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Pushing or Sharing as Value-driven Strategies for Societal Change in Global Supply Chains: Two Case Studies in the British–South African Fresh Fruit Supply Chain

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ABSTRACT
Business strategy is linked to organisational values and culture, which is determined to some extent by national culture. This can provide a challenge in a global supply chain where culture and values at one end of the chain do not correspond with culture at the other end. This paper contends that shared values contribute to effective sustainability changes in supply chains. Two case studies from the South African–British fresh fruit export chain present two contrasting business strategies for achieving socially sustainable practices: (i) a unilateral, prescriptive approach (pushing), mirroring a paternalistic value system, in which a company prescribes norms of socially responsible behaviour at the ground level (the Tesco case) and; (ii) a bilateral, collaborative approach (sharing) in which business and non-governmental organisations work together to improve working conditions (the Waitrose case). Outcomes of these approaches are observed over a 3-year period. It is concluded that within this specific supply chain a shared value approach is a more successful initiative than paternalistic pushing initiatives. Copyright © 2011 John Wiley & Sons, Ltd and ERP Environment.

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Introduction

AGRICULTURE IN SOUTH AFRICA HAS LONG BEEN ASSOCIATED WITH HUMAN RIGHTS VIOLATIONS AND LAND expropriation (Human Rights Watch, 2001), exploitation of farm workers and unsustainable social practices. Land expropriation is being addressed by government initiatives like Broad Based Black Economic Empowerment (BBBEE), an obligatory legal programme in terms of the Broad Based Black Economic Empowerment Act of 2003. BBBEE intends to transform the economy to become representative of the demographics (specifically the racial demographics) of South Africa. This is achieved by using a BBBEE scorecard, which shows to what extent a specific business is BBBEE compliant. The two elements with the most weight relate to ownership and preferential procurement.

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South Africa as a country faces different social challenges. One problem relates to a lack of education and skills of a vast number of citizens, contributing to the current unemployment figures. According to the statistics bureau in South Africa the unemployment rate in 2010 was 25.2% (Statistics South Africa, 2010), according to the narrow definition. The narrow definition includes only people searching for jobs, while the broad definition includes those who want a job but are not actively searching for one for various reasons, such as no transport and employment equity policies (Kingdom and Knight, 2006b). Unemployment rates according to the broad definition are far greater, with a last available estimate for 2006 of 40% (Kingdom and Knight, 2006a). Official statistics measure unemployment according to the narrow definition, which can present a skewed perception of the reality, especially in the light of other social problems, such as crime and HIV. In July 2008 UNAIDS/WHO published an estimate of 18.1% of people aged 15–49 affected with HIV at the end of 2007. Levels of crime in South Africa are also among the highest in the world (Institute for Security Studies, 2008).

Such problems are prevalent in most developing countries and solutions to social problems are not only an issue for national governments but also a business priority. Statements like 'failure to effectively manage social issues can affect the core business interests of a business or industry' (Warner and Sullivan, 2004) and 'how international firms handle (cultural) differences will influence the relative success of their operations' (Litrico, 2006), make it clear how important this management issue is in the face of success. Recently businesses have stepped in, adding sustainability requirements to their business strategies (Vermeulen and Seuring, 2009; Vermeulen, 2010). Some authors suggest that business strategy is linked to its organisational values and culture (Hart, 1997), and it can thus be expected that the values underlying sustainable development would be reflected in the culture of the organisation itself. The ideal business model would then be one where these values extend to all business activities, specifically in a value or supply chain where products are sourced from developing countries.

