California). Finally, we used data that could be found on the Internet or at Skechers head office.

This research project is presented as follows: first, a literature review covering the subjects of sustainable supply chain management, collaboration and cooperation, and decision-making is presented. This section ends with the various related propositions that we sought to answer with this paper. Second, the methodology used for this research is described, followed by a case study presenting our results. Finally, in the discussion, our results are put in relation with our propositions and our main conclusions and limitations of this study are highlighted.

2 Literature review

2.1 Sustainable Supply Chain Management

According to Andersen and Skjoett-Larsen (2009) SCM is becoming increasingly important in the strategy of an organization as competition is shifting towards the supply chains. Through the maintenance of a close and durable relationship with suppliers, a strong competitive advantage can be achieved (Andersen & Skjoett-Larsen, 2009). This topic will be more closely discussed later in this paper.

In the past, SCM theory dealt principally with integrating processes, cost-efficiency and customer service. Today, increasing attention is shown to environmental and social challenges related to international business (Andersen & Skjoett-Larsen, 2009). The need for making environmentally responsible decisions while managing a supply chain is growing (Srivastava, 2007).

Hassini et al. (2012, p. 70) defines supply chain as “all parties involved in fulfilling a customer order” and supply chain management as “the control of the supply chain operations, resources, information and funds in order to maximize the supply chain profitability or surplus—the difference between the revenue generated from a customer’s order and all the costs incurred by the supply chain while satisfying that customer’s order”.

2.1.1 Sustainability

The World Commission on Environment and Development (1987, p.16) defines sustainability as “development that meets the needs of the present without compromising the ability of future generations to meet their needs”. According to Santillo (2007), this definition states the interrelation between the three pillars of

sustainability, namely economic, social and environmental. However, companies have difficulties interpreting this definition and taking actions accordingly (Carter & Rogers, 2008; Gimenez & Tachizawa, 2011). Therefore, a large number of definitions have emerged, particularly in the field of environmental management. This has led to different perceptions of the concept of the three pillars of sustainability, and has become a way of meeting corporate interests while pretending to be environmentally friendly (Santillo, 2007).

According to Hahn et al. (2015, p.5), “sustainable development represents a normative concept outlining desirable development paths of societies” and is increasingly catching managers’ attention. Similarly, Hassini et al. (2012) (p.70) define business sustainability as “the ability to conduct business with a long term goal of maintaining the well-being of the economy, environment and society”. As the productive ability of the economy, business is at the core of sustainable development, which has in turn generated the concept of organizational sustainability (Hahn et al., 2015).

The SSCM literature commonly defines sustainability as “the extension of economic aspects by social and environmental factors to the triple bottom line” (Brandenburg & Rebs, 2015, p. 214). This means that supply chains are impacted externally by governmental actions, customer markets and various stakeholders (Seuring & Müller, 2008; Brandenburg & Rebs, 2015). However, sustainability is often associated only with environmental issues, when it is necessary to integrate all three dimensions, i.e. environmental, economic and social (Seuring & Müller, 2008), but recent years have seen the relevance of environmental concern decreasing while studies of social sustainability have faced a strong growth (Brandenburg & Rebs, 2015). To promote a sustainable future, we must return to the initial definition, which includes all three dimensions (Santillo, 2007).

Indeed, “although ‘sustainability’ can refer to a firm’s capacity to effectively manage natural and environmental resources, we use the term more broadly to encompass the organization’s capabilities to also cultivate human, financial, and organizational resources” (Smith et al., 2011 p.799). There are three separate dimensions to sustainability; but organizational sustainability goes further than the triple bottom line by responding to mutually dependent economic, environmental or social concerns (Hahn et al., 2015). Sustainability is characterized by plurality; earnings are usually

prioritized over the two remaining dimensions (Hahn et al., 2015). However, meeting the request of various stakeholders is also a priority (Hahn et al., 2015). In fact, social and financial objectives can be mutually beneficial (Smith et al., 2011).

2.1.2 Green Supply Chain Management

GSCM can be defined as a combination of the following practices: green purchasing, manufacturing/materials management, distribution and marketing, and reverse logistics (Kumar et al., 2012). It encompasses programs developed to “green” suppliers’ practices or to make supply guidelines more environmentally oriented (Simpson et al., 2007).

According to Seuring and Müller (2008), Green Supply Chain Management (GSCM) is one of the three major topics of SCM, along with the economic and social dimensions. The objective of GSCM is to reach an optimized value chain through material and information flows (Kumar et al., 2012), but also to reduce waste (Tachizawa et al., 2015). It consists of managerial decisions being more ecologically and socially focused (Kumar et al., 2012), and in the desire to improve the environmental performance of a firm’s suppliers and customers by integrating environmental issues into a SCM (Large & Gimenez Thomsen, 2011).

Green supply chain management affects the company beyond its boundaries and calls for collaboration between partners within a supply chain (Srivastava, 2007). The impetus behind implementing GSCM is not only environmental protection, but also reputation, business value and regulation (Srivastava, 2007). Green initiatives are aimed at saving resources, reducing waste and improving productivity (Andersen & Skjoett-Larsen, 2009; Kumar et al., 2012). They can also lead to costs reductions and to increased efficiency and flexibility (Kumar et al., 2012).

2.1.3 Sustainable Supply Chain Management

Sustainable supply chain management refers to an environmental strategy applied to supply chain management. The widely used Al-Odeh and Smallwood (2012) definition of SSCM is: “the process of managing SCM activities with consideration for environmental, economical and social issues for enhancing the long term economic goals of an individual organization and its supply chains”. A recent definition of SSCM is “The creation of coordinated supply chains through the voluntary integration of economic, environmental, and social considerations with key inter-organisational business systems designed to efficiently and effectively manage the material, information, and

capital flows associated with the procurement, production, and distribution of products or services in order to meet stakeholder requirements and improve the profitability, competitiveness, and resilience of the organization over the short- and long-term” (Ahi & Searcy, 2013, p. 339).

Lean manufacturing, the procedure of waste reduction in the fabrication process, is among the first strategies to have carried out environmental objectives to avoid unnecessary waste and lower the cost of managing pollution, while improving the quality of the production (Al-Odeh & Smallwood, 2012). According to Al-Odeh & Smallwood (2012), an activity that allows implementing a sustainable production and reduces the production costs is reverse logistics: it deals with the end of life of a product and the management of returns. In other words, that activity closes the loop; returns should not be managed by one department of the supply chain only but by the entire supply chain in reverse, from the end consumer to the supplier of raw materials (Andersen & Skjoett-Larsen, 2009). Reverse logistics is concerned by the management of products' end of life and the different decisions resulting from it (i.e. recycling, re-manufacturing, fixing, and dealing with used pieces) (Govindan, Soleimani, & Kannan, 2015).

A strategy such as SSCM will create new opportunities for companies; reducing environmental risks, pollution and costs is aimed at improving the performance of the organization and gaining a competitive advantage (Al-Odeh & Smallwood, 2012). For Kumar et al. (2012), sustainability brings the company various advantages including costs saving, increased efficiency, and new customers and suppliers. It can also create a competitive advantage and resulting profits.

The barriers to SSCM are the cost of environmental actions; and lack of management, human resource, awareness, regulation, corporate environmental standards, competition and fluctuating market demands (Al-Odeh & Smallwood, 2012). For Hassini et al. (2012), a SSCM leads to more difficult to satisfy, even conflicting, goals. Other challenges include handling multiple decision makers, and evaluating environmental impacts and social benefits in the supply chain with numerous parties (Hassini et al., 2012)

Carter and Rogers (2008) identified four elements that can be regarded as supporting SSCM. The first, strategy, refers to deliberately determining individual SSCM initiatives

that are consistent with the organisation's wider sustainability strategy (Carter & Roger, 2008). The second is risk management for the whole supply chain (upstream and downstream), and the third is an organisational culture with excellent ethical standards, organisational citizenship, and consideration for the society and natural environment (Carter & Roger, 2008). The final element is the transparency in communication with major stakeholders along with traceability and visibility into the supply chain activities (Carter & Roger, 2008).

According to Silvestre (2014), sustainable supply chains perform systematically well on environmental, financial and social dimensions. Every step of the supply chain should consider, measure and/or control those three dimensions; otherwise the supply chain is considered unsustainable (Silvestre, 2014). Moreover, the collaboration between the members of the supply chain is of utmost importance, as it encourages innovation and improved sustainability performance (Silvestre, 2014), as well as environmental performance (Tachizawa et al., 2015). Collaboration is also needed with external stakeholders because they are a source of risk (Silvestre, 2014). However, Tachizawa et al. (2015) view risk management as a tool for monitoring actions while collaboration, seen as a complement, is used to improve environmental performance (Tachizawa et al., 2015). While collaboration with external stakeholders and other members of the supply chain is important, the collaboration within the company should not be forgotten (Silvestre, 2014). GSCM concerns all departments and crosses boundaries within and between organisations (Zhu, Sarkis & Lai, 2008). It is just as important to maintain good cooperation and communication within a company in order to achieve a successful environmental management (Zhu, Sarkis & Lai, 2008).

2.1.4 Corporate Social Responsibility practices in supply chains

According to Andersen and Skjoett-Larsen (2009), CSR is a broad and largely described concept leading to a variety of definitions. As the concept continues to change, it has begun to encompass the entire supply chain and become more than an individual company's concern (Andersen & Skjoett-Larsen, 2009). CSR can be characterised as the organisation's actions and position regarding its obligations towards stakeholders (Costa, Lages, & Hortinha, 2015). Multinational companies are expected to behave well throughout the entire supply chain, and are also held responsible for third parties behavior (Andersen & Skjoett-Larsen, 2009).

From internal and external stakeholders comes pressure in terms of product quality, delivery time, working conditions and environmental consequences (Andersen & Skjoett-Larsen, 2009). The amount of information available to customers and stakeholders has made it difficult to hide unethical practices. Many multinationals have responded to the pressure of stakeholders to ensure their suppliers meet the expectations and comply with the environmental standards (Andersen & Skjoett-Larsen, 2009). Some well-known cases of companies that have come under attack for unethical practices are NIKE, GAP, H&M, Walmart etc. (Andersen & Skjoett-Larsen, 2009).

The most widely used approach is the code of conduct, which is “a document stating a number of social and environmental standards and principles that a firm’s suppliers are expected to fulfill” (Andersen & Skjoett-Larsen, 2009, p.78). The code of conduct is increasingly introduced in contracts between a buyer company and its suppliers (Andersen & Skjoett-Larsen, 2009) and the objective is to guide behaviours (Collier & Esteban, 2007). It is typically based on the values the firm wishes to be associated with and its principles are often derived from local legislation and international conventions such as the UN’S Global Compact, ISO 14001, ILO Declaration on Fundamental Principles and Rights at Work etc. (Andersen & Skjoett-Larsen, 2009). Moreover, codes of conduct are a way managing ethics (Pimentel et al., 2010) and building collaboration through shared policies and common objectives. (Vachon & Klassen, 2008). But not all observers have a positive attitude towards codes of conduct, considering them to be ineffective as they cannot be enforced in the same way as legal requirements, and are not drafted in response to the needs of the employees (Andersen & Skjoett-Larsen, 2009). Moreover, proof exists that codes are not always integrated into the company’s practices (Collier & Esteban, 2007).

More and more organizations are adopting practices to incorporate sustainable practices into their supply chain but very few corporations manage to implement a truly sustainable supply chain (Andersen & Skjoett-Larsen, 2009; Pagell & Wu, 2009). For the staff to follow CSR demands, it requires motivation and commitment to take actions but this cannot be forced (Collier & Esteban, 2007). Besides the difficulty of implementing CSR, Collier and Esteban (2007) consider it to be a necessity, especially for transnational companies that should be responsible of their actions and influence on all their

stakeholders. It should however be used correctly as CSR actions that are not related to the business strategy are judged as cosmetic (Costa, Lages, & Hortinha, 2015).

2.2 Cooperation/collaboration

2.2.1 Importance of collaboration

Companies are becoming increasingly aware that customers, and stakeholders in general, do not make the distinction between a company and its partners (Large & Gimenez Thomsen, 2011). Consequently, the company should often respond to any charge of environmental damage, be it the focal company's, (i.e. the company directing the supply chain, possessing bargain power over the other members of the supply chain, and working with end consumer) or its partners' responsibility, and must act responsible for the environmental performance of the whole network (Large & Gimenez Thomsen, 2011). Moreover, new activities related to SCM, consequences of the evolution of environmental management, are not limited to the boundaries of the organisation (e.g. green purchasing, reverse logistics, and product stewardship) and call for interaction with the other members in the supply chain (Vachon & Klassen, 2008).

The importance of cooperation between the actors of the supply chain has been thoroughly discussed in academic literature on the subject (e.g. Beske & Seuring, 2014; Frostenson & Prenekert, 2014; Pagell & Wu, 2009; Seuring & Müller, 2008, Simpson et al., 2007; Vachon & Klassen, 2008). Collaboration is defined as "working directly with suppliers providing them with training, support or other activities" (Gimenez & Tachizawa, 2011, p. 533). For Beske and Seuring (2014), collaboration in the supply chain allows inter-organisational learning and can therefore be understood as cooperation in the long term. For this paper, we will consider cooperation and collaboration as synonyms.

According to Frostenson and Prenekert (2014), there is a need to work closely with suppliers, but the other actors of the supply chain may also be crucial in the approach of sustainability. Seuring and Müller (2008) consider SSCM as "the management of material, information and capital flows as well as cooperation among companies along the supply chain while taking goals from all three dimensions of sustainable development" (Seuring & Müller, 2008, p. 1700). Meanwhile, Ahi and Searcy (2013) define SSCM as a coordinated supply chain that integrates the three dimensions (i.e.

economic, environmental, and social) with inter-organisational business systems. According to them, coordination is highly important in the implementation of a SSCM. Moreover, it is essential to work closely with suppliers and their own suppliers, and with customers and their own customers in order to reach the full capacity of green supply chain (Kumar et al., 2012). The classical interpretation of the supply chain should be extended to integrate a larger range of stakeholders (Kumar et al., 2012). However, Vachon & Klassen (2008) found out that collaboration with suppliers is more effective than collaboration with customers as it resulted in a broader range of benefits (i.e. increased quality, delivery, flexibility and environmental performance). Simpson et al. (2007) recognise the possibility of the connection between customers and suppliers in affecting the environmental performance of supply chains and Tachizawa et al. (2015) consider collaboration as positively influencing environmental performance and as a means to enhance sustainability.

2.2.2 Influencing the collaboration

Seuring and Müller (2008) think of coordination efforts as a barrier to the implementation of SSC. Beske and Seuring (2014) see trust as an additional barrier for collaboration. Seuring and Müller (2008) also concluded that a focal company has to look at the whole SC and to take a larger portion of the SC into account. In doing so, the company can develop a trusting relationship with its partners and invest in the continuity of the relationship, based on the long term (Beske & Seuring, 2014). Continuity improves the cooperation that will consequently increase information sharing and knowledge, since information facilitates collaboration in a business relationship and is needed to share sustainability conditions with suppliers (Beske & Seuring, 2014; Pagell & Wu, 2009). Reaching a relationship based on trust helps to enhance sustainability (Gimenez & Sierra, 2013).

According to Pagell & Wu (2009), collaboration in a sustainable supply chain can be enhanced through two behaviours: giving incentives so that suppliers face fewer risks to implement the new required process, and educating those suppliers who will then educate each other. Along the same lines, Large and Gimenez Thomsen (2011) note that a supplier performance can be improved by focal companies, among others, through incentives to improve their performance or by training them directly. Assessing suppliers is also used by firms to improve their suppliers' performance (Large &

Gimenez Thomsen, 2011). Gimenez and Tachizawa (2011) also recognize the usefulness of collaboration to manage the network and qualify it as a governance mechanism, i.e. a set of practices aiming at improving an organisation's sustainability performance and used by firms to manage their network and their relationships with partners. A focal firm that evaluates its suppliers is likely to see positive development in their behaviours concerning environmental matters (Large & Gimenez Thomsen, 2011). For Tachizawa et al. (2015), monitoring and collaborating should be applied together in order to observe changes in environmental performance. However, small companies face environmental pressures especially from their customers (Walker et al., 2008), which is considered to represent a major financial stakeholder (Simpson et al., 2007). This position gives customers a considerable strength to convince its suppliers to adopt environmental management practices and to collaborate for better knowledge sharing and sustainable development (Simpson et al., 2007).

2.2.3 Outcomes of collaboration

If suppliers and customers are collaborating, Vachon and Klassen (2008) explain that they work together for the diminution of the environmentally damaging impact of their processes and products. They explain that with collaboration, environmental objectives can be planned only if there is an exchange of technical knowledge and a common willingness to learn about the other's processes (Vachon & Klassen, 2008). Successful coordination between the supply chain's members and improvement in the suppliers' performance depend heavily on the relationship between the companies (Simpson et al., 2007).

The importance of collaboration in the supply chain results from the opportunity for inter-organisational learning linked to the customer and supplier relationship, that can be developed into a supply chain resource and engender further capabilities in organisations (Vachon & Klassen, 2008). Academic research supports the idea that the relationship between the customer and the supplier (or between two suppliers) is strategically important in business, as it may result in positive environmental results: e.g. waste decrease through the collaboration, cost-effective and environmentally favourable problem-solving, innovation environmentally oriented, environmental technologies more quickly implemented (Simpson et al., 2007). Sharfman et al. (2009) highlighted the advantage of being cooperative: it is more effective than having an

approach where suppliers are mandated to be more social or environmental. They also add that companies who trust their stakeholders are more likely to have environmental management practices (Sharfman et al., 2009). For instance, they will invest more in technologies preventing pollution (Kumar et al., 2012). Partnership is also essential when a company wants to meet social and environmental requirements (Frostenson & Prenekert, 2014). Collaboration is an additional mean to achieve sustainability performance (Beske & Seuring, 2014). Collaboration is expected to drive environmental performance improvements for both participants, i.e. the customer and the supplier firm (Simpson et al., 2007) Moreover, literature also highlighted that implementing suppliers' assessment, collaboration and codes of conduct improves their supply chain sustainability (Gimenez & Tachizawa, 2011). Assessment alone is not enough; collaboration is needed for enhanced environmental and social performance (Gimenez & Sierra, 2013; Gimenez & Tachizawa, 2011). The involvement of customers and suppliers is also a means to encouraging larger environmental investment (Simpson et al., 2007). Collaboration also highly influences the supply network as its competitive advantage is then higher, and overall costs and uncertainty are reduced (Beske & Seuring, 2014). Husser et al. (2014) note that, for the buying company, collaborating with suppliers means having social contacts and networks. Indeed, for the buyer to let another company do the job in the buyer's place implies a well-developed collaboration, i.e. exchange, interdependence, and a relationship based on the long-term (Husser et al., 2014). Husser et al. (2014) also consider those new responsibilities in cooperation to have impacted the purchasing functions the most. While businesses see their purchasing function gain in importance, so does the concern for purchasing ethics (Husser et al., 2014). Furthermore, ethics is now acknowledged as crucial for good buyer-supplier relations (Husser et al., 2014).

For Vachon and Klassen (2008) and Gimenez and Sierra (2013), the competitive advantage comes from the knowledge assimilation and cooperation between organisations, and from the environment dedicated management orientation. Cooperative companies also take greater advantage of industrial chains in comparison to other companies (Beske & Seuring, 2014) and have also higher sales (Sharfman et al., 2009), "more satisfied customers, fewer problems with regulators, smoother supply systems and reduced costs" (Sharfman et al., 2009, p.11). Collaboration allows companies to have more effective reverse logistics practices through eco-design, an

emerging GSCM practice that should address product functionality while minimizing the environmental impacts (Zhu, Sarkis & Lai, 2008). According to Zhu et al (2008), eco-design would be successful only if there is internal and external cooperation with the entire supply chain. Cooperation also lowers the environmental impact resulting from the material flows in the supply chain (Vachon & Klassen, 2008).

For Kumar et al. (2012), looking at the degree of collaboration between stakeholders is a way to evaluate the performance of the SSC. The supply relationship is crucial in the realisation of long-term objectives as it allows to inform the suppliers about the customer requirements (Simpson et al., 2007). Collaboration requires excellent knowledge of each other's obligations and competences about environmental management (Vachon & Klassen, 2008).

2.2.4 Actors in the collaborative network

Building a cooperative network between companies involves working with competitors but also with non-governmental organisations, consumer groups, etc. (Frostenson & Prenekert, 2014; Pagell & Wu, 2009) in order to “examine, define and improve working conditions in the supply chain” (Frostenson & Prenekert, 2014, p.86). Indeed, thinking about the supply chain as a network has consequences in the definition of the company's boundaries and all the companies of the network have not the same issues or objectives (Frostenson & Prenekert, 2014). Actually, the requirements for a sustainable network necessitates taking into account more stakeholders rather than only the one implied in the direct value chain (Frostenson & Prenekert, 2014). Understanding the network feature of a supply chain is central in the improvement of sustainability, otherwise the company could fail in the process (Frostenson & Prenekert, 2014).

2.3 Decision-making

2.3.1 Unethical decision-making

Environmentally and economically viable supply chains are the results of multiple decisions made over time in the organisation, and the link between those decisions (Wu & Pagell, 2011). Although supply chain decision-making is already a complex matter, the uncertainty resulting from environmental decisions or issues, and from the link between supply chain and ecological systems, multiplies this complexity (Wu & Pagell, 2011). Moreover, considering today's environment, company's decisions have to take

stakeholders expectations into account, but also dimensions where information is limited (Wu & Pagell, 2011). It is therefore necessary to consider environmental decisions as complicated and as occurring in an adaptive system (Thiel et al., 2012; Wu & Pagell, 2011), often resulting in unexpected consequences (Pimentel et al., 2010). The decisions taken are then far from optimal and therefore, companies resort to simple rules to support them in their decision-making processes (Wu & Pagell, 2011). Moreover, Thiel et al. (2012) suggest that leaders find it difficult to correctly assess the dynamic environment; and considering the current organisations (i.e. less structured and more flexible), leaders are more subject to unethical decisions to respond to complex ethical dilemmas. Ethical dilemmas appear when a person cannot choose between different situations that arise and that cannot be executed simultaneously (Lurie & Albin, 2006).

In the past, supply chain managers often conducted projects in a standalone way, i.e. with no consideration for their globality and for the strategic understanding about how all parts of a project go together (Carter & Easton, 2011). However, scandals have shown the importance of ethical behaviour and the damaging consequences of unethical behaviour for an organisation (Selart & Johansen, 2011). Husser et al. (2014) define ethics as “a science of behaviour and decision-making, in the context of conscious and deliberate action to reach a goal. It is the basic principle of correct behaviour, especially with reference to a specific person, profession or activity” (Husser et al., 2014, p.328). Unethical decision-making (UDM) can be understood as the “decision that is either illegal or morally unacceptable to the larger community” (Jones, 1991, p.367). More precisely, UDM is related to moral issues, which is defined as “present where a person’s actions, when freely performed, may harm or benefit other” (Jones, 1991, p. 367). According to this definition, UDM has repercussions on others and includes a choice from the decision-maker (Jones, 1991).

Nowadays, integrity is a growing matter while unethical behaviour is rising, considering that 49 per cent of for-profit companies’ employees have reported observing ethical violations (Plinion, Young & Lavery, 2010). Those violations can have a huge impact on organisations due to their incredible costs and can be the reason of approximately 1 out of 5 businesses failure. Moreover, the raise in visibility and importance of ethical breaches appear even more harmful and obvious for the public (Parson & Artistico,

2014). For Parson and Artistico (2014), the accomplishment and consequences of unethical behaviour are obvious and consist of false representation of finances, services or products, deceitful financial reporting, and damaging behaviours. However less explicit results of unethical behaviours can also be observed such as the global recession, substantial job loss, or the increasing volatility in finance (Parson & Artistico, 2014).

2.3.2 Influencing the decision-making process

Several factors can influence the decision-making process, more specifically ethical decision-making processes. Selart and Johansen (2011) mention negative stress, organisational values, leaders, character, gender, career status, and cultural differences and Pimentel et al. (2010), Priesmeyer and Mudge (2008) note the context has to be taken into account. Besides decision-making is guided by an organisation's business model (Alexander et al., 2014; Pagell & Wu, 2009). Commitment to sustainability has to be integrated within the company's values and strategy, ensuring at the same time the top-management dedication, which is key to have the best SSCM possible (Alexander et al., 2014; Beske & Seuring, 2014). Parson and Artistico (2014) also speak about the ethical climate in an organisation. On the one hand, the ethical tendency of an organisation, i.e. the shared understanding of how things are usually done, influences ethical behaviour and is partly accountable for the evolution of an organisation's values (Parson & Artistico, 2014). On the other hand, values highlight and support the organisation's expectations on how ethical decision-making and behaviours should be (Parson & Artistico, 2014). Parson and Artistico (2014) also recognise the ethical climate as the main determinant for the generally acknowledged ethical and unethical attitude in the organisation. Alexander et al. (2014) consider that a company's culture can also influence the trade-off between sustainability decisions and costs, while Thiel et al. (2012) point out the fact that organisational culture causes constraints on leaders making it harder for them to manage ethical decisions. However, Martin and Johnson (2010) believe that even though organisational culture is important, ethical behaviour is displayed and executed through the managers' beliefs and attitudes.

The nature of decision-making is affected by the various requirements that have been identified as necessary for a successful SSCM, i.e. "the organisational culture, strategy, risk management and transparency" (Alexander et al., 2014, p.505). Wu and Pagell

(2011) have identified Operating Principle and Technical Standard(s) as drivers for decision-making. They fix boundaries and reduce uncertainties and search space for solutions, resulting in decision-making being manageable and more efficient (Wu & Pagell, 2011).

Ethical decision-making depends on a person's expertise (Husser et al., 2014; Thiel et al., 2012; Valentine & Rittenburg, 2007). For instance, older and more experienced executives show greater ethical intents (Valentine & Rittenburg, 2007). According to Priesmeyer and Mudge (2008), emotions are the trigger and the enabler of the decision-making process and of the implementation of decisions. Emotions are an intrinsic element of leadership (Thiel et al., 2012). They also make us attentive to situations needing a decision, they give us information about the usefulness of actions, and they contribute to the motivation required for implementing measures (Priesmeyer & Mudge, 2008). Selart and Johansen (2011) specify that stress impacts decision-makers by lowering quality control, leading them to cover up incidents, profit from sickness days, and delude customers. If not handled correctly it can also end in fatigue, declining productivity and decreasing job performance (Priesmeyer & Mudge, 2008). Priesmeyer (2011) states that the emotional state of a person needs to be considered before making a decision as it may change as a result of the consideration of making a decision. Indeed, Priesmeyer (2011) found out that emotional reaction happens simultaneously to the identification of ethical outcomes and not according to the predicted outcomes.

The way people characterize themselves according to the group (i.e. self-construal) also impacts the decision-making (Hoyt & Price, 2015). People with high interdependent self-construal (i.e. connectedness) are more concerned with fairness in their relations with others (Hoyt & Price, 2015). They concentrate on the requirements of others and on compatibility with others (Parson & Artistico, 2014). In opposition, people with low interdependent self-construal concentrate solely on themselves (Parson & Artistico, 2014). Besides, Parson and Artistico (2014) research highlights the fact that low interdependent self-construal is linked to low empathy (i.e. the extent to which people are aware of individual's emotions around them and of their influence on others) and consequently leading to take decisions without taking other people into account.

Even though these factors influence the group dynamic, leaders play a crucial role, due to their responsibilities in determining objectives and inspiring the group (Hoyt et al.,

2013; Hoyt & Price, 2015 ; Park & Rees, 2008; Zhu, Sarkis & Lai, 2008). Their central position to transform independent action into group action (Hoyt et al., 2013), their accountability to external and internal stakeholders (Thiel et al., 2012), and their values flow through the whole organisation (Park & Rees, 2008; Thiel et al., 2012; Walker et al., 2008). Associated with the fact that people's beliefs, attitudes, and behaviours are influenced by their identity, leaders clearly impact ethical decision-making processes (Hoyt & Price, 2015; Thiel et al., 2012). According to Hoyt et al. (2013) the importance given to the role of the leader and the constraint of goal realisation increase the risk of unethical behaviour, mainly because it gives confidence to leaders that using controversial methods is moral. Indeed, leaders have more power, which has been proved to raise positive actions and attitudes, but it is also related to offensive actions (i.e. objectifying people and ignoring others) (Hoyt et al., 2013). Hoyt and Price (2015) also consider leaders to be more subject to unethical behaviours than people in non-leading roles. Hoyt et al. (2013) found out that leaders of groups having valuable objectives are more prone to behave unethically, and to consider it right, in order to reach those objectives. They demonstrated that unethical behaviour is more present in leadership situations because of the link between the role of the leader and the importance given to roles and to the actions taken to reach those goals (Hoyt et al., 2013).

Self-construal is an additional means to predict differences in behaviours, awareness, and affection among individuals (Hoyt & Price, 2015). For instance, interdependent self-construal persons will give more importance to relationships and interaction with people, as they also show a greater sensibility and attention to others (Hoyt & Price, 2015). Hoyt & Price (2015) also highlight that interdependent self-construal persons have a greater concern for justice as they are more likely to consider any injustices as an injustice to themselves, concluding that interdependent self-construal is crucial in ethical decision-making.

However, according to Hoyt and Price (2015), self-construal can vary considerably within a same culture and the leader can erode its importance seeing as a leader gives clues and assumptions about the appropriate behaviour in a particular context. Parson and Artistic (2014) differentiate self-construal according to the country and see cultures as different, considering that evidence exists about Eastern cultures being more

interdependent cultures and Western cultures being more independent. However, differences also exist within a same culture since people do not consider themselves or the group in the exact same way (Parson & Artistico, 2014). Curtis et al. (2012) also believe that the development of an organisation's operations and systems should take culture specific behaviours into consideration since effective control structures are closely linked to the factors stimulating and pressuring employees. According to Curtis et al. (2012), the country of origin leads to unconscious interpretations that will produce automatic reactions to ethical dilemmas. Curtis et al. (2012) consider ethical decision-making as an unconscious process, which relies on stereotypes often culturally derived. The national culture is an important influencer of a person's judgements, but even within one country the culture could be different (Curtis et al., 2012).

Furthermore, the gender of the decision-maker influences the decisions taken. As highlighted by Curtis et al. (2012), males are prone to make objective decisions (i.e. based on criteria), while females prefer to assess the situation before deciding. Females are also less disposed than males to have unethical behaviours (Cojuharenco et al., 2011; Curtis et al., 2012; Valentine & Rittenburg, 2007).

2.3.3 Paradoxes and dilemmas in decision-making

While some authors such as Alexander et al. (2014) consider that organisations are facing a trade-off, others like Smith (2014) see a paradox in ethical decision-making. Smith and Lewis (2011), defined paradox "as contradictory yet interrelated elements that exist simultaneously and persist over time". Paradoxes are everlasting and unsolvable whereas dilemmas can be solved through a trade-off (Smith, 2014). According to Smith (2014), top management has difficulties dealing with the increasing paradoxes faced in their strategies such as Exploration vs. Exploitation, Global integration vs. Local adaptation and Profit maximization vs. Social prosperity. To ensure performance in the long run, top management needs to engage both alternatives which is challenging and thwarting (Smith, 2014). Leaders need to decide between contradictory requests and maximizing both of these to subsequently offer appropriate guidance and assign resources (Smith, 2014). Moreover, to allow a firm to be successful in the present and prosper in the future, Smith, Lewis and Tushman (2011) point out that focus and alignment are the first elements to consider. Once the environment is assessed by the decision-makers, their strategies can be aligned with this context (Smith

et al., 2011). Focus leads to higher performance by making interactions within the organizations easier (Smith et al., 2011). However, focus and alignment can get firms stuck in their success from the past and prevent them from responding to competing objectives in the long-term, competing requests from different stakeholders or external shifts (Smith et al., 2011).

There is little literature about how to manage strategic paradoxes while their management strongly impacts the favourable outcome of an organization (Smith, 2014). The main different ways to manage paradoxes are embracing them and working through them, transforming them into synergies, understanding them through differentiation and integration (Smith, 2014). Embracing paradoxical tensions and leveraging strategic paradox facilitates sustainability (Smith, 2014; Smith et al., 2011). Such organizations are efficient at present while continuing to build skills and resources to be successful later (Smith et al., 2011). For the integrative perspective, top managers have to embrace corporate tensions and not dismiss them, even when they appear contradictory, since various dimensions of organizational sustainability can be addressed at the same time (Hahn et al., 2015). The instrumental view, on the other hand, dismisses the intrinsic tensions that could appear between the different aspects, and centres on consistency between the three dimensions (Smith & Lewis, 2011). Tensions can only be handled once they are spotted and clarified (Hahn et al., 2015).

Unlike paradoxes, ethical dilemmas can simply be solved by analysing the situation thoroughly, which will highlight solutions (Lurie & Albin, 2006). However, dealing with paradoxes is difficult and constitutes a real challenge for top managers (Smith, 2014). A solution can be found to a dilemma by choosing one alternative whereas paradoxes consist in a tension between two elements that cannot be resolved (Smith, 2014). Over time, a dilemma can turn into a paradox. For instance, allocating resources requires trade-offs but can also create a tension between stability and flexibility (Smith, 2014). Managerial literature stipulates that the management of paradoxes requires a shift from “either/or (i.e. considering tensions as a problem and a compromise) to “both/and” thinking (Smith et al., 2011) while Smith (2014) advises the use of more elaborate intellectual frameworks for managing paradoxes. The challenge is to tackle these tensions appropriately (Smith et al., 2011). While focusing on paradox leads to uncertainty and anxiety, it generates opportunities by allowing resilience in the present

and the renewal of future resources (Smith et al., 2011). Indeed, temporality is another characteristic of sustainability; sustainable organizations keep track of several time horizons and aim for both present and future success (Smith et al., 2011). A sustainable organization will seek to support competing agendas simultaneously and look for dominant synergies (Smith et al., 2011). Short-term performance will come out of selecting certain tensions, but according to the paradoxical thinking, constant work to meet the several contradictory requests is needed to achieve long-term sustainability (Smith & Lewis, 2011).

Accommodating and accepting are the main paradox strategies; accommodating searches for synergies between contradictory demands by engaging particular issues and accepting engages paradoxical tensions without resolution (Smith, 2014). Many decisions need to be made quickly, without complete comprehension of the situation. Donovan et al. (2015) qualify the decision-making process occurring as dynamic decision-making (DDM) and having skills in DDM should help to handle information, develop action plans, and assess various goals. Donovan et al. (2015) define DDM as a succession of interrelated judgments in a changing environment caused by previous decisions or by the environment itself. DDM examines the decision pattern from different responses to paradoxes progressively, i.e. choices have to be made that usually result in an either/or resolution (Smith, 2014). Firms face a multitude of inconsistent contradictory demands involving a consistent shift in backing one alternative or the other (Smith, 2014). According to DDM model, paradoxes need to be addressed in a dynamic way and resolved in a contradictory way therefore enabling reliability and the support of inconsistencies (Smith, 2014). To do so, it is necessary for the firm to adopt differentiation along with integration as business procedures in order to address strategic paradoxes and frame decisions (Smith, 2014). These strengths together stress synergies and simplify the shift between strategic alternative to promote responsive decision making and sustain paradox (Smith, 2014).

According to Smith (2014), embracing paradox calls for strong and transformational leaders known to be more authoritarian in decision making and capable of reframing strategic issues. Leadership success relies on the good management of paradoxes, a training to develop paradoxical thinking is needed among leaders (Smith, 2014). Decision-makers can process complex issues, but most of the time display cognitive bias

or errors (Donovan et al., 2015). According to Donovan et al. (2015), those bias and errors can be lowered with self-reflection, the action of assessing deliberately and constantly its own thoughts, emotions, and attitude (Donovan et al., 2015). Self-reflection is also a way to link more easily new information to previous knowledge and to grasp ideas and sentiments, allowing the decision-maker to adjust the strategy to environmental changes (Donovan et al., 2015). Therefore, self-reflection can be seen as someone's personality characteristic or as a state that the person will be in depending on the situation importance (Donovan et al., 2015). Donovan et al. (2015) found out that DDM and improved self-reflection skills can result in more effective decision-making.

Globalization, but also the increasing pace, competitiveness and complexity of environments generate more and more competing demands (Smith & Lewis, 2011). The way leaders will attend to these contradictions will determine the future of the organization (Smith & Lewis, 2011).