Attention to social issues can therefore also be observed in supply chains connecting the North and the South. Participants in global supply chains show a tendency to involve social responsibility practices in the supply chain relationship. Observing these practices in the past few years has shown that values from Northern participants are used to bring about social change on the Southern side of the supply chain (Ras *et al.*, 2007; Müller *et al.*, 2009). One motivation for such actions relates to increasing consumer demand for sustainable products. Since the first conceptualisation of the term 'sustainable development' by the Brundtland Commission (WCED, 1987) it has had an important influence and helped shape the political, social and environmental landscape in which businesses operate (Bonnal and Gourc, 2002). Sustainable production practices have become an important requirement for doing business, and as such have become a requirement for global supply chain trading practices, resulting in many different business standards. Generic standards such as Globalgap (Globalgap, 2010), the Ethical Trade Initiative Base Code (ETI, 2010a, 2010b) and the Business Social Compliance Initiative (BSCI, 2010) and retailer programs such as Tesco's Nurture scheme (Tesco, 2010) and Waitrose's Linking Environment and Farming (LEAF; Waitrose, 2010) are some examples of business standards aiming to control practices on farms. It is clear from such standards that social problems at the developing country supply side are also perceived as part of the social responsibility of firms at the developed country's demand side. Sustainable development has been linked with global supply chains under the term 'sustainable supply chain management' (Seuring and Müller, 2008a) or linked to '[sustainable] supply chain governance' as a more systems approach (Gereffi *et al.*, 2005; Vermeulen, 2010). Supply chains have become more and more global, with different actors from different parts of the world. This has resulted in a complicated socio-economic system of interacting actors, embedded in various different national cultures and applying diverse and competing business strategies. It has been noted that limited studies have been done on *supply chain culture* or *values* as sources for improved sustainable performance in global supply chains.

In this paper, case studies from the South African–British fresh fruit export chain are presented, reporting on two contrasting business strategies for achieving socially sustainable practices:

1. A unilateral, prescriptive approach (*pushing*), mirroring a paternalistic value system, in which a company prescribes norms of socially responsible behaviour at the ground level (the Tesco case) and;
2. A bilateral, collaborative approach (*sharing*) in which business and non-governmental organisations (NGOs) work together to improve working conditions (the Waitrose case).

First we will discuss how value systems and culture have been addressed as relevant concepts in the study of businesses and their supply chain and then the methodology will be explained.

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Culture, Value Systems and Supply Chains

Culture is usually understood in a national or ethnic context, but has also been extended to a force in business by authors acknowledging the importance of organisational culture (Schein, 1996; Linnenluecke and Griffiths, 2010) and market culture (Levin, 2008) as an explanation for business success. De Long and Fahey (2000) reinforce its importance by stating that culture shapes assumptions about what is important, useful and relevant in organisations.

Culture can be defined as 'the collective programming of the mind which distinguishes the members of one category of people from another' (Hofstede, 1994) and has as its building blocks (social) values and norms. A value is defined as 'a broad tendency to prefer certain states of affairs over others' (Hofstede, 1998). In their works Hofstede and Bond distinguished five key dimensions of organisational cultures: power distance, uncertainty avoidance, individualism, masculinity and long-term orientation (Hofstede, 1980; Hofstede and Bond, 1988). It has been shown empirically that management styles should be congruent with the national culture to enable success (Newman and Nollen, 1996; Pagell *et al.*, 2005). Others suggest tools to map this international cultural diversity in organisations (Robertson and Crittenden, 2003).

In another study it was found that economic development correlates with cultural change toward values that are increasingly rational, tolerant, trusting and participatory rather that absolute norms and values (Inglehart and Baker, 2000). The importance of national cultures and the consistency thereof cannot therefore be ignored when making a study of global supply chains (Seuring and Muller, 2008b). Also, at the level of individual firms, adjusting the organisational culture has been identified as essential for successful implementation of environmental strategies (Petts, 1999; Fernandez *et al.*, 2003). Some empirical research is available on differences in the perception of business ethics, and their impacts on supply chain partner relations, with a focus on fairness of transactions and bribery (Tadepalli *et al.*, 1999; Carter, 2000; Cooper *et al.*, 2000; Gonzalez-Padron *et al.*, 2008). In this article we focus on the full spectrum of sustainable development issues (both environmental and socio-economic improvement) as a value system.

A supply chain is 'the whole series of activities business firms undertake to convert the raw materials or input resources to the goods and services required by a customer' (Porter, 1985), often in a global context. By the very essence of its name, global supply chains function across different countries and different cultures. Hofstede found in a study conducted in 1994 that management practices in a country are culturally dependent, and that success factors in one country will not necessarily have the same results in another (Hofstede, 1994). The implication is that success factors at one end of the chain will not necessarily reflect success factors at the other.

A conventional supply chain and its actors in the fresh fruit export industry are depicted in Figure 1.

Here we describe global supply chains as a multi-actor social system with direct and indirect actors. The direct actors are economically active in the value chain as buyer or sellers, taking an active role in the physical process of providing a value-added product to the final consumer. Indirect actors are not directly involved in this process, but do relate to these direct actors to some extent. In this way NGOs can give voice to social and environmental concerns and try to influence practices in global supply chains. This position of relative power has led to business standards that are enforced from the demand side on the supply side (Müller *et al.*, 2009).

Figure 1 shows that two national cultures form part of the global chain. South Africa has been associated with human rights abuses in the past. Human Rights Watch (2001) stated that the 'entire history of colonial conquest and dispositions, of cheap labour and systematic exploitation, and of segregation, apartheid and white supremacy has created a society in which 60 000 capitalist farmers own 12 times as much land as over 14 million rural poor'. This sentiment is emphasised in writings mentioning a system of paternalistic management practices (Orton *et al.*, 2001). This was especially prevalent in the agricultural sector (Du Toit, 1993).

Paternalism usually refers to an attitude where the one person makes decisions on behalf of another without necessarily asking or respecting the other's wishes (Grill, 2007). Grill argues that paternalism consists of both an action (making a decision) and a reason (believing the decision is for the good of the other person) component (Grill, 2007). This means that paternalists usually acts to the perceived advantage of others, at the expense of their liberty. As a system this has been criticised, and since the abolition of apartheid has started to change due to, amongst other reasons, legislation and societal pressure enforced on farmers in South Africa. Ironically the culture of paternalism that existed on farms stands in sharp contrast to the concept of Ubuntu, an African cultural system focused on collectivism rather than individualism.

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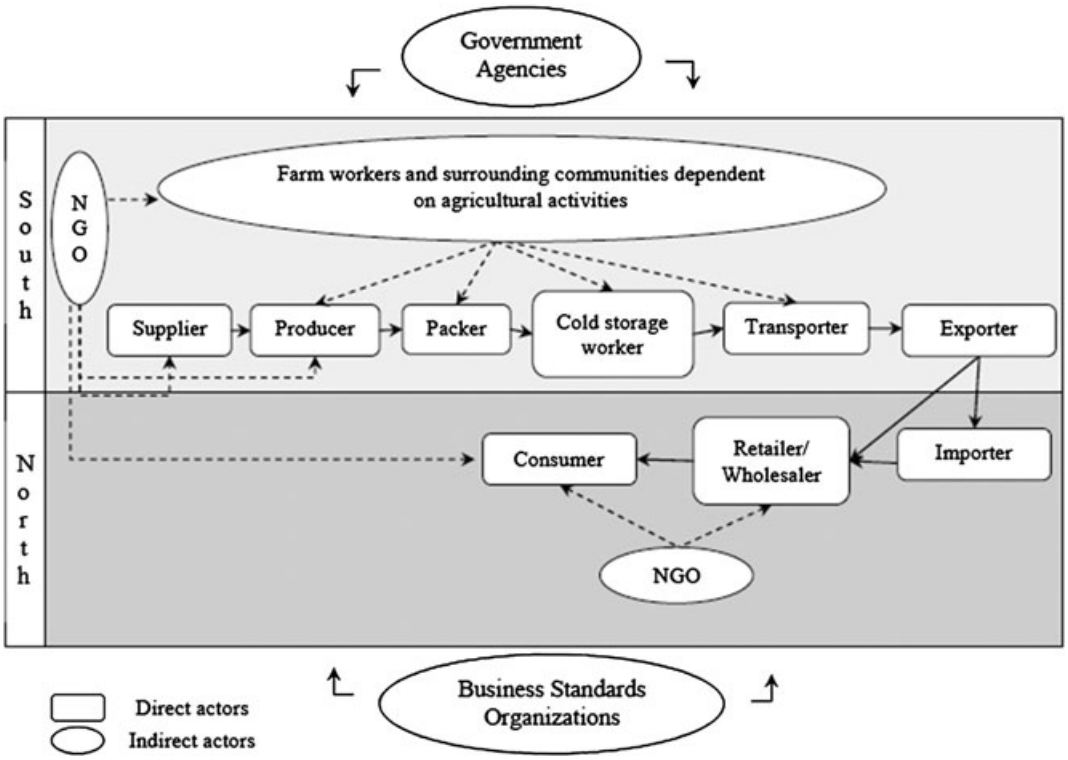