2.4 Theoretical framework

The SSCM is influenced by the decision-making process, but also by the collaboration happening within a network. **Figure 2** gives a better understanding of the theoretical concepts and how they influence the SSCM.

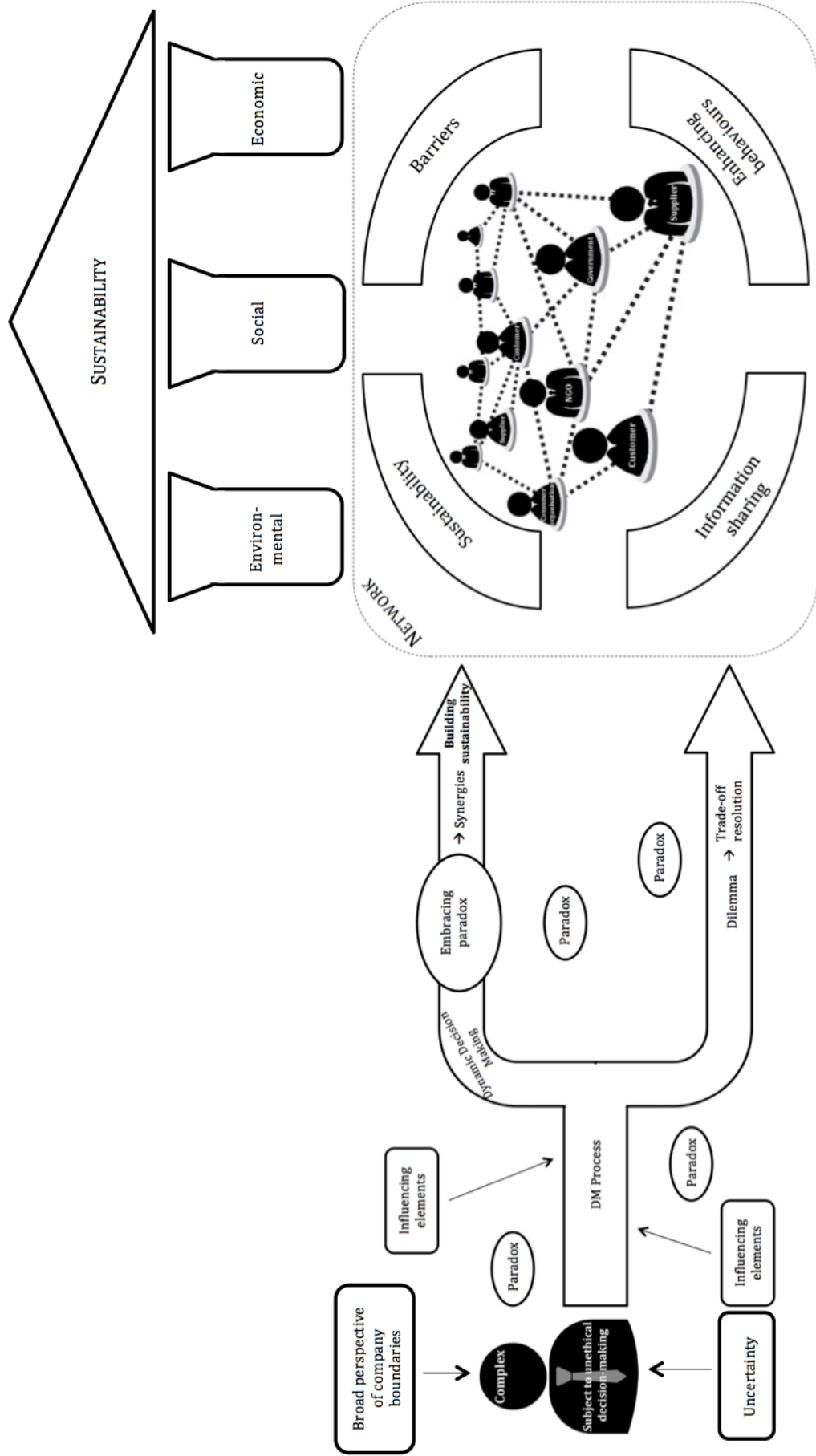
2.5 Propositions

In order to answer our research question, we divided it into two separate subjects and into specific propositions, resulting from the literature review, that should help us stay within feasible limits of the case study (Baxter & Jack, 2008).

Firstly, we desire to investigate how the collaboration between a company and its stakeholders influences the overall supply chain and the focal company itself.

The growing concern for social responsibility has lead companies to care more and more about their stakeholders, as some of them (e.g. Nike, H&M) have been held responsible for their stakeholders' poor behaviour (Andersen & Skjoett-Larsen, 2009). Practices were developed in order to avoid those bad events, such as the use of codes of conduct between a company and its suppliers (Andersen & Skjoett-Larsen, 2009), and scholars agreed that cooperation is of utmost importance to avoid issues with stakeholders

Figure 2: Theoretical framework



Source: Own elaboration

(Silvestre, 2014) leading to a collaborative network conception of the supply chain (e.g. Pagell & Wu, 2009).

Although some observers do not feel positive about codes of conducts (Andersen & Skjoett-Larsen, 2009) and Santillo (2007) agrees that the various interpretation of sustainability and of the three pillars has lead to faking environmental friendliness, we can expect them, as internal means, to influence positively the level of cooperation between two companies in the retail industry. Since multiple stakeholders are involved such as external stakeholders including customers or governmental institutions, the entire supply chain will be impacted (Seuring & Müller, 2008; Brandenburg & Rebs, 2015). Collaboration is considered by Beske and Seuring (2014) to be a practice of SSCM, therefore we suppose that external means coming from those stakeholders could impact collaboration too. This leads to our first proposition:

P1: Cooperation in the supply chain is enhanced by means internal and external to the network

Scholars (e.g. Beske & Seuring, 2014; Gimenez & Tachizawa, 2011; Simpson et al., 2007) agree to say that collaboration with suppliers is beneficial for companies (e.g. lowering uncertainties and overall costs, improving the supply chain sustainability), but that it depends on the relationship they built (Simpson et al., 2007). Andersen and Skjoett-Larsen (2009) agree and say that competitive advantage can result from long-term collaboration.

As current companies have to look at the whole SC, they have the opportunity to build relationships based on continuity and trust (Husser et al., 2014). Incidentally, trusting companies are prone to environmental practices (Sharfman et al., 2009). As cost-savings result from collaboration, and trust can be considered as an obstacle for efficient collaboration, we suppose that long-term relationships are required if a company wants to benefit from collaborative advantages. Therefore it made us suppose that trust and cooperation together allows to costs savings within the company.

P2: Overcoming barriers to collaboration enhances sustainability allowing to reap benefits from collaboration.

Secondly, the subject of decision-making is studied, and more specifically to what extent it is influencing the SSCM and thus the network created by the focal company. In fact,

when discussing collaboration the supply chain should be considered as a network (Frostenson & Prenekert, 2014).

The third proposition pursues the same concept of durable relationships. We suppose that relations build over time will lower uncertainty in decision-making since decisions made by a company impact its stakeholders. Silvestre (2014) affirms that collaboration with stakeholders is a necessity because they represent a possible risk for the company. Moreover, the responsibilities of companies are growing and they are more and more held accountable for their stakeholders' behaviours (Andersen & Skjoett-Larsen, 2009). Collaborating with them and consequently increasing the amount of shared information should lower the risk they constitute. This assumption is at the source of our third statement:

P3: Cooperation is a way to lower uncertainty in supply chain decision-making, affecting the company's network.

The literature review pointed out that the top-management's involvement and commitment to sustainability is of the highest concern to reach and effectively manage a SSC (Alexander et al., 2014; Beske & Seuring, 2014). Leaders are considered as influencing the decision-making process, be it through their values (e.g. Walker et al., 2008), through their expertise (e.g. Husser et al., 2014) or through their responsibilities (e.g. Hoyt et al., 2013). The organisational culture and leadership also influence ethical behaviour (Alexander et al, 2014) considering the importance of the leader within an organisation and his/her influence on the decision taken.

Cooperation with stakeholders leads to the creation of a network involving more than only suppliers (Frostenson & Prenekert, 2014; Pagell & Wu, 2009). The direction that this network takes, i.e. ethically oriented or not, should then be the result of decisions taken by the company. We concluded that the leader, in addition to influencing decision-making, also influences the network that the company builds with its stakeholder:

P4: The organisation's network and SSCM is the result of the leaders' actions and values

As a result, we came to the supposition that both cooperation and decision-making cannot be looked at separately in the organisation. They influence each other and impact the internal and external stakeholders, hence the supply chain. The company cannot

build a collaborative network with its stakeholders without orienting its decision-making towards collaboration. It leads us to our fifth and final proposition:

P5: Ethical decision-making fosters collaboration across the sustainable supply chain, which in turn impacts decision-making processes making cooperation and decision-making complementary.

3 Methodology

3.1 Research design

According to Yin (2009), there are different research methods namely experiment, survey, archival analysis, history, or a case study. The method adopted in this thesis is the case study. After analysing the available literature on sustainable supply chain management and more specifically the topics of collaboration and decision-making, we decided to base our research on a single case study. As our research questions are more of the type “how” and “why”, they are more explanatory and seek for answers with links over time (Yin, 2009; Saunders et al., 2009). A case study should provide us with information on a phenomenon that is not yet fully understood, but for Baxter and Jack (2008) the case study is also necessary to analyse a situation that could not be considered without its context. For Saunders et al. (2009), using a case study is appropriate to gain understanding of the context and processes. Baxter and Jack (2008) add that a case study allows participants to relate their version of the situation, resulting in a greater perception of the situation and the context. As Beske and Seuring (2014) advise in their paper, the use of empirical research confirms if the framework is worthwhile. Also, a common practice in carrying out SSCM research is basing them on case studies (Brandenburg, Rebs, 2015). Therefore, the use of a case study is adapted as it is “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2009, p.18).









The research took place in Skechers’ offices located in Manhattan Beach, California where Kaoutar Guerrouj completed a two-months internship in the Retail Marketing department. Her tasks consisted in planning promotional campaigns, developing marketing collateral, analysing data, researching industry trends within the competitive retail landscape and reporting weekly reports detailing upcoming promotions to the

entire retail division. She previously worked at the Skechers European Distribution Centre in Belgium where she first got to discover the corporation. Even though the internship was not directly linked to our research, it provided us with a broader insight of the corporation and most importantly it gave us the opportunity to meet with people in high positions and a wide range of collaborators. We therefore chose this research setting in order to have access to information and to interview managers, directors, executives and partners more easily. As stated by Taylor et al. (2015), the perfect setting would be an accessible one where direct contact with the respondents is possible and where consistent data could be gathered. Skechers met these criteria.

Various data collection methods can be used for case studies such as interviews, observation, documentary analysis and questionnaires (Saunders et al., 2009). Therefore, authors (e.g. Saunders et al., 2009; Taylor et al., 2015) also advise to use triangulation, the use of different methods simultaneously, in order to ensure that the interpretation of the collected data is accurate (Saunders et al., 2009). The main way in which we carried out our research are individual semi-structured interviews because, in this case, it seemed to be the most efficient way to gather a great deal of qualitative data in order to gain a deeper understanding of the sought topics. According to Saunders (2011), a qualitative interview is useful when there is a need to understand the decisions, behaviours and point of views of participants. Semi-structured interviews allow to prepare questions in advance while leaving room for additional questions during the interview or choice to go in a different direction if needed. This way, participants are involved and much more prone to explaining their point of views and experiences on a subject as well as their perceptions of a situation. Moreover, managers at Skechers seemed to agree more easily to being interviewed than completing a survey.

We conducted, as described in **Figure 3**, five face-to-face interviews and three telephone interviews. This limited number of interviews is mainly due to the limited time spent in the offices by only one of us and especially because this research was limited to one company on one market, and focused on upper management with a defined responsibility range; usually very busy and less available. Despite the amount, the quality of these interviews and the adopted approach allowed us to identify critical aspects on this research.

Figure 3: General information on the interviews

| | | | | | | | |
|---|---|---|---|---|--|---|---|
| Customs Compliance Manager | Vice-President of Transportation Services | Director of International Retail Franchise Operations | Vice-President of Planning & Allocations | Senior Vice-President Global Product | CSR Compliance Audit Manager in China | Supply Chain Compliance & Logistics Manager at DSW Footwear | Director of Retail Marketing |
|  |  |  |  |  |  |  |  |
| March 2 nd , 2016 Face-to-face Interview | March 9, 2016 Phone interview | March 14, 2016 Face-to-face Interview | March 15, 2016 Face-to-face Interview | March 15, 2016 Face-to-face Interview | March 17, 2016 Phone Interview | March 18, 2016 Phone Interview | March 19, 2016 Face-to-face Interview |

Source: Own elaboration

Since this research project is also about decision-making, and in order to grasp a better understanding of the company, it was necessary to interview people from different hierarchical positions and departments. As highlighted in **Figure 4** not more than two participants had the same hierarchical rank at Skechers and the spectrum of their responsibilities varies according to their function.

Figure 4: Overview of the interview participants

| | |
|---|--|
| CSR Compliance Audit Manager in China | Takes the decisions for the department but needs approval from the VP of Far East Operations. Audits partners to ensure the compliance with CSR rules and practices. |
| Supply Chain Compliance & Logistics Manager at DSW footwear retail | DSW owns a chain of over 300 stores and is one of Skechers buyers In charge of all logistics decisions of Skechers products among others. The relationship between both companies is qualified as outstanding |
| Customs Compliance Manager | Reports to his director, his VP and the COO for more critical matters. Deals with importation of goods into the U.S. and complies with the law. Not much decision-making but rather projects and goals to reach. |
| Director of Retail Marketing | Needs approval from either the Director of Merchandising & Planning, VP of Operations or the President of Retail. Sets priorities on driving sales, gaining market share by maintaining brand integrity and minimizing promotions. |
| Director of International Retail Franchise Operations | Needs approval for substantial financial investments or global operations programs. Regularly seeks guidance to follow the same direction as the company. |
| Vice-President of Transportation Services | Responsible for the international and National distribution to retail stores and wholesale customers. The Director of Logistics reports to him and he needs approval from the VP Global Logistics for more critical matters. |
| Vice-President of Planning & Allocation | Responsible for imports from the factories abroad to the facilities in California. Reports to Senior VP Supply Chain making the final decisions, in particular when financial matters are concerned, and in turn reporting to the CEO. |
| Senior Vice-President Global Product | Manages over 300 employees in China and the US. The VPs of each product category as well as the VP Quality for the Asia office report to her. In charge of everything from product development to production, sourcing and quality. She reports directly to CEO Robert Greenberg |

Source: Own elaboration

We also examined secondary data to which it was possible to have access at the company such as the code of conduct, the store count, the list of executives, etc.

3.2 Data collection

The five propositions stated above served as a means to guide the data collection and data analysis. As Baxter and Jack (2008) explained, it allows us to concentrate on what is really needed during the data collection, without deviating from the main objectives of the study.

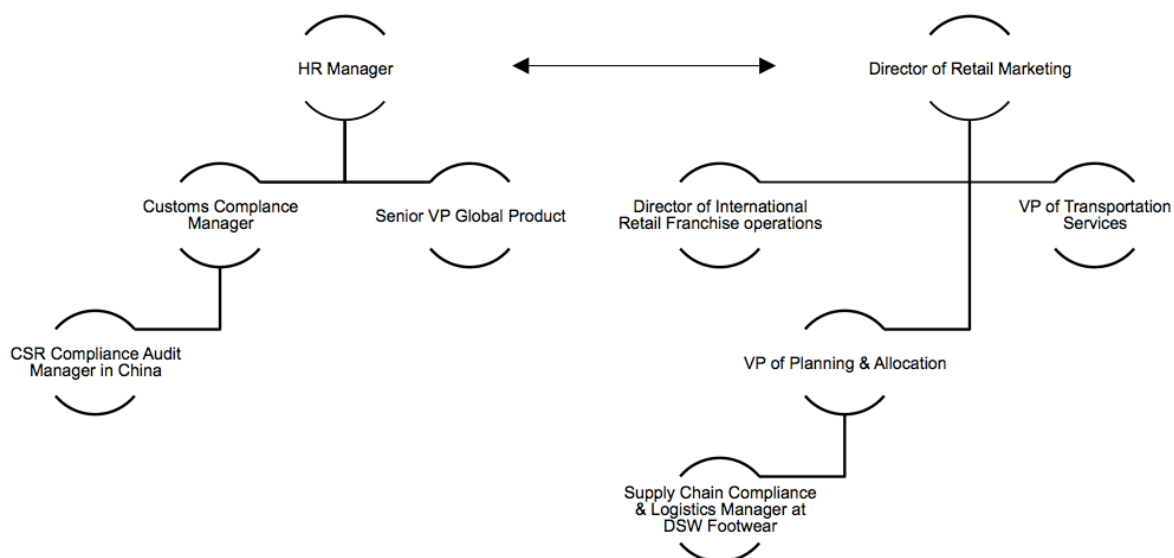
3.2.1 Primary data

3.2.1.1 *Participants and setting*

The first interview participants were selected by the internship supervisor in collaboration with the HR department. At first, the wishes were communicated orally, that is the subject that would be discussed, and who would be the ideal participants for this study based on position or involvement at the company. Then, the request was followed up through email. Ideally, we wanted to meet with someone from logistics and supply chain, a retail specialist and a person from the top management. After that, we used what Taylor et al. (2015) call the snowball technique, i.e. meeting new respondent thanks to the first ones met. The interviewees would think of someone else that would be interesting to talk to or we would ask to talk to someone from a department they mentioned. As shown by **Figure 5**, these interviews have all been the outcome of meeting two people, the HR manager and the director of Retail Marketing. These interviewees were open to being interviewed as part of this thesis as long as we were able to adapt to their schedule.

According to Saunders (2011), the success of an interview depends on how well it is prepared. The interviewer needs to appear credible, inspire trust and be knowledgeable (Saunders, 2011). The topics that would be discussed were communicated to the interviewees beforehand. The first minutes of the meeting, before the actual start of the interview, were used to explain the thesis and context in extended details as well as to ask permission to record. This situation provides the opportunity for interviewees to receive feedback and personal assurance about the way in which the given information will be used.

Figure 5: Snowball effect experience in the primary data collection



Source: Own elaboration

In order to make it as convenient as possible for the participants, the interviews took place in the office of the interviewee across different Skechers buildings in Manhattan Beach (Los Angeles, USA) or via phone call in a conference room. All interviews were conducted in US English and happened during the working hours that best suited the participants. The dress code followed was business casual; the one generally present in California. Particular attention was paid to posture and intonation to stimulate discussion. The interviews were recorded and a few notes were taken during the interview including the date, the participant's name and position, the location and general observations about the atmosphere of the interview and the interviewee. The interviews were transcribed and put in a presentable form shortly after.

The aim was to focus completely on the conversation to gain a good understanding of what was said. When a clear answer was not provided to a specific question, the question would be rephrased or it would be asked to elaborate. Responses were carefully listened to and sufficient time was left for responses. Giving an opinion was avoided and explanations were summarized to make sure the interpretation was correct. A few challenges were the strong accents, the interruptions that would occur with higher positioned interviewees, and adapting to each personality.

3.2.1.2 Material design

According to Saunders (2011), semi-structured interviews, which are usually the case when pursuing a case study research method, do not allow generalization to the entire population. To ensure consistency between the interviews and the validity of the answers, the same interview guide, stating the main questions and topics to be covered during the interview (Taylor et al., 2015), was used for every interview. The interview guide can be found in appendix No. 1. To prevent any bias, we went for open questions and avoided long questions or theoretical terms. Since the objective of the interviews was to collect information on people's experiences and situations, open questions were preferred to closed-ended questions that would only result in yes or no answers (Jacob & Ferguson, 2012; Taylor et al., 2015). To make sure the phrasing in the interview guide was clear and the order was logical and comprehensible, we sought feedback from the Human Resource Manager and adapted accordingly. When needed we defined the terms employed, to share the same understanding and facilitate accurate interpretation. For those with less time, we went straight to the point and removed some of the questions. As Jacob and Ferguson (2012) recommended, the interviewee needs to be kept in mind when designing the questions and the time they could allocate to answer questions. Similarly, with the participants who were less comfortable with answering recorded questions, additional questions were asked and more frequently to ease the atmosphere, as advised by Taylor et al. (2015). Moreover, as advised by Jacob and Ferguson (2012), sensitive questions were left at the end of the interview once trust was established. Finally, according to the experience of the participant and their responses the order of the questions could alternate.

3.2.2 Secondary data

Documentary secondary data was used and requested from the HR department or proposed by the interviewees. According to Saunders (2011), this type of data is reliable depending on the source and the collection method. Moreover, the cost of procurement of the data in time and money needs to be compared to the advantage coming out of it (Saunders 2011). We made sure that this data covered the appropriate time period and was relevant to the objective. Moreover, several Internet sources, e.g. online articles, governmental websites and Skechers' official website, were used. The data was as much as possible gathered from the original source and usually incorporated within text of this paper to assure the validity of the research. The information was used to provide

additional information, to clarify a particular point or to illustrate what is said with tangible examples.

3.3 Data Analysis

According to Yin (2009), the ideal case study demonstrates the appropriate evidence in an effective and neutral way in order to keep reader interested and engaged and to enable him or her to autonomously judge the validity of the analysis. To maintain a certain degree of anonymity, only the job titles of the participants were disclosed in the framework of this study. As previously mentioned, to start preparing the data for analysis, the interviews were transcribed word by word.

Saunders (2011) stresses the interactive character of collecting and analysing data. In order to understand and integrate the collected data, it is advised to identify main topics, patterns and connections that will subsequently allow categorizing the available data (Saunders, 2011). In this work, a deductive approach was used meaning existent theory was used to define the research questions and goals, which in turn have helped conceiving an analytical framework for organizing the data.

In this regard, we summarized each interview into key points and shorter statements allowing us to become familiar with the contents and triggering connections between themes. Saunders (2011) recommends to clearly define each category to ensure the pieces are consistently assigned. Three broad categories emerge from our theoretical framework, i.e. decision-making, collaboration, and SSCM. In fact, collaboration is inherent to retail supply chains and the management of these supply chains generates decisions. Once the coherent categories had been developed, pieces of data were attached to each appropriate category. In the overall progress of the research project and as recommended by Saunders (2011), we made use of interim summaries, self-memos to record ideas as soon as we thought of them and checked lists with deadlines to help oversee the development of ideas. When writing the results, Saunders (2011) also recommends illustrating with tables and graphs, to quote the interviewees and avoid giving one's opinion. The discussion chapter is where the results are interpreted and related to the questions, hypotheses and goals but also the literature review and extra information sought on the Internet. Moreover, the strengths and weaknesses of the research are discussed.

4 Case study

4.1 Describing the situation

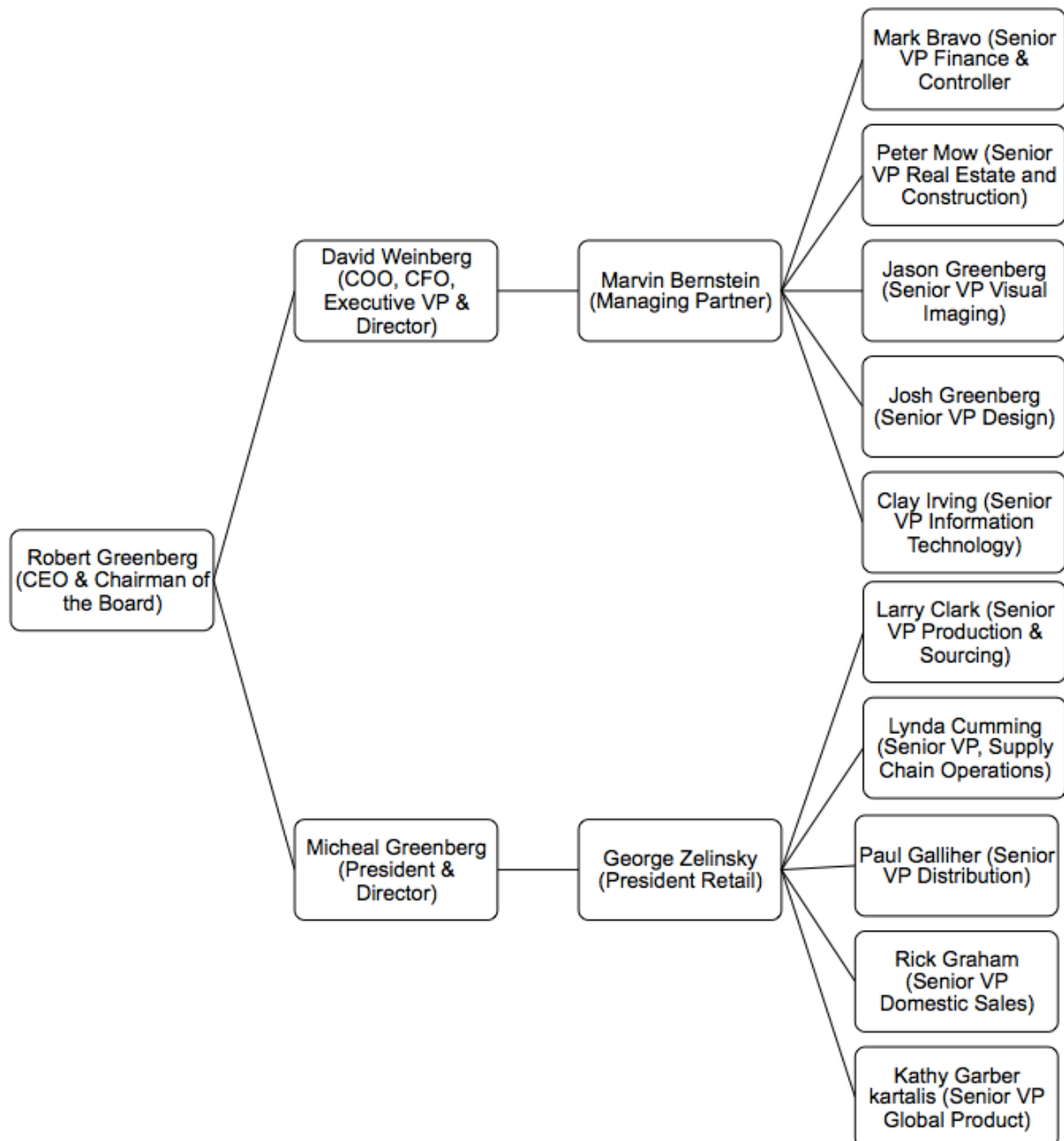
4.1.1 Company overview

American company Skechers U.S.A. was incorporated in California in 1992 and reincorporated in 1999 in Delaware. Skechers corporate offices are located in Manhattan Beach, California while the company business license is established in Delaware. The company is traded under SKX on NYSE (the New York Stock exchange) (Skechers, 2014). Co-founders Michael and Robert Greenberg built the brand from scratch and are still taking the lead. Robert Greenberg is CEO and chairman of the board while Michael Greenberg holds the position of President and Director. The corporate structure of the executive management is as presented in **Figure 6**.

In 2016, Skechers was named company of the year for the seventh time by trade publications in the US and the UK, it also received awards for footwear design excellence (Business Wire, 2016). The company is active in the footwear industry and has become one of the most popular and most diverse footwear brands in the world with 2.3 billion dollars in annual sales (Skechers, 2014). The main product category is footwear, but in recent years the business has grown into new categories; apparel and accessories such as socks, bags, eyewear and more (Skechers, 2014). The footwear category can be subdivided into a lifestyle and a performance division (Skechers, 2014).

The offer of Skechers consists in fashionable footwear focusing on the latest trends for men, women and children (Skechers, 2014). The customer's need that is sought to be satisfied is active but casual (Skechers, 2014). Skechers business encompasses a diverse mix of over 30.000 styles that pleases customers all around the world (Skechers, 2014). The products range from athletic, casual and fashionable styles for adults and children of all ages (Skechers, 2014). A Skechers customer is typically attracted by the youthful and colourful image of the brand as well as its fashion-forward designs (Skechers, 2014). Products are sold through various channels (i.e. department and specialty stores, athletic and independent retailers, boutiques and internet retailers) (Skechers, 2014). Skechers also sells its products via its e-commerce website and primarily through its numerous company-owned retail stores (Skechers, 2014). The firm has over 60 offices and showrooms and over 500 retail stores worldwide and distributes approximately a

Figure 6: Organizational chart of Skechers USA executive committee



Source: Skechers. (n.a.). Executive Officers and Board of Directors.

100 million pairs of shoes a year in the US and more than 120 countries. Skechers' factories are located overseas among others in China, Mexico, Brazil and Romania allowing the company to produce at low price (FundingUniverse, n.a.).

The company's goal is to expand their product categories and grow their international business to 50% of their sales with new stores, new markets and new opportunities (Skechers, 2016f). Accordingly, the infrastructure is in continuous development and

aiming to sustain the continuous growth of the years to come (Skechers, 2016f). Demand is created worldwide, products are brought to life through more commercials than the competition and consumers are engaged through numerous events (Skechers, 2016f). The brand is present on television, in printed media, and on outdoor campaigns for men and women; specialised campaigns were developed for children (i.e. television campaigns with Skechers heroes and characters) but also celebrities, musicians or elite athletes dedicated campaigns like marathons to promote the Performance Division; donation events through the Skechers charitable footwear program; or events with endorsers are some examples of marketing actions taken by Skechers (Skechers, 2016f).

A key strength is their speed to market from leading factories that ship the products directly to the international distribution partners or to the European distribution centre located in Belgium (Skechers, 2016f). The latter is now automated and is expanding to support the growing European business. The aim is to become leader in casual and active footwear, while securing and growing the brand name (Fundinguniverse, n.a.). This should be achieved through the various collections, product categories, styles and well-managed distribution channels (Fundinguniverse, n.a.).

4.1.2 The Footwear industry

4.1.2.1 Global market

The footwear industry trends vary according to the geographical area (ReportBuyer, 2015). However, some factors are considered as influencing the global market, such as an increasing demand to innovate footwear design, the growing concern for a healthier lifestyle, the growing population, and their disposition for increased spending (ReportBuyer, 2015; Transparency Market Research, 2015). On the other side, the footwear market growth is restrained by the development of environmental concern and raw material prices (ReportBuyer, 2015; Transparency Market Research, 2015).

Globally, the market leaders are Nike, Adidas and Asics (ReportBuyer, 2015). However, although VF Corp., Skechers, and New Balance are less popular in Europe, they are heavily present on the American market (ReportBuyer, 2015). Men represent the biggest part of the market (52%), mainly due to the growing population primarily composed of the male gender (Transparency Market Research, 2015). Simultaneously,

North America stands for the greatest share in terms of value between 2014 and 2020 (Transparency Market Research, 2015).

4.1.2.2 American market

The U.S. footwear and apparel industry is at the start of globalization and has enabled sourcing with a supply chain more global than ever before and powerful relationships among various countries (AAFA, 2014). Sourcing refers to the entire process from the design to the delivery (AAFA, 2014). Most companies choose a model with domestic and international sourcing and every company features a unique sourcing model (AAFA, 2014).

The industry produces more in billions than any other product available in retail (i.e. cars or alcoholic and soft beverages) (AAFA, 2014). Sports footwear represent the fastest growing sales as the casual dress code is becoming the main trend (Euromonitor International, 2016). The industry generates economic growth, employing over 4 million workers and supporting other industries such as transportation and logistics (AAFA, 2014). In 2015, the footwear industry has experienced a 7% value growth by reaching a value of \$76.1 Billion (Euromonitor International, 2016).

Outgoings for the professional, casual and performance categories have risen in 2014 considering that the customer is in the search for comfortable, essential and useful shoes (Rodriguez, 2015). For several years now, U.S. footwear companies have been designing, branding and distributing in the U.S. but producing in regions of the world where lower costs and more intensive labour is applicable (Rodriguez, 2015). These domestic activities account for over 70% of the retail price of a piece of clothing or a pair of shoes (Rodriguez, 2015). Relying on foreign sourcing, has allowed customers to lower their clothing budget and get more for their money (Rodriguez, 2015).

For the year 2014, the U.S. registered a 4% increase of its footwear exports primarily to Vietnam and Canada (Rodriguez, 2015). Vietnam accounts mostly for the export of footwear parts as Vietnam and other Asian suppliers have become a lower-cost relocation destination at the expense of China (Rodriguez, 2015). 98% of the demand of the market in footwear and 97.5% in apparel are met through imports, which grew by 5% in 2014 (Rodriguez, 2015). China is still the major supplier of the U.S. footwear market with 66% of the imports but the decline of the imports is explained by the current challenges it is facing such as increasing costs in terms of wages, currency

fluctuation, environmental compliance and labour deficiency (Rodriguez, 2015). However, equipped with the right infrastructure Chinese footwear production is not expected to wear away any time soon (Rodriguez, 2015).

US footwear industry unbeatable leader Nike maintains this position with an 11% growth, while Adidas has seen its sales drop and New balance, Under Armour, Puma and Asics have been experiencing growth as well (Euromonitor International, 2016). Skechers has exceeded American footwear brands Adidas and New Balance by holding 5% of the sneaker market and reached second place right behind Nike still dominating the same market (Poppick, 2015).

At the age of the Internet, consumers can buy at any time, from anywhere and through a multitude of channels (YouGov, 2016). Customers can search online for what they want and buy it later in store or vice-versa (YouGov, 2016). To remain competitive, the industry has been adopting omnichannel retailing meaning that products are sold and distributed in a seamless way on all channels bringing the physical and the digital together and thereby reorganizing the supply chain (YouGov, 2016). This shift is towards smaller physical stores also called “brick and mortar”, becoming a sort of showroom for online shoppers (Guillot, 2016). For the industry to remain globally competitive, associations such as the AAFA work with policy makers to try to find solutions to challenges and build consensus across the industry (AAFA, 2014).

As highlighted in the theoretical framework, cooperation and decision-making have an impact on SSCM. Therefore, to gain a better understanding of the subject, we will look more deeply into Skechers USA Inc. and what is concretely done regarding both concepts.

4.2 Cooperation at Skechers

The importance of collaboration at Skechers appears obvious when we consider the work of managers. Indeed, Skechers is present internationally and managers are responsible for numerous countries, such as the Director of International Retail and Franchise Operations who oversees 27 countries or the Senior VP of Global Product who manages many different activities within Skechers. Collaboration is necessary as their mission is to make sure that everything runs smoothly. A Senior VP stated “we are a very

collaborative group” and it is noticeable in the organisation of the company. Collaboration is key to the international success.

4.2.1 CSR actions

Costa, Lages and Hortinha (2015) explained that taking CSR measures is a way for the company to fulfil their obligations towards stakeholders. Skechers takes those measures through two major means, i.e. the Code of Business Conduct and Ethics, and the Skechers Foundation.

4.2.1.1 Code of Business Conduct and Ethics

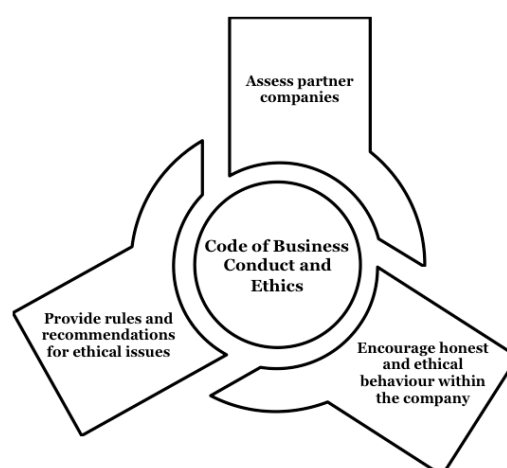
Since the 1990's, companies began to deliberately develop codes of conduct and supervision techniques to control working conditions in their factories (Park & Rees, 2008). Adding to the growing attention of the media towards the retail industry and revealing working issues, companies have adapted their corporate strategy (Park & Rees, 2008). Following the trend, Skechers created its own Code, which is now used to ensure the right execution of Skechers standards all around the world and by every person in the company, be it an employee, an officer or a director (Skechers, 2016b). The Code was approved by the Board of Directors in 2004, and since 2006, the Code of Business Conduct and Ethics is displayed on the investor relation page, on Skechers' website, under the section corporate governance (Wikinvest, n.a.).

Skechers' Code sets the company's policies regarding the individual behaviour and the way business is done (Skechers, 2016b). The Code has been written using all the company's rules and practices to encourage honest and ethical behaviour among the company's workers, and to provide rules and recommendations when facing ethical issues (Skechers, 2016b). It covers labour requirements, e.g. no child labour or forced labour, protection of young workers, reasonable working hours and wage, but also safety like fire safety and protection safety. A newer concern in the Code is the environment; the working environment and the protection of the environment. Factories are driven to save energy, but also to care about their emissions, namely the air, the noise and water and solid waste.