Figure 1. Direct and indirect actors in a global supply chain

Ubuntu is a basic belief or value of '*motho ke motho k batho ba bang*' (which directly translated means 'a person is a person through other people'), emphasising the importance of community. Ubuntu is a concept that represents the core values of African life: respect for other human beings, for human dignity and human life, collective sharedness, obedience, humility, solidarity, caring, hospitality, interdependence and communalism. It reflects values of being sympathetic and sensitive to the need of others, being respectful, considerate and kind (Kamwangamalu, 1999). The principal belief is that a person can only be a person through others (Mbigi and Maree, 1995). The effect of Ubuntu is a value that defines and controls an individual, to the extent that such an individual owes his/her existence to the existence of a group (Kamwangamalu, 1999). The very essence of Ubuntu unfortunately also has a dark side: failure to meet the expectations of this value leads to harsh punitive measures which include burning of property and assassination (Blankenberg, 1999). Summarised, it boils down to 'the community always comes first in African culture' (Venter, 2004).

This shows South Africa as not having just one national culture but being multicultural; two competing value systems exist, that of paternalism and that of Ubuntu, a system advocated as an ideal value system. This is compounded by the fact that South Africa has two economies; a First World economy consisting of the modern industrial, mining, agricultural, financial and services sector and a Third World economy, which is defined by the participation of the marginalised and the poor in both the rural and urban areas focusing on subsistence farming (Mapadimeng, 2007). The Ubuntu values imply that, from a South African perspective, considerations for business do not only relate to price or economic principles, but rather to trust and loyalty of the actors in the chain. Cultural values determine to a great extent the embedded social responsibility in a supply chain and thus determine management strategies for such a chain and individual businesses.

Putting this debate within the supply chain perspective, it leads to a discussion on what the impact of culture will be on supply chain behaviour; that in essence can be an indication of a specific value system accepted by the chain as whole. If the premise were accepted that values influence the attitude and practices of a business on a social level, then it would be relevant to question how a supply chain, as a multi-actor social system, initiates, maintains and develops its social and environmental improvement programmes. Hughes (2005) distinguishes in his study on the UK food and

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clothing supply chains two opposite approaches, the arm's length approach versus the coordinated approach. This links to a debate about the role of trust and collaboration versus the use of power in supply chains. Collaborative supply chain approaches can produce mutual benefits (Jeppessen and Hansen, 2004; Luken and Stares, 2005; Preuss, 2005), but others stress that doing business essentially is 'about appropriating value for oneself, [...]. In fact the theoretical ideal in business (from an entrepreneurial perspective) is to be able to put oneself in a position where neither customers, employees, competitors or suppliers can leverage value from you, while putting yourself in a position to leverage all of them' (Cox, 1999, p. 171). Here we propose an amended dichotomy: two opposite options would be to either work together in identifying social challenges and solutions ('sharing' in a bilateral collaborative approach) or to have one of the actors either at the supply or demand side take a leading role ('pushing' in a unilateral perspective). This second option would imply that one supply chain actor is in a position of power and can prescribe specific value practices to other actors in the chain.

The aim of this paper is to analyse if, and how, specific value-driven strategies lead to different kinds of social change in a global supply chain.