Consequently, the Code of Business Conduct and Ethics is used by the Californian company to assess partner companies, as Skechers does not desire to do business with suppliers without a sense of ethical thinking. Overseeing its stakeholders is fundamental

for the company's reputation, which is valued as a strategic advantage (Park & Rees, 2008). Skechers considers its reputation to be its greatest asset and is very cautious about it, penalizing anyone who does not comply with the Code (Skechers, 2016b). An associate or employee not respecting the Code would be punished by Skechers on a case-by-case basis, as well as someone not reporting a violation of the Code (Skechers, 2016b). If a collaborator is not meeting the requirements and does not show improvement on these matters, Skechers might have to end the collaboration. Using the Code of Conduct to assess partners is a way for Skechers to protect its business.

Figure 7: Objectives of Skechers' Code of Business Conduct and Ethics



Source: Based on Skechers. (2016b). Skechers U.S.A., Inc. Code of Business Conduct and Ethics

The enforcement of the Code of Conduct at a partner's factory goes against the concept of collaboration. Collaborators have no choice but to comply with it if they want to continue doing business with the company in question. However, when observing the benefits brought by the compliance with the Code, e.g. employee retention, collaborators tend to realize that these requirements are reasonable. According to the CSR Compliance Audit manager in China, this issue is key in the collaboration as workers in China are currently unstable, i.e. difficulties in recruiting and retaining them. For him, "this is a win for Skechers but also for the suppliers and the workers".

4.2.1.2 Skechers Foundation

Created in 2010 by Skechers founding family, the Greenbergs, the Skechers Foundation aims at helping families and communities in need (Skechers, 2012). Its objective is to get communities together around supporting children (Skechers Pier to Pier Friendship Walk, 2016).

4.2.2 Cooperation among employees

Collaboration at Skechers is present through co-workers. The top management works closely together because it was necessary at the beginning of the company, as there were not many employees. When Skechers was created and the company was much smaller than today, they had to collaborate as they were multitasking. Therefore, even if they have to manage a lot more people today, the team from the beginning of Skechers is still present and just as tight. Top managers know each other but they do not know all the employees of the company anymore. However, as one of the Vice Presidents commented on the situation, "I think now it does not really matter anymore. It used to, but not anymore". The company grew too big to need to know everybody. However, collaboration is the general process within a department and there is open discussion about issues. The Senior VP of Global Production explained that when decisions need to be made, the CEO is always open to listen to others' views and asks a lot of questions.

Within Skechers, people work around the same terms and towards the same goal. It makes it easier to collaborate and work together. A manager overseas even stated "I feel the power of life of Skechers through the teamwork and so on". The impression given by a 2 months internship at the headquarters is that team-building activities are very much encouraged, the management is very accessible and the working atmosphere is delightful.

Collaboration happens also through the different departments, and just like the relationship between co-workers, the one between departments is great. "The relationship between the different departments is good" claimed a Vice President. Indeed, the same feeling is also perceived by the Customs Compliance department, which qualifies the overall atmosphere as "good" as needed information is always easily obtained.

To illustrate collaboration at Skechers, let's take a closer look at the department Planning and Allocation. This department works very closely with the distribution centres, as Planning and Allocation is the one sending them the information about what should be shipped to customers according to the orders received. The department is not limited to this collaboration. Indeed, the VP of Planning and Allocation also works closely with the production department since they have a whole picture of what is needed now and in the future, and they also closely associate with customer service.

Cooperation also takes place between Skechers and the members of the supply chain. Indeed, the footwear company developed a collaborative relationship with each of its partners, considering the supply chain as a network. The vision of their stakeholders is broader than the basic customer-supplier relationship. Thanks to the Chinese Office for instance, Skechers remains closely involved in its factories. The company also works closely with its drivers to negotiate prices and to sustain the relationship. A further example is the relationship held with franchisees from whom genuine strategic involvement is asked. The subject of network will be discussed later in this paper (chapter 4.2.3).

4.2.2.1 Means to collaborate internally

4.2.2.1.1 Communication:

The international aspect of the company renders communication as vital. Issues are faced by retail division on an everyday basis and in order to raise them, the main challenge is maintaining clear lines of communication.

Accordingly, employees hold meetings or conference calls regularly to ensure internal communication and solve matters involving several departments. And when meeting is not an option, other ways are sought to communicate. The VP of Planning and Allocation stated “we all do speak all the time when we have issues because everything affects so many different departments”. Senior VP of Global Product mentioned that meetings between the different departments are not regular but that the organizations' formalised meetings are increasing. When important matters come up, they inform each other through phone calls as it is usually less time consuming than going back and forth by email. Meetings will mainly occur between teams but also between departments or between upper-managers depending on the subject. That way people from different units, but affected by the same project, can discuss it together. This situation also illustrates the synergies happening within Skechers.

4.2.2.1.2 Electronic support:

Thanks to the electronic support, better communication is achieved. Skechers' employees work a lot with messaging and video calls to contact people around the world instead of sending regular emails. Indeed, English is not the primary language for most of the contacts in international business, so it is easier to talk to them directly. One of

Skechers' directors explained that, "when you have a conversation with someone, you can work through a lot of the complications. It is much easier to point out what you did not understand and to clarify it".

The company is also tech-driven, which facilitates everyday tasks and orders are made electronically. Skechers uses FTP (File Transfer Protocols) servers and the data is saved on them. The purpose is to gather information that could be useful to many collaborators within Skechers. Instead of contacting directly the person in charge, people can consult the server and find the most current version of a new visual directive. It facilitates the coordination within the whole group, as in the department Global Operation most of the questions reaching them are similar and ask for comparable answers. The system alleviates the numerous emails directed to the person in charge, who may not respond quickly enough. This way, information is found immediately when needed.

4.2.3 Creation of a network

In supply chain management, communication is vital to perform successfully (Zhu, Sarkis & Lai, 2008), so is transparency in communication (Carter & Roger, 2008) as stated by a Vice President "communication is key, definitely in business". Moreover, communication with external stakeholders is as important as internal communication especially as the company is getting bigger and bigger. The management of supply chains requires communication and when company boundaries are not set the network becomes an extended vision of the supply chain and external stakeholders are also included into the supply chain (Kumar et al., 2012). At Skechers, everyone is willing to collaborate and the relation with external stakeholders is good and open. The collaboration is "really based on a mutual respect and problem-solving capability" as one of Skechers' VP's explained. The Director of Retail Marketing in particular explained that they work a lot with the field and in order to support the retail stores "we have to be communicative with them".

When a problem with one of the collaborators is faced, both parties involved have always been able to sort it out together seeing as both want something from the other one. As long as the concerned partners inform Skechers and explain the encountered problem, Skechers will work with them to avoid making claims or generating financial difficulty. However, if they try to hide things and Skechers finds out about it, they will

charge back as much as needed to take care of the problem. According to the Senior VP, the reason for that is that Skechers feels betrayed by the partner. Nonetheless, if they work together through problem solving, they will share the difficulty as partners. This way of working has fostered good relationships where everybody feels part of the team.

The VP of Planning and Allocation also added to the general relationship with external stakeholders: “we have very long term relationships with everyone”. Since the beginning of Skechers, changes have occurred but the company has been working with the same freight forwarders and custom brokers for over 17 years. There is also continuity in the relationship. For instance, Skechers is now working with a freight forwarder that used to be an agent of their custom broker. Although both companies are not partners anymore, Skechers continued the collaboration and they all manage to collaborate. Moreover, the customs broker has been bought three times over the years, but Skechers kept working with them. “That’s the relationship” said the Planning and Allocation Vice President.

However, collaboration with external stakeholders is limited. For instance, Skechers has no control over the carriers that the wholesale customers work with. Since carriers represent the highest cost for the department Planning and Allocation, and since Skechers desires to maintain a good and durable relationship with them, negotiation and collaboration are key in solving any issue. Another example lies in the negotiation with external stakeholders in the Retail Marketing department. Skechers knows what it wants and can be pretty tough to work with, unbalancing collaboration.

4.2.3.1 In the Logistics

4.2.3.1.1 Processes:

Communication is enhanced with the use of processes. Once a year, charges and rates are renegotiated with the collaborations made by the Planning and Allocation department. As the business is constantly changing many different things can happen over a year. The VP of Planning and Allocation works closely with freight forwarders, factories, custom brokers, and trucking companies to handle together at the port pricing or any other kind of issue met.

Processes are put in place, but they do not always work correctly. For example, there is a specific process to communicate with the field but it is rarely followed. If the stores have

a marketing opportunity that they want to seize, they have to fill in a form and submit it to the Retail Marketing department who will review it. Then stores have to contact the retail hotline, which goes through operations and are finally forwarded to the Retail Marketing department. In reality, what happens is that stores and district managers contact the department directly and constantly. All these steps slow down the process, but at the same time it is distracting for the department's employees to handle all proposals.

4.2.3.1.2 Standard operation procedures (SOP):

Operating procedures are provided to the people Skechers works with. However, the VP of Planning and Allocation was convinced that more operating standards could be used in areas such as Distribution where a lot of temporary employees are hired.

SOP are critical in the good functioning of Skechers so that everyone's actions are heading in the same direction and are consistent with each other. Collaboration is present across all functional groups in order to put an effective system and to secure consistency among all stores. Obviously there are times where deviance from SOP's and loss of consistency are observable. In such times, the right alterations and adjustments will be needed.

4.2.3.1.3 Routing guides:

Routing guides are necessary to develop effective logistics operations and to ensure an easy transportation and collecting process (CCC, 2014). They are composed of routing instructions and of commitment procedures for carrying products from suppliers to customers (Catalano Ruriani, 2007). Besides, routing guides facilitate the interpretation and the process of routing instructions while making sure they are followed (Catalano Ruriani, 2007). Through precise instructions, suppliers ensure dependable relationships with customers, while supporting the cost of the management process and selecting the right carrier for the operation (CCC, 2014). The customer is then assured about the service quality (CCC, 2014). Indeed, shipping constraints, e.g. time and cost, can be tackled as routing guides recognise these constraints and provide solutions (CCC, 2014). According to CCC (2014), routing guides improve the relationship between the supplier and its customers, but also between the transporter and its customers. Indeed, it considers customers' concerns, while considering shipping lanes and optimising the

shipment (CCC, 2014). Routing guides facilitate collaboration within Skechers and with customers by establishing rules to avoid shipments from being lost or unexplained (CCC, 2014). Those rules usually need written recognition from the store manager for instance, taking delivery of the shipment (CCC, 2014). It allows better collaboration with stores thanks to the definition of times deliveries while taking into account expedited shipments and store opening hours (CCC, 2014). If every condition of the routing guide is respected, Skechers can be assured that the customer will be satisfied as goods will be effectively delivered.

4.2.3.2 Through franchises

Skechers developed its own franchise model different from the classical model considered by Kotler et al. (2008) as the one where the franchisee just does the financial contribution and the recruitment to benefit from some of the franchisor's services. The company seeks partners sincerely involved in the project and in decision-making. The objective is to get the franchisee's participation, their support and commitment, and not just selling them a concept.

This new model goes accordingly to the Skechers' brand, i.e. a family brand. The director of International Retail and Franchise Operations stated "you would never want to treat your family with disrespect. I look at franchises as part of my family. [...] You want to do right by them."

In Skechers case (2016d), franchisees are never left alone as their actions are backed up by a financially stable company with knowledge in marketing, merchandising, and operations. The company supports franchisees during the set-up of the store, but also the management through training sessions (Skechers, 2016e). The franchisee has also access to Skechers' data, trend research and inventory management know-how (Skechers, 2016e).

4.2.3.3 With suppliers

According to a Senior VP, the main challenge in this industry is the quality of the people across the entire supply chain. A difference lies in how people see the future and work with Skechers. On the one hand, there are people with a vision for the future, who can lead a team with the objective to build a partnership with Skechers. They bring things to the footwear company and help them grow. On the other hand, there are mediocre

managements, who can barely sustain their business and who are always in crisis management. They can never give a straight answer or improve their services as mistakes keep happening even though they promise the opposite. This situation shows that Skechers' strength lies in the people they join forces with. The company decides to collaborate with those who have a strong management and discussions take place with the problematic partners to find ways of improvement. If no solutions can be reached, Skechers prefers discontinuing the partnership. The Senior VP explained that, "Sometimes you have to let people go and replace them with more qualified people or people who have a vision".

4.2.3.3.1 Illustration: the Chinese office:

The clothing and footwear industry is especially exposed to inhuman working conditions and sweatshop issues (Park & Rees, 2008). Asian factories are far from being free of these issues, which makes the protection of working conditions a priority for Skechers. Moreover, most Chinese factories accommodate the workers making the safety of the facilities a necessity as well as making sure wages are appropriate.

In China, as previously mentioned, a department is dedicated to the CSR compliance, with the Code of Conduct, of the factories in Asia and focusing on getting them to care about their workers, their emissions and to invest in their equipment and facilities. Skechers' offices in China are therefore employed as a way to collaborate directly with factories, as these are constantly being audited and supervised to make sure compliance requirements are met. It is of utmost importance to control the factories, since having rules does not necessarily mean that they are followed (Ethicalconsumer, 2007).

Skechers reviews factories before customs does and works with the factories to improve the standards in order to meet the minimum-security requirements. According to Skechers (2016), suppliers are audited with or without announcement and it includes interviews with the workers. During the audit, Skechers will control that there is no child labour, that security conditions are respected, and that eco-friendly actions are implemented (Skechers, 2016). Via Skechers' audits, experience through observation is gained in terms of equipment or waste management, for instance, and then used in other organisations. In the spirit of collaboration, this knowledge is shared in order to improve the whole network of factories.

Additionally, upper management often pays visits to its overseas factories to ensure the working conditions are satisfactory. The Senior VP of Global Product stated, “in a year period of time, I have been physically in all of our factories to check the working conditions”. If the reason for the non-compliance with the basic requirements is bad management, the factories are required to resort to consultancy services. Such services can also be consulted by Skechers to conduct third party audits for some smaller parts of the business, which is advised by Tachizawa and al. (2015) to monitor suppliers. However, most factories manage to work out their sustainability issues internally. Moreover, every 3 or 4 years, customs audits Skechers by picking one of their suppliers or visiting their domestic facilities and reviewing them.

Skechers has an employee in charge of Quality Assurance in every factory to help the monitoring. They are responsible for simple issues but they sometimes lack good training for bigger issues. They will then contact Skechers, which will provide them with feedback and the problem will be discussed during a meeting in the Chinese office. Thanks to that, cooperation and communication is kept consistent between Skechers and the factories in China.

4.2.3.4 For advertising purpose

4.2.3.4.1 With medias:

External stakeholders also include media. Skechers works with radio stations, newspapers or TV. For instance, the director of Retail Marketing is consultant for the department for special campaigns such as the one organised with MTV for the Music Awards, or the Friendship Pier to Pier walk.

4.2.3.4.2 With celebrities:

Skechers frequently collaborates with celebrities and athletes for its marketing campaigns. Some examples include Brooke Burke, Tommy Lasorda, Kim Kardashian, Ashlee Simpson, or Britney Spears (Athlete Promotion, 2016). For instance, the current TV commercials feature Demi Lovato and Meghan Trainor. The latter's recording happened according to the Skechers family culture, i.e. Meghan Trainor's parents and brother were involved in the production and Skechers' CEO was there with his daughter (Skechers, 2016c). However, endorsement is not only about marketing as the collaboration also aims at improving the product (Metzler, 2014). Indeed, Kara Goucher,

an American marathoner, signed with Skechers and is now giving feedback to Skechers Performance team to improve the shoes (Metzler, 2014). The same example can be found in the partnership between Skechers and the golfer Matt Kuchar who works with the team to develop new footwear (Emmett, 2016).

4.2.3.5 With the Government

4.2.3.5.1 Customs-Trade Partnership against Terrorism (C-TPAT):

C-TPAT is a membership with US customs to provide a safe supply chain and was composed of more than 10,000 certified members in 2011 (CBP, 2016). Taking part in this program is voluntary and free for the company (CBP, 2014). Customs came up with the program after 9/11. They wanted to get the trade involved as a stakeholder and to put processes into place to protect each individual company's supply chain. Skechers has recently been taking part in this program and it is fully implemented by the Customs Compliance department.

C-TPAT is a major program of collaboration between the members and the US Customs and Border Protection (CBP) to protect the supply chain and improve its security (CBP, 2016). Taking part in this program implies collaborating with CBP to protect the supply chain and working with the U.S. Government to prevent terrorism (CBP, 2014). Since the implementation was mandated by upper-management, people know that it has to be done and collaborate willingly. The department hasn't met any issues in fulfilling C-TPAT requirements. For instance, with countries like China and Vietnam that are high tech oriented and aware of the program, the work is easier. However, this is not the case for every country Skechers works with. Countries like India are less knowledgeable of the process, but information can still be found.

Customs came up with a series of minimally required security requirements that not only Skechers needs to fulfil, but also the carriers and the factories. It is part of Skechers responsibilities to make sure that their supply chain partners are meeting those requirements. If partners are not complying with the requirements, Skechers collaborates with them to implement those specifications so that partners are as secure as they can be. However, most of the carriers Skechers is working with are C-TPAT certified and have been verified by customs. However, manufacturers are not eligible for the program, mostly because they are usually located in a different country.

Then, CBP provides its partners with benefits such as reduced inspections at the port and being part of C-TPAT is also a way of collaborating with other countries (CBP, 2014). Indeed, the program has partnerships with various countries, which have signed a Mutual Recognition Arrangement such as New Zealand, South Korea, Canada, or the EU (CBP,2016).

4.2.3.5.2 Trade Facilitation and Trade Enforcement Act of 2015:

The Trade Facilitation and Trade Enforcement Act of 2015 forbid companies to import goods from factories carrying out inhuman working conditions (Burnson, 2016). This text allows customs to seize goods supposedly produced under inhuman conditions (Burnson, 2016)

Laws are involving and implementing programs such as the C-TPAT to secure the supply chain and assure the on time delivery of products to the customer. Indeed, collaborating with the government for a voluntary program certainly leads to complying to laws such as the Trade Facilitation and Trade Enforcement Act of 2015. Consequently, the company's importations are less likely of being seized by customs. Collaborating with the government is also a way of improving collaboration with other stakeholders.

4.2.3.5.3 California Transparency in Supply Chain Act of 2010:

Collaborating with the government is not always voluntary on the company's behalf. The California Transparency in Supply Chain Act of 2010 is enforced by the Californian law so that companies disclose their efforts to improve their supply chain annually in order to suppress slavery and human trafficking (Winsor, 2015). Disclosures should be present on the company's website and should be easily comprehensible (Winsor, 2015) as found on Skechers' website under the investors' tab. Among other things, Skechers affirms taking actions by verifying and evaluating the supply chain, auditing suppliers, or training employees (Skechers, 2016).

Even though Skechers follows this legal requirement, a study highlighted that only 6 companies scored one hundred per cent on compliance with the act and on having a consistent behaviour (Winsor, 2015). The average score for compliance was 60 per cent while the average for making non-deceptive statements was only 31 per cent (Winsor, 2015). Although the act is a way for companies to collaborate with the government, most of them do not fully comply, which is also the case of Skechers.

4.2.3.6 *With NGOs*

Positively affecting the community, not just in the hometown, but all over the world, is part of Skechers. A Director stressed that, “the local support teams, the country teams, the marketing country managers, the sales representatives all look for opportunities to participate in local events”. Working with Foundations helps the organisation to show how family orientated the brand is and how much they care about their community. It helps tying the stores locally in the community.

4.2.3.6.1 BOBS from Skechers:

Skechers launched a line of espadrille, BOBS, available in department stores, shoe stores and online stores. This assortment is related to a charity from Skechers. In fact, for every BOBS purchase, the Californian company donates a new pair of shoes to a child in need. Their main partners are SolesforSouls and Fashion Delivers through whom the donation is made. By the end of 2014, over 10 million pairs were donated to charity organisations in the USA and around the world (Skechers, 2014).

This action is the biggest and most global social responsibility campaign organised by Skechers. According to one of Skechers’ directors, the program is “both a gesture of goodwill for the community and the world”.

The BOBS action is changing its course to move to BOBS for dogs as the new partner will be a no kill animal shelter. Skechers joined the charity Best Friends Animal Society for the new BOBS campaign, collecting money to end the killing of pets in shelters (Brock, 2016). According to Skechers’ CEO, this action is also a way to motivate customers to consider the adoption of pets and to give them ways to support the charity (Brock, 2016). The company uses its BOBS collection for philanthropic acts and this new partnership is a way to support other charities and to build the altruistic image of Skechers (Weilheimer, 2015). Moreover, this collaboration helps Best Friends to spread the message, as the campaign is composed of shoeboxes, special-edition shoes, in-stores promotions, and media campaigns (Weilheimer, 2015).

4.2.3.6.2 Pier to Pier Friendship Walk:

Skechers partnered with the “Friendship Foundation”, committed to help people with special needs, to offer the opportunity to children to meet the Dodger players before the beginning of a game (Skechers, 2012). This event introduced the fourth Skechers “Pier

to Pier Friendship Walk” sponsored by Nickelodeon and collecting donations for the “Friendship Foundation” and for education (Skechers, 2012).

The Friendship Walk is not only a wish of Skechers’ top management to help people in need; it is also a commitment from the whole staff and Skechers’ partners. Indeed, the director of Retail Marketing explained that the retail department for instance raised \$116,000 for the event. They approached the vendors of giveaways, bags and more and asked for sponsorships or donations, they also approached friends and family. The department was physically active at the registration of the event, which comes with a small donation. For this event, collaboration is visible between co-workers, friends and family members, and between the company and the Friendship Foundation. Skechers also collaborates with big sponsors to raise as much money as possible to help people in need.

4.2.3.6.3 Other charitable actions

Skechers actions are not only taken in California near the headquarters. For instance, they are working on an event in the North East with Sunrise Camps, providing free of charge day camps for children with cancer and their siblings. The collaboration with Sunrise Camps is done through Skechers’ 78 stores in the North East, where they organise in-store register round up donations.

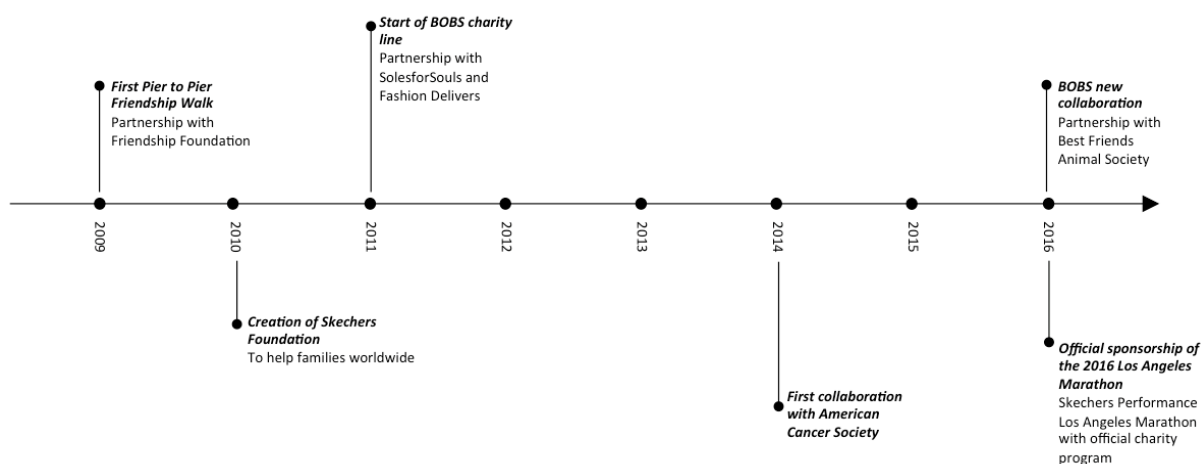
Another operation occurs during the entire month October; the register round up donations over all North American stores and over the e-store is dedicated to breast cancer awareness. Skechers collaborates with the American Cancer Society and together they organise, in San Francisco, the American Cancer Society Making Strides Against Breast Cancer walk (Abbott, 2015).

Furthermore, Skechers performance division became the official sponsor of the Los Angeles Marathon starting from the 2016 race. The Skechers Performance Los Angeles Marathon hosts an official charity program aimed at contributing to society (Conquer Endurance Group, 2016). The program offers non-profit organisations the possibility to use the major event as a medium to raise money and awareness for their causes (Conquer Endurance Group, 2016).

Collaboration with a third party business also happens outside the US, like in Ireland where Skechers organised a campaign benefiting children with special needs.

Their philanthropic actions have increased since 2009, as no publicized charitable actions are observable between Skechers' creation in 1992 and the first Pier to Pier Walk in 2009. The evolution is evident when looking at **Figure 9**.

Figure 9: US Charity involvement since 2009



Source: Own elaboration

4.3 Decision-making at Skechers

4.3.1 Hierarchy

At Skechers, there is obviously a chain of command (see **Figure 10**) that needs to be respected. Certainly, lower positions have to report to their superiors. In general, the interviewees have experienced push back, in a way or another, in the exercise of their function and do not always agree with decisions taken by upper management and that must be implemented by them. Moreover, gaps between what is asked of them to do and the wishes of external stakeholders are also experienced at times mainly in close and long-term relationships.

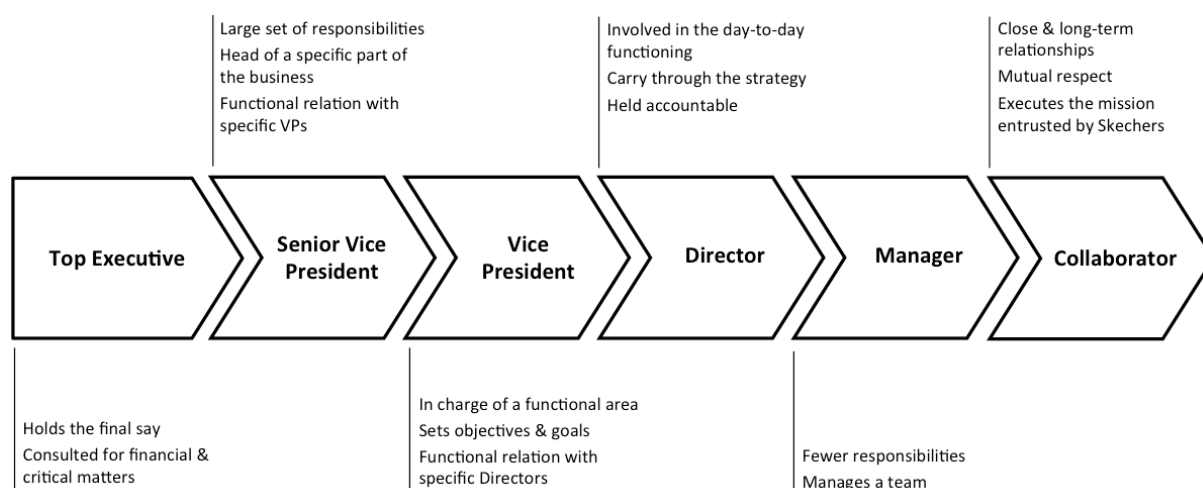
The management's mission is to make sure a common vision is shared. The aim is ensuring everything runs smoothly across the activities every leader is responsible for by keeping every collaborator on track.

4.3.2 Influencing the decision-making process

4.3.2.1 Context

The decision-making process cannot be analysed without taking the context into account (Pimentel et al., 2010; Prismeyer & Mudge, 2008). Overall, the interviewees agree that the ultimate goal is to manufacture, ship and sell as many shoes as possible.

Figure 10: Skechers' chain of command and responsibilities



Source: Own elaboration with interviews information

They also agree that Skechers is much more than a footwear brand; it is progressively becoming a lifestyle brand as it is developing its activities into apparel and accessories among other things. A common vision is definitely shared by the Skechers' management.

The interviewees have all stressed how huge and global the company has become and the current fast growth it is experiencing despite all obstacles. The VPs and senior VP interviewed have been able to observe the development first hand as they have been present since the beginning or at least for a long period of time. Despite the hierarchy, the interviewees added that the family feel of the very start could still be felt to this day in the corporate culture. Skechers People feel like they are growing together with the company and value teamwork and collaboration as well as experience.

A VP stated, "it's a pretty flexible company and I think decisions are very reasonable". According to the Senior VP Global Product, the decision process is generally collaborative and issues can be openly discussed. The CEO "is always open to listen to my views or other people's views, he asks a lot questions". She continues by explaining that although he will listen to all different views, he will usually follow his own vision.

4.3.2.2 Leadership

The literature revue highlighted the leader as a factor influencing decision-making, and more specifically the ethical decision-making process (Selart & Johansen, 2011). Indeed, their central place in the organisation allows them to build group actions based on independent actions (Hoyt et al., 2013). Leaders' values are present throughout an organisation (e.g. Park & Rees, 2008), influencing every decision taken. Skechers leaders

play a key role in determining the business values and the ethical climate of the company. At the source of these business values is CEO Michael Greenberg, whose success and reputation are undeniable, as demonstrated by his ranking among best U.S. CEO's. Indeed, Michael Greenberg was ranked 17th best US CEO at a mid-cap company (Skechers was the only footwear company in the top 20) by the social-network platform ExecRank based on experience, professional success and reputation, business outcomes, and earnings progress (Butler-Young, 2015).

However, the leaders' power can lead to abusive actions such as objectifying people or ignoring them (Hoyt et al., 2013). According to a Director who also works on some larger projects and the strategic vision of the company, "it is not a democracy here" decisions come from the top-down and there is unfortunately little room for initiative. What has been decided by upper management simply needs to be implemented. And even when it is not working, the same process starts all over again. This can be conflicting as the network of stores referred to as the field is usually expecting something different than what has been decided by upper-management. Unfortunately, most of the time, what the field or the department which is constantly in contact with the field believes should be implemented does not matter much. This shows the strong power held by the leadership as well as the leaders' determination, which assists them in coping with paradoxes.

Leaders encounter paradoxes in ethical decision-making and have to find a way to resolve them (Smith, 2014). Embracing paradoxes is one way to manage them, but it calls for strong leaders, often strict in decision-making (Smith, 2014). A senior VP raised a dilemma faced by the company, the cost of environmentally friendly initiatives, which remains a significant factor in the retail industry. For instance, using recycled materials costs in reality more than using the regular version due to the high cost of the recycling process, the challenge is thus to balance this issue with the client's willingness to pay. Another dilemma lies in negotiating rates with suppliers while pushing for socially responsible practices across the entire supply chain. According to the Senior VP, the challenge is having the partners continue to make investments to get more efficient and grow with Skechers while at the same time still getting the best price from them: "I kind of get stuck in the middle [...] I let them say their piece but that is how we handle things". Ultimately, the partners have no choice but to improve their efficiency and give the best

prices. Those dilemmas, which can be solved by analysing the situation (Lurie & Albin, 2006) can turn into paradoxes over time that cannot be solved anymore (Smith, 2014).

Finally, Smith (2014) recognised Global integration vs. Local adaptation as a paradox that international organisations have to face. Skechers' ambition is global continuity with a local flavour, a way for them to embrace this paradox.

4.3.2.2.1 Illustration: Green Fleet System Case

Changes also happened within Skechers in order to create greater collaboration and to support their partners. A clear change occurred with the trucking companies that used to be owner operated and now changed to an employee basis. The change resulted from strikes and demonstrations.

In 2014, Skechers faced a scandal linked to some of its partners (Dreier, 2014). About 25 per cent of Green Fleet's drivers were wrongly categorized as "Independent Contractors" therefore missing a part of the benefits and legal security (LAANE, 2014). They were consequently paid by the load which could only be done once a day and their earnings were reduced considering that they had to pay for insurance, fuel or additional charges affecting the driver (LAANE, 2014). The Los Angeles Alliance for a New Economy (LAANE) disclosed a report highlighting the gap between Skechers' image and the behaviour of its partners about working conditions, i.e. drivers were exploited, stressed and faced harsh conditions (Dreier, 2014; Robinson, 2014).

According to Dreier (2014), this situation is representative of the logistics industry. Retailers as big as Skechers have the power to control their suppliers and use it in order to make them lower their costs (LAANE, 2014). Consequently, suppliers respond by breaking the labour law and paying low wages, cutting on health and safety specifications, and imposing harsh working conditions (LAANE, 2014). Drivers protested in front of Skechers' headquarters asking the company to take its responsibilities and enforcing a Code of Conduct on its partners, following the model of Nike or Adidas (Kirsh, 2014; Robinson, 2014). The Footwear company claimed that it was not its role to check a subcontractor's employees conditions, even though Skechers and Green Fleet, for instance, have been working together for almost two decades (Dreier, 2014). Feingold (2014) even compared the situation as the one occurring in the 1990's when Nike was accused of sweatshops and was denying the accusations.

It is necessary for Skechers to respond to such actions as it can damage their image (Park & Rees, 2008) if they are not consistent with their external message of ethical behaviour. Moreover, Park and Rees (2008) highlighted that top-management dedication is important to translate such actions into real behaviours within the organisation. The situation has improved as Skechers works to sustain their relationships. The carriers and the departments involved grow closer as the collaboration continues; discussions happen weekly between both parties to advise on the priorities.

4.3.2.3 Ethical involvement

Skechers business values are reflected by the various CSR actions undertaken. From these numerous actions, beyond the obvious ethical reasons and by tying the stores to their local community, the company gains awareness and respect, leading to brand establishment. Avoiding doing business with suppliers lacking ethical thinking is a way of protecting the business, it is brand-driven but a victory for all parties involved. The leaders understand the risks and opportunities that sustainability presents and are increasing their interest in societal and environmental issues. Without the upper-management devotion towards SSCM, decisions would not be taken to improve it (Alexander et al., 2014 ; Beske & Seuring, 2014). The implication of the top-management determines thus how decisions are taken within the company.

According to the participants, sustainability is certainly present in the distribution centre and all encourage ecological thinking in their departments. At the headquarters, one of the most eco-friendly buildings of Manhattan Beach area, there is no concrete policy but, waste is recycled, motion sensor lighting and solar panels are employed, diesel is replaced with natural gases to the maximum, recycled paper is used, double sided printing and electronic documents is encouraged allowing a gain of time and therefore contributing to overall efficiency. A Director stated, "there is a natural evolution, simpler, easier, and faster". Furthermore, it seems of interest to note that the international side of operations does not always allow uniformity. An initiative such as replacing paper bags by premium eco shopping bags, for instance, was inappropriate in Brazil. In Europe and increasingly in the US, common practice promotes sustainability. However, this is not yet the case all around the world. In this example, a balance needed

to be found between local manners and sustainability so the quality of the paper bag was improved to allow reuse.

All the departments are not necessarily involved in a specific CSR action but among the interviewees the desire to contribute to the community is noticeable. For instance, a VP participates to the annual women lunch of the port of Long Beach (California, USA), one of Skechers partners, to provide young females with insight on the different jobs they could get at the port.

4.3.2.4 Ethical climate and organisational culture

According to Parson and Artisticco (2014), the ethical climate determines how ethical and unethical attitudes are valued in an organisation. It encompasses the common understanding of how things should be done and the company's expectations on ethical decision-making and the right attitudes (Parson & Artisticco, 2014). Building the organisational culture, ethical decision-making should not be forgotten in the reflection.

A manager noted that part of Skechers' role is to audit their own processes and to correct their mistakes such as in the case of incorrect reporting to customs. In such a situation, the decision was made to go to customs with the mistake and a plan to fix it instead of covering the issue. The goal is to ensure the processes are right and smooth and to work hand in hand with authorities.

Another example lies in the particular attention paid to the factories. A manager believes that, as continuous growth is planned for Skechers in the coming years, requirements are becoming stricter and factories need to understand the conditions of doing business with the company. The Senior VP adds that extended business will be done with the partners with a strong management and discussion will take place with the problematic partners to find ways of improvement. If no solutions can be reached, the hard part is telling the partner that business is discontinued.

4.3.2.5 National culture

As stated before, Selart and Mudge (2008) consider various factors as influencing the decision-making process, and one of them is the culture. The country of origin has also a role to play in the ethical decision-making process. Indeed, Curtis et al. (2012) found out that people have unconscious understandings based on their country of origin leading to specific reactions towards ethical questions. Moreover, ethical decision-making uses

stereotypes, which are often dependent on the national culture (Curtis et al., 2012). The American culture is clearly visible at Skechers and is reflected in the daily work and decisions. To look at the American culture, we decided to base our analysis on Hofstede's six cultural dimensions framework, i.e. power distance, individualism, masculinity, uncertainty avoidance, long-term orientation, and indulgence (Appendix 10).

According to Hofstede's analysis of the American culture (see Appendix 10), the combination of a high score of individualism and a low score of power distance results in particular behaviours. He noted that even when there is an organisational hierarchy, it is often only because it is more convenient and the top-management is available and consults other employees for their judgement and knowledge. An element observed about Skechers business culture is the availability and accessibility of the people across the entire hierarchy. Also, the corporate office is easily reachable by the field for questions, support or opportunities. This culture is also strongly based on collaboration since every employee or manager expects to be asked for advices when the subject concerns their level of expertise. Most departments at Skechers have mentioned that they expect to be concerted for decision-making, but usually the top-management takes decisions without hearing out the department in question. However, these decisions usually do not work out and the solution originally thought of by the department ends up being implemented. The sharing of information is central to culture and communication, characterized as direct and informal. Moreover, Americans are self-confident when inquiring information from others. This point is clearly present within Skechers as explained in the section about collaboration. Information is regularly shared among co-workers through meetings, phone-calls or instant messaging.

The American culture is highly individualist, meaning that people look after themselves and their close family first, while not taking too much help from authorities. The family concept is obviously present at Skechers. The entire network is considered as family and treated as such. When faced with a problem, Skechers and the collaborator work it through together and share the difficulties. Another illustration lies in the franchise model, franchisees are treated as family members and thus treated with respect. The Director of International Retail and Franchise Operations stated "I look at franchises as part of my family". The same happens goes for retail stores, colleagues or other

collaborators. In fact, Skechers treats their family members with respect and expects to be treated with the same level of respect. Distributor DSW Footwear described the relationship with Skechers as great and could not think of any unresolvable issues. Moreover, the company takes actions in order to display this family feeling externally as well, such as with the CSR actions supporting charities.

The American culture scores high on Hofstede's masculinity factor, i.e. the culture is led by the "best-in-the-field". Associated with the high score in individualism, the American attitude is driven by the idea that the winner gets everything. Therefore, Americans like to talk about their success. It was noticeable during the interviews at Skechers. A director from the retail department was very proud to have raised over a tenth of the total raised by the entire company including the large sponsors for the largest CSR action organized by the company, the Friendship Pier-to-Pier walk. The success of the action was celebrated with all the employees at a provided luncheon to present the collected figures, to thank everyone for their efforts and to foster motivation for the coming years. Another illustration at Skechers is that several interviewees mentioned the recently achieved position of second best on the American performance sneaker market. Moreover, Skechers does not intend to stop there as it is constantly chasing the number one competitor, Nike. According to the study, Americans display a "can-do" attitude, as they assume that everything can always be accomplished in a better way. As mentioned by Senior VP interviewed, Skechers mission statement is offering the most comfortable, durable and trend right shoe. With this in mind, heavy investments are made in testing and R&D to be at the forefront of the latest technologies.

Moreover, in the American culture, the thinking that conflicts enable improvements is present, leading to a many court cases. This subject is not unknown to Skechers, as they regularly face lawsuits. A recent example is their trial with Adidas, blaming Skechers for frequently copying the brand's designs, and the latest being the iconic Stan Smith (Green, 2015). But Adidas is not the only one taking Skechers to court. At the beginning of 2016, Nike charged the Californian company for imitating its Flyknit style covered by copyright (Pamplin Media Group, 2016). This was not the first time that Nike sued Skechers, in 2014, a legal fight occurred about the Converse shoe (Pamplin Media Group, 2016). However, lawsuits do not only happen charging Skechers. In 2015, the company sued Steve Madden Ltd. for copying the Skechers Go Walk collection (Sutherlin, 2015).

The future is uncertain by definition, control is sought and risks are taken, culture deals with the anxiety coming out of uncertainty in different ways. Hofstede qualifies the American society as normative, i.e. the perceived situation influences the attitude, leading to the acceptance of new ideas and the willingness to implement them. An example would be the commitment of Skechers to develop the most state-of-the-art sustainable facilities of its field, this idea was accepted at some point and successfully implemented. Furthermore, 9/11 resulted in more dread in society driving the government to take measure and to survey everybody. Skechers is taking part in these monitoring processes by implementing the C-TPAT, a program controlling the supply chain.

The US score low on the long-term orientation factor, meaning that they prefer sticking with traditions and norms. For instance, Skechers' management has not faced a lot of change since the time of LA Gear, the former business of Robert Greenberg. The team is still the same and the value of teamwork of the very start has been kept, making it one of the strengths of the company. This cultural factor is also present in the partners Skechers decides to do business with. As mentioned by the VP of Planning and Allocation, they have been collaborating with the same partners for almost two decades. The short-term orientation is heavily reflected in organisations, as they prefer to evaluate their short-term performance rather than their long-term, issuing their profit and loss statements quarterly. Indeed, Skechers is more focused on short-term results rather than long-term. In the late 2000's, the US government took environmental initiatives offering tax breaks for that matter and companies took advantage of it. Unfortunately, this concern is still relatively recent among US companies and at Skechers there is has not been any long-term strategy meeting yet at the senior management level to discuss the medium term goals, the means to accomplish those goals or the company's footprint on the environment. While some other companies have long-term plans and meetings regarding these matters. Another example lies in Skechers financial statements. Indeed, they released on the 02/21/2016 their first quarterly results of 2016 (SA Transcripts, 2016), meaning that they are short-term oriented.

On the last dimension, The U.S. scores as indulgent meaning that the control over impulses tends to be relatively low. The combination with the normative score leads to a "work hard play hard" behaviour. This was noticeable at the annual retail conference in

January 2016. At the end of three days of intensive conferences and trainings, a fancy dinner accompanied with a thank you speech from the top management, a lip sync battle and other contests as well as a dance party were organized to close off the annual event.

4.3.2.6 Other influencing elements

Various scholars identified the gender as influencing ethical decision-making (e.g. Curtis et al., 2012). Skechers has not yet addressed board diversity, like many U.S. companies no women or minorities are represented among the board members (Morgenson, 2014). Since 2011, when this issue had been raised, Skechers has not been concretely acting on the promise to formally add diversity to its nomination policy (Morgenson, 2014). As long as the shareholder value is maximized, the need for a diversified board does not appear to be a priority for the company (Morgenson, 2014).

A Director believes that decision-making gets easier with experience depending on the specificities of each department. For instance, the fact that International Business is characterized by long implementation time makes it easier to work through challenges and therefore eases execution. In fact, what is implemented on a global scale has usually already been tested and retested domestically. So once it arrives in the international department, it just needs to be moulded and applied to the different territories.

4.3.3 Paradoxes and dilemmas

Like any other company, Skechers faces paradoxes for which no perfect solution exists (Smith, 2014). A first paradox lies in the strategy globalisation vs. localisation. On the one hand, companies want to follow a globalised strategy and apply standardisation to create synergies and on the other hand companies need to pay attention to local demands allowing to better target customer needs (De Wit & Meier, 2014). To respond to this unsolvable issue, Skechers decided to globalise with a local taste as a way to maintain economic sustainability all around the world. The global feeling is present through the company's structure with departments for Global Logistics or Global Operations. At the same time, a country manager is appointed to each individual country, and Europe has seen the construction of a European distribution centre located in Belgium.

Another paradox faced by Skechers lies in price competitiveness versus collaboration with stakeholders. Low costs are necessary to face the competition therefore prices are

pushed down by fierce negotiation with suppliers for instance. Skechers is accepting this situation and is not taking measures to change it. The situation has been manageable until now, as some partnerships have remained the same for the last couple decades. Simultaneously, as emphasized by the interviews, Skechers favours long term and trusting relationships and works hard on maintaining those. However, consistently with the American culture, Skechers has a short-term oriented strategic vision, their quarterly results are proof.

Companies are also subject to dilemmas, solved thanks to a thorough analysis of the situation (Lurie & Albin, 2006). An illustration at Skechers is the Green Fleet System case, when the stakeholders' employees asked Skechers to take responsibility for their inhuman working conditions. The footwear company was asked to make its partners improve their working conditions. According to the literature, decision-makers have to assess the whole situation to find a solution. The dilemma for Skechers was to figure out if they had to take their responsibilities or not. Even though, we did not get information on the subject, the Senior VP Global Product stated that negotiation happened with the partner in order to solve the issue.

4.4 Skechers supply chain

4.4.1 Social concern

The footwear company has developed its supply chain in the form of a network. Conscious of its social impact and aware that external stakeholders are not only customers and suppliers, the company is active in cooperating with NGOs, medias and governmental institutions. The company, by paying increasing attention to their stakeholders' expectations and concerns, is committed to responding to the needs of its partners. This can be first illustrated by Skechers way of dealing with problems. When one of their partners encounters difficulties, Skechers gets into a conversation with them and works with them to find a solution and face the problem as partners. The company prefers to work through the problem and maintain the relationship rather than cutting ties and having to find a new partner. Further illustration of this behaviour is found in Skechers Foundation and various CSR actions, such as the BOBS from Skechers charity line, charity event sponsorships or the use of a Code of Conduct.

The Code of Business Conduct and Ethics is used by Skechers to collaborate closely with stakeholders by making them follow and comply with the principles of the Code. Moreover, the CSR compliance department in Asia works to assure this compliance by supervising factories and ensuring good working conditions. Skechers' upper-management is also highly involved in this matter. The Californian company also shows its social implication by integrating the governmental program C-TPAT for a safer supply chain, free from terrorism.

4.4.2 Environmental concern

Skechers also directs its strategy towards environmental concerns. In 2012, the company opened the doors of its new Californian distribution centre, which acquired the LEED Gold certification for its environmental performance. Ecological thinking is also fostered at the headquarters by using solar panels, natural gases, recycled paper, etc.

Skechers' Code of Business Conduct and Ethics addresses social concerns, but also the protection of the environment. It gives guidelines to factories to save energy and to be cautious about the different kind of emissions, i.e. air, noise, and waste.

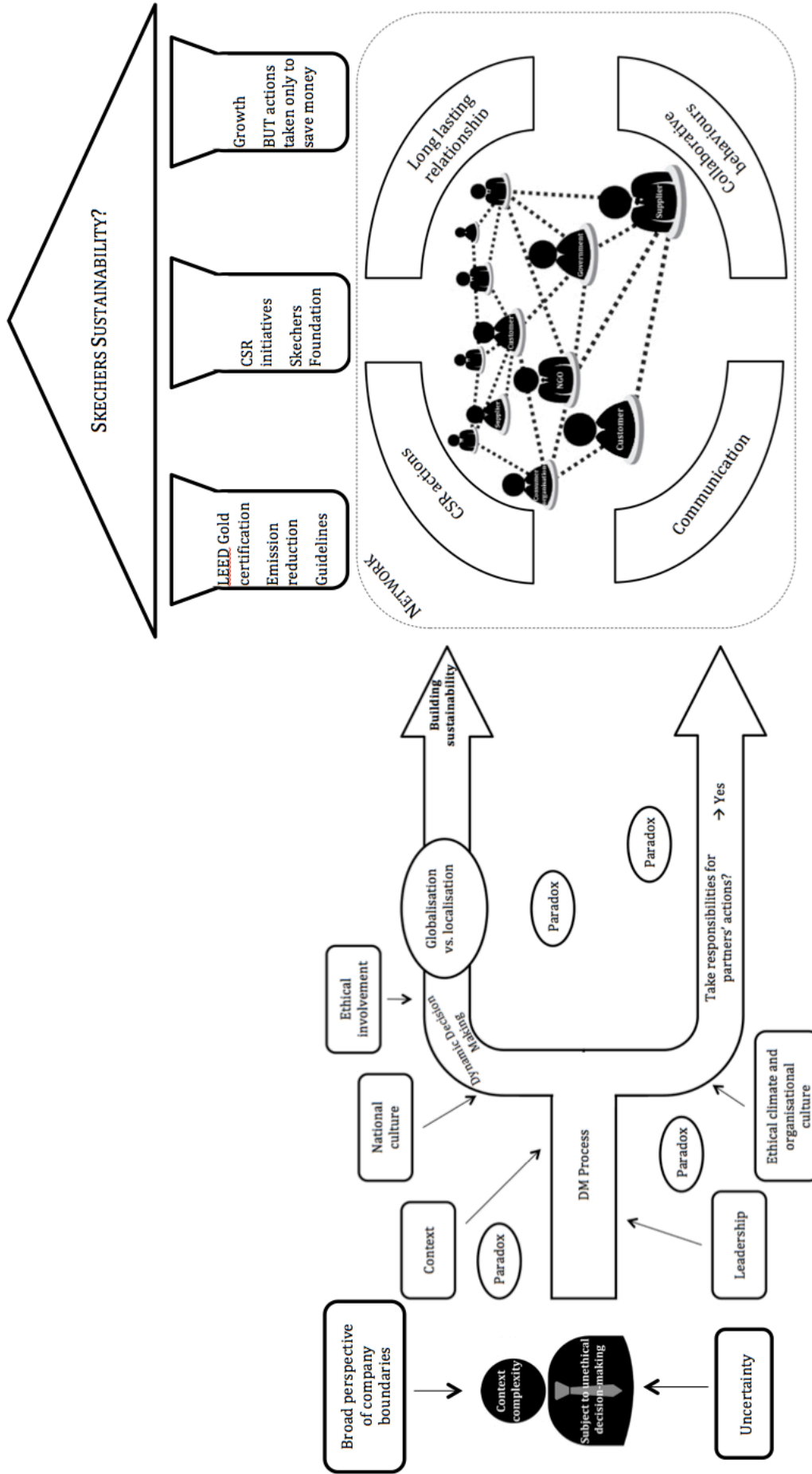
Despite several environmental friendly actions, the company does not always resort to recycled materials. The VP of Planning and Allocation explained that recyclable papers and cartons are used, but the Senior VP Global Product stated that no recycled materials were used to manufacture. In fact, the cost of such materials is higher than non-recycled materials and the footwear company would have to charge its customers more, which they refuse to do.

4.4.3 Economic concern

Skechers promotes high ethical standards in the way of doing business. When a partner does not display ethical behaviour, the partnership can be discontinued. In every factory, Skechers also appointed a Quality Assurance person who helps monitoring that quality requirements are met.

The Californian company has been constantly growing and is now second on the American Footwear market, just behind Nike. This position gives the company negotiating power, allowing it to drag prices down when negotiating with partners. Through this kind of practices, the company takes part in the upholding of the Californian logistics' system where drivers are misclassified (LAANE, 2014). Moreover,

Figure 11: Theoretical framework applied to Skechers case



Source: Own elaboration

in its rise, Skechers displayed a tendency to copy competitors resulting in legal actions and discrediting Skechers original designs.

4.5 Discussion

P1: "Cooperation in the supply chain is enhanced by means internal and external to the network"

According to Park and Rees (2008), the international labour regulation has historically been minimal and often judged as unwanted. Organisations have been facing growing external pressures to improve working conditions and this matter is now key for the management (Park & Rees, 2008). Santillo (2007) warns that the various interpretations of the three pillars of sustainability can lead to using these pillars as a way to fake environmental concerns.

The research highlighted the importance of the Code of Conduct for Skechers. Skechers is dedicated to showing its ethical involvement and states that its reputation is its greater asset, even mentioning how cautious they are about not staining this reputation with partners not complying with the Code. However, Skechers has been held responsible, in the past, for the behaviour of its partners and for not enforcing their Code of conduct on their partners, be it a freight forwarder or a factory. In fact, having a Code does not always ensure that it will be implemented and can sometimes be used only for the appearance of being ethical. In 2005, Skechers was found to be working with a Chinese factory where working conditions were inhuman (Ethicalconsumer, 2007). Added to the Green Fleet System case of 2014, where Skechers forgot to care about their closer stakeholders perhaps due to Skechers rapid expansion, this could lead to believe that Skechers is more about an ethical image than genuine ethical practices. Yet, conclusions about this situation are hard to make, it remains to be seen if Skechers will literally apply the measures cited in its Code. Skechers ethical practices evolve with time, this much is certain.

The size of the company and the numerous stakeholders have transformed the use of a Code of Conduct into an absolute necessity in order to remain consistent regarding ethics. It is used as a tool to create common ethical guidelines and as a foundation for decision-making and assessing partner companies. Through this tool, Skechers helps factories improve their working conditions, leading to employees' retention, a current

major issue in China. Moreover, the footwear company is now highly involved in making Asian factories comply with the Code as there is a branch of the Chinese office dedicated on working on this matter, fully understanding that their stakeholders also include their suppliers' employees and that they have to care for them. Although the implementation of the Code is mainly an answer to stakeholders' demands, i.e. legal obligations and pressures from consumers, results are visible as it has led to advancements in the working conditions of the entire supply chain. The Chinese office is also used to enhance the relation of trust between Skechers and its factories. Furthermore, according to Husser et al. (2014), a company needs social contacts with its suppliers in order to get optimal collaboration. Collaborative means are then internal to the company, even integrated in their processes and daily activities. Upper management, from Skechers headquarters, regularly travels all the way across the world to personally check the working conditions at the factories. Vachon and Klassen (2008) stated that collaboration with suppliers is the most beneficial type of collaboration for the organisation. Skechers does seem to mainly focus its collaborative efforts on suppliers, probably due to the usually long history between both entities.

Legal requirements illustrate that collaborative means can come from outside the organisation. For instance, Skechers complies with The California Transparency in Supply Chains Act of 2010. The act's objective is to have more data available for manufacturers and retailers in their attempt to face the supply chains' issues of enslavement and human trade (Skechers, 2016). The footwear company also voluntarily implemented a governmental program promoting collaboration and securing the supply chain. Carter and Roger (2008) identified traceability and visibility throughout the supply chain as supporting SSCM. While Skechers complies with the law, collaboration is enhanced, as more information is available for its stakeholders, which brings transparency to the supply chain and thus supports their SSCM.

When Skechers uses its Code, one can ask whether it is true collaboration, understood as a one of the SSCM practices identified by Besked and Seuring (2014). Some observers find codes of conducts to be useless as employees' needs are not always met and there is no obligation to enforce (Andersen & Skjoett-Larsen, 2009). According to Andersen and Skjoett-Larsen (2009) the Code is to meet the minimum-security requirements. However, minimum requirements vary depending on the region of the world and result

in the sole compliance with the law instead of the respect and support of others. For instance, Ethicalconsumer (2007) stresses that many companies pay the legal national minimum salary or the standard for the industry, but it is hardly ever enough to live. This could mean that company's actions, which in theory should partly be social according to the three pillars of sustainability, actually ignore people's needs and only comply with the law in order to benefit from a positive public image.

Our study shows collaboration as an interconnected circle. In fact, for a company to develop and implement collaborative means, actual collaboration will be needed to do so, such as the implementation of the Code of Business Conduct and Ethics. And at the same time, when collaboration takes place it results into reinforced collaborative processes. On the one hand, we could highlight collaborative means developed within the company like the Code of Business Conduct and Ethics, the different electronic supports, the processes, or the Skechers Foundation. And on the other hand, there are some additional collaborative means coming from outside the company such as the California Transparency in Supply Chain Act of 2010, the voluntary C-TPAT program, or routing guides used in freight.

This allows us to affirm our first proposition ***“Cooperation in the supply chain is enhanced by means internal and external to the network”*** as internal and external means bring more cooperation to a company and its network, and simultaneously cooperation leads to a greater use of internal and external means.

P2: “Overcoming barriers to collaboration enhances sustainability allowing to reap benefits from collaboration”

As huge as the company has become, Skechers' corporate culture still has the original family-owned business feel to it, this feeling was emphasized by all interviewees. The feeling that everyone is working towards the same goals is strong. Trust and loyalty can easily be built within and around the organisation, most probably due to the organizational culture advocating these values.

For Pagell and Wu (2009), long-term relationships improve collaboration and increase the amount of information shared between the partners. Long-term relationships are preconized, which is visible on two levels. First, Skechers' management who, for the most part, has been working with the company since its establishment. Secondly, this is also the case with its stakeholders, the Californian company has been collaborating with

the same partners for a very long time and claims they are responsive to their needs. However, Skechers' analysis showed us that additionally to information sharing, collaboration based on a long-term relationship leads to an unbalanced situation because the strongest partner can influence negotiation while keeping a durable partnership. If they wish to keep the collaboration going, partners have to grow at the same pace as Skechers and sustain their business in the same way. The footwear company holds enough power to ask for low prices while being certain that their partners will accept them after negotiation. And this, most probably at the expense of the collaborators' growth and consequently at the expense of investments in the sustainability of the supply chain.

By linking Kumar et al. (2012)'s idea of sustainability allowing cost savings and Beske and Seuring (2014)'s idea of collaboration considered as a SSCM practice, we can say that collaboration allows to save costs, which confirms our assumption. Furthermore, Beske and Seuring (2014) also consider trust between two partners as a barrier to collaboration. As far as Skechers is concerned, the company has been working with the same collaborators for almost 20 years, building a solid relationship and most likely a trusting one, allowing them to enjoy benefits from these collaborations since the main barrier, i.e. trust, is not a concern for them.

This outcome enables us to prove our second proposition ***“Overcoming barriers to collaboration enhances sustainability allowing to reap benefits from collaboration”*** also supporting Ortas and Monerva (2014)'s claim that close and long-term relationships with strategic partners are essential to remain competitive. However, this conclusion should be toned as the cost advantage resulting from the partnership most certainly benefits the strongest partner in the negotiation.

P3: “Cooperation is a way to lower uncertainty in supply chain decision-making, affecting the company's network”

A long lasting relationship based on mutual trust allows Skechers to be reasonably confident in the short-term future. Maintaining collaboration over the years, allows the prediction of costs and the continuity of a well functioning relationship, which in turn facilitates decision-making. Andersen & Skjoett-Larsen (2009) highlight the competitive advantage resulting from long-term relationships.

Uncertainty is always present, as no company is fully safe from a scandal or accident in its own facilities or in those of a partner company. As previously mentioned, Skechers can be held accountable for something it did not commit itself. Incidentally, more and more multinationals are held responsible for their partners' behaviour (Andersen & Skjoett-Larsen, 2009). Silvestre (2014) also considers collaboration as necessary to manage external stakeholders, who represent a potential risk for companies. The Code of Conduct and operating procedures have been identified as collaborative means, which provides common guidelines and builds consistency within the organisation and with stakeholders. By collaborating closely with internal and external stakeholders, Skechers works towards avoiding such risks and bad events. Through collaboration, uncertainty is lowered to its least, consequently facilitating decision-making. Andersen & Skjoett-Larsen (2009) highlighted that internal and external stakeholders put pressure on companies to improve labour conditions for instance. By collaborating with them, companies like Skechers can learn more, beforehand, about their demands and expectations and react accordingly. Therefore, decisions are reflected upon and thought through before execution. With a thoroughly considered decision, facing critics or a situation similar to the Green Fleet System case, for instance, becomes less likely.

A further element is the cooperating culture visibly present at Skechers. The example of a manager reporting a mistake to customs in order to fix it shows how collaboration affects decision-making. Indeed, when this happened it was not necessary to think about what decision to make. The organisational culture and the will to collaborate with authorities automatically led Skechers' to inform customs about the mistake. Collaborating with stakeholders makes future decisions more predictable and confirms our third proposition ***"Cooperation is a way to lower uncertainty in supply chain decision-making, affecting the company's network"***.

P4: "The organisation's network and SSCM is the result of the leaders' actions and values"

Various elements have been identified as influencing the decision-making process. However, the one standing out the most is the leader's influence (e.g. Alexander et al., 2014; Beske and Seuring, 2014; Selart and Johansen, 2011). Although the American culture is prone to hierarchy for a matter of convenience, at Skechers, the impact of top leaders in the decision-making is significant. Decisions come from the top-down probably due to the fact that the company is still managed by its owner-founders. In

2010, Skechers' founders decided to create the Skechers Foundation in order to help those in need and improve their community, attesting to the leaders' ethical orientation and philanthropic involvement. This goes along the same lines as Valentine and Rittenburg (2007)'s statement, according to which older and more experienced executives are more ethically driven. The foundation is also an evidence of the leaders' role in the decision-making process. Indeed, through their position leaders have the ability to federate people around a common project (Hoyt et al., 2013), which has been achieved with the Skechers' Foundation.

Many charities are part of Skechers' network as the company is highly involved in its community. In recent years, as shown in **Figure 9**, they have been increasingly working with charities and renewing their collaboration, which is a consequence of the top-management's orientation. Even though Collier and Esteban (2007) consider that collaboration with external stakeholders such as charities could be seen as greenwashing, it really helps these organisations. Indeed, the director of American Cancer Society (Abbott, 2015) stated that the partnership with Skechers helps them save more lives and move their mission ahead. Moreover, partnering with competent organisations ensures better campaign results as the NGO has the know-how and field experience, while the company has the resources. If the collaboration is consistent with the company's image, it turns into a win-win situation for all parties involved.

Martin and Johnson (2010) stated that managers with a strong ethical thinking have established trust with their partners and will increase their ethical investments. Skechers' growing network ensues from their increasing ethical investments. Skechers is one of the fastest growing companies in the industry and has reached second place on the U.S. The company's network increases as the number of partnerships with charities expands which grows as the company itself expands. The same thing goes for the amount of partnerships with celebrities, the fame grows together with the company's performance on the footwear market certainly resulting in more partnerships in the future. Another example lies in Skechers' decisions over unethical suppliers. If a supplier cannot meet Skechers requirements, the footwear company will end the collaboration. The leader's concern for ethics should influence the organisational culture since their values flow through the whole company (e.g. Walker et al., 2008). The strong willingness

of leaders to establish ethical principles within Skechers as well as the family-type relationships fostered with stakeholders builds the network, develops it and elevates it.

An ethical organisational culture supports SSCM (Carter & Roger, 2008). Consequently, the ethical orientation of leaders reinforces sustainability in supply chains. In fact, the obvious involvement of the leaders in charity work and the increasing number of partnerships with charitable organisations justify our fourth proposition “**The organisation’s network and SSCM is the result of the leaders' actions and values**”.

P5: "Ethical decision-making fosters collaboration across the sustainable supply chain, which in turn impacts decision-making processes making cooperation and decision-making complementary"

Skechers promotes collaboration, but at the end the founders take the final decisions even when the concerned department, following their expertise on the subject, is convinced that the decision is wrong. When cooperation is not respected and decisions are taken without consideration of others, it can result in a great loss of time and lead to frustrations on the employees' behalf since upper-management ends up blaming them for bad results. However, Smith (2014) stressed that embracing paradoxes encountered in ethical decision-making calls for strong and strict leadership. Collaboration and decision-making can thus not be taken separately.

As previously mentioned, Skechers collaboration with charities has increased over the past years. According to Collier and Esteban (2007), partnerships with NGOs with significant contact with business culture results in the integration of the NGOs’ values. That seems to be what is happening at Skechers as the involvement grows and the culture slowly changes. Every year more employees are taking part in the Pier-to-Pier Friendship Walk and the collected money increases. The management is very proud and grateful for everyone's efforts as shown by a thank you lunch they organized. Cooperation influences actions taken within the company such as collecting money in stores, which is a decision that has to be taken by a manager. The decision to donate money from the BOBS sales generates an increase in collaboration within Skechers. Indeed, this project collaborates with the charity SolesForSouls, but also recently with Best Friends Animal Society, extending Skechers network of partners. As implementing ethical actions implies additional costs and administrative work for the company (Costa, Lages, & Hortinha, 2015), managerial decisions are key in the process.

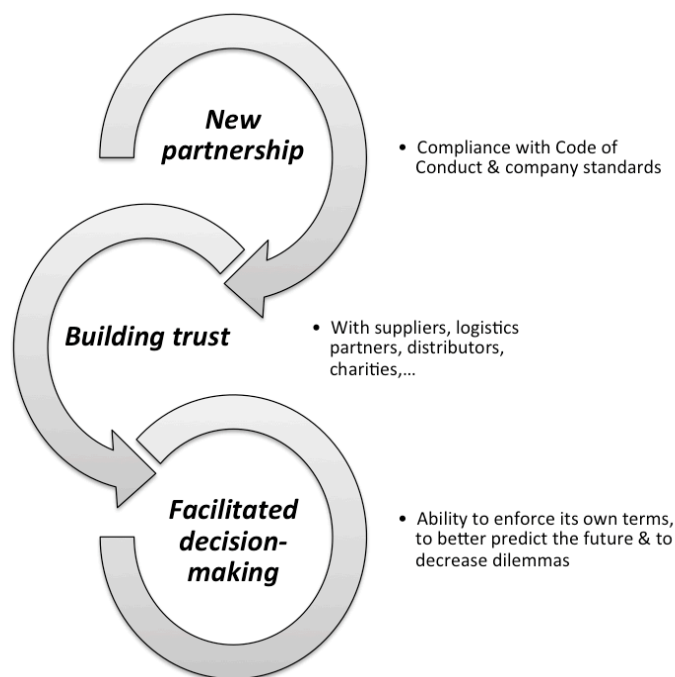
Trusting stakeholders has been identified as influencing positively environmental corporate practices (Sharfman et al., 2009). Kumar et al. (2012) even gave the example of investing in new technologies, which joins the example of Skechers distribution facilities awarded with the LEED certification. The footwear company appears to have increased its involvement in environmental projects, just like it has been developing its charitable collaborations. These decisions were taken by the company while trust was built through collaboration with the partners. Both concepts linked together have resulted in the present situation.

One can say that collaboration at Skechers is closely linked to how decisions are taken. Decision-making and collaboration oriented Skechers' strategy towards social, economical and environmental concerns as shown in point 4.4, the three pillars of sustainability according to the scientific literature. Skechers attempts to meet the 3 pillars of sustainability but there is still some progress to be made especially on the economic pillar. At the social level, an urgent matter in need for improvement is diversity among board members; incorporating women and minorities. There is also room for improvement in the way they care for their stakeholders' actions as shown by the Green Fleet System case. At the economic level, the use of recycled raw materials should not be dismissed based solely on the high cost of such materials compared to regular materials. Skechers supply chain management can be considered as being on the way of sustainability and, since sustainable supply chain management is a strategy and Skechers actions seem to follow that same direction, commitment by the company for this strategy is observed. Furthermore, it should be more than just addressing the 3 pillars individually, efforts should be made towards the integration of the pillars with each other.

SSCM implies handling multiple decision makers (Hassini et al., 2012) and Skechers dedication towards long-term relationships drives collaboration at the centre of every relationship. Collaboration had already been identified as important for SSCM (Silvestre, 2014), but through this case study we show how decision-making also leads to a more sustainable supply chain. Elements influencing the decision-making process are then also influencing the collaborative orientation of the company, and thus the whole network and the supply chain management.

We can then conclude with the fifth proposition **“Ethical decision-making fosters collaboration across the sustainable supply chain, which in turn impacts decision-making processes making cooperation and decision-making complementary”** as separating both elements can result in negative consequences for employees, for instance, and also negatively impact the sustainability of the supply chain. How cooperation finally reinforces ethical decision-making is also illustrated in **Figure 12**.

Figure 12: The link between cooperation and decision-making in Skechers supply chain



Source: Own elaboration

5 Conclusion

This research project allowed us to look more deeply into elements leading to greater SSCM, namely collaboration and decision-making. The aim was to better understand how collaboration and decision-making are linked and how they influence the SSCM of a company. As Beske and Seuring (2014)'s work identifying collaboration as a SSCM practice was too theoretical, this thesis brings a concrete example of collaboration in business and more specifically in the retail industry.

This thesis aimed to improve understanding of how collaboration influences a whole company, including its supply chain. The case study focused on the integration of collaboration into the company's daily actions. The study also aided the understanding of the influence of decision-making on the network and on SSCM, with the conclusion that every decision taken by upper-management influences the company's network, by

expanding it or narrowing it, but also the management orientation of the supply chain. The more leaders are oriented towards ethics, the more measures towards a sustainable supply chain will be taken.

The research allowed us to identify internal and external factors influencing positively the collaboration between a company and its partners. We concluded that though internal and external factors impact collaboration differently, the effect is the same: they initiate collaboration, which in turn further promotes the use of collaborative means. The case study shows that the Code of Conduct can be used to improve the appearance of being ethical, but in this case study, ie. Skechers, genuine ethical involvement is demonstrated but discrepancies can happen. The divergence between the company's appearance of being ethical and their actual ethical intentions could ensue from the sole purpose of complying with the law, without truly caring for others. However, this divergence could also be the result of a rapid expansion, as currently experienced by Skechers, and will most likely progress in the future, showing that collaborative practices evolve with time.

Collaboration associated with a solid and trusting relationship allows cost-savings. However, these benefits will depend on the distribution of power among the partners. The partner with the strongest negotiating power, as is the case of Skechers, collects the benefits and imposes its terms to the others. Combining collaboration with a durable and trusting relationship also benefits the other organisation by helping them be more confident in the near future and facilitating the anticipation of future decisions. It is then possible to forecast costs or partnerships with high certainty, but also to diminish the uncertainty coming from the association with stakeholders. Collaboration integrated in the organisational culture seems to influence decision-making.

Highly involved leaders, with their strong influence on decision-making, impact the network they build by taking initiative and proposing specific actions. Leaders' actions and values are integrated in the organisational culture and the consistency between the company's practices and statements grows over time. Furthermore, extending the network with ethical stakeholders is beneficial for all parties involved even when it is partly or solely done for image purposes. Leaders influence ethical and sustainable collaboration across the network and partnerships can influence the company's values in the future and lead to a genuine concern on behalf of the company.

Finally, collaboration and decision-making are complementary practices of SSCM. In fact, taking decisions without thorough consideration of collaboration can lead to frustrations. Both practices influence each other as collaboration increases sustainable practices, for which decisions have to be taken. Organisational culture also evolves with greater collaboration, leading to more ethical decisions.

Skechers' case shows how collaboration and decision-making can be interrelated and influence the sustainability within the company's network. However, even if the company is acting towards more sustainability, there is still room for improvement.

5.1 Limitations

This research includes different limitations. The first one is time related, the interviews happened on a short internship duration (i.e. two months), sometimes resulting in rushed interviews with much occupied participants. As most of the interviewees held high management positions, the allotted time for the interview was limited and did not always allow in-depth discussion.

Also resulting from the lack of time, only one person from top management could be interviewed resulting in less relevant data for the decision-making analysis, as they are the actual decision-maker in this hierarchical company.

Then, this research is mainly based on internal information, which does not allow to certify to the objectivity, sincerity and completeness of the answers.

Finally, the single case study analysis based on Skechers does not allow comparison with other companies nor a deep analysis of the network to compare attitudes to collaboration shared by the whole network. The lack of comparison also prevents us from generalising our conclusions about decision-making processes. Indeed, our conclusions are based on the comments of only a few managers and members of Skechers' upper-management. We cannot say that the situation is identical in every company, or even within the various departments at Skechers.

5.2 Recommendations

Skechers is a good example that corporate culture evolves with time and influences ethical collaboration and the company's network of stakeholders. Managers should not

be afraid to take actions towards more collaboration as these actions will increase over time.

Lower and top-management should implement more effective collaboration in order to avoid frustrations as decisions are taken. In fact, upper-management should not take decisions without considering their employees' opinions, and would benefit from the advantages associated with collaboration.

The influence of the network on the company cannot be ignored as internal and external factors influence collaboration and thus decision-making. Therefore, managers should always carefully consider stakeholders' demands and actions. Particular attention should also be paid to the partners' processes, considering that collaboration happens in both ways. On the one hand, the focal company can benefit from collaboration and will use means to improve it. On the other hand, partners can also develop ways to enhance collaboration and their network. Both parties could then learn from each other.

5.3 Future research

As internal and external means have been identified as improving collaboration, future study could look at building an exhaustive list of practices influencing collaboration across the supply chain. Being aware of what improves collaboration could help managers build a sustainable supply chain and to get the most out of their partnerships.

The negotiating power of a company has been identified as impacting partnerships and unbalancing the collaboration with some stakeholders. Future research should then look at identifying how much the relationship with stakeholders is impacted.

This research project is a first look into the link between collaboration and decision-making through a concrete example. The cultural analysis based on Hofstede's work highlighted the strong affiliation of Skechers to the American culture. Future research should then focus on other countries and analyse the influence of culture on the processes of decision-making and collaboration. Furthermore, comparison should also be made with other American companies and other retail companies to see if the results can be generalized. A comparison can also be done with organisations from other countries, and therefore from other cultures.

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