Research Methodology

This paper forms part of a broader research project concerned with sustainable development practices or the lack thereof in global supply chains. The export chain for table grapes has been chosen as an example of a global chain because of its relevance in agriculture and the fact that the industry includes in its long-term strategy specific goals of sustainable development. On average, agricultural exports constitute approximately 8% of all South African exports. Primary agriculture provides almost 9% of formal employment. Taking into account networks in the supply chain and interdependency, it is estimated that the agro-industrial sector contributes to an employment figure of roughly 27%, which is very substantial in a country riddled by unemployment. The largest export groups are raw sugar, fresh grapes, citrus, nectarines, wine and deciduous fruit (South Africa, 2008).

This study was preceded by an exploratory field study with many interviews with fresh fruit growers specialising in table grapes (Vermeulen and Ras, 2006; Müller *et al.*, 2009; Ras and Vermeulen, 2009). From these visits the various direct and indirect actors in this global supply chain were identified. Visits were followed by interviews with various other indirect actors, including exporters, NGOs and industry bodies, in order to create a better understanding of how sustainability-related values are interpreted and enforced. Leading actors in the supply chain were selected with the aim of showing opposite value-driven strategies and their effects. So, for this purpose a two-case-strategy approach was followed, in which the two case studies form part of the same channel with the overall context conditions, which gives us the opportunity to compare practices mainly on their own merits.

The cases chosen represent two unique illustrative cases, both addressing the sustainability challenge using different approaches (Yin, 2003). Various authors have identified the case study approach in supply chain management as a suitable option for identifying and describing critical variables, and as a tool for theory building on new phenomena (Yin, 2003; Hilmola *et al.*, 2005; Seuring, 2005). This is what we intend to learn from the two cases: the main differences in their approach and the key factor explaining the level of success.

For this purpose 21 interviewees were selected and interviewed several times over a 3-year period (see Table 1) in order to determine the effect of their particular change strategies. Change is defined as successful initiatives to address social and environmental problems, e.g. poverty, unemployment, crime and high levels of HIV/Aids.

In time, changes are analysed in the following way:

1. The kind of change: addressed by initiatives and activities undertaken and supported by chain actors.
2. The stability of change: addressed by observations and interviews to determine the permanency of initiatives over a 3-year period.
3. The synergy of change: addressed by field observations and interviews determining an overspill effect where one initiative leads to more sustainable projects/initiatives.

Data were collected through analysis of web-based information made available by the organisations and media coverage. This was followed by in-depth interviews of various stakeholders in the supply chain connected to this issue. The documents were scrutinised for information on sustainable development practices from a social

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Tesco (retailer)		Waitrose (retailer)	
Ethical trading manager (UK)	April 2010	CEO Waitrose Foundation	August 2007, October 2008, October 2009
Growers (×8)	July 2007, February 2008, November 2009	Waitrose director (social coordination)	October 2008 (e-mail), April 2010
Owner of ActionAid-accused farm	April 2010	Social worker (contracted)	July 2007
Exporters (×3)	August 2007, October 2008, March 2010	Growers (×2)	July 2007, October 2009, April 2010
South African table grape industry (×2)	February 2007–10 (regular intervals)	South African table grape industry (×2)	February 2007–10 (regular intervals)
		NGO partners	August 2007, April 2010

Table 1. Interviewees and frequencies of interviews

perspective as well as identification and relationships with supply chain partners and values or motivation for specific behaviour. This provided a preliminary impression, which was then followed up by interviews, thus applying the principles of triangulation, required in case studies (Yin, 2003).

The interviews had a semi-structured character. Interviews were followed up for a period of 3 years to record any changes in initiated projects and the causes thereof and the progress made. This also ensured verification of information, and added to initial information identified after the earlier interviews.

Document information and interview data were combined to analyse the effect of a specific value strategy on envisioned social initiatives. Accordingly, the case studies presented in the following section are organised around the following main topics: background information on their origins, the kind of changes aimed for and supply chain governance approach applied, the practices in line with stated values, stability of change and development of change over a 3-year period, with a short discussion on strengths and weaknesses. Table 2 gives a summary of both case studies.

Case Study 1: a Bilateral Collaborative Approach: Business and NGOs Sharing Intentions to Improve Working Conditions

Background

Waitrose is a UK-based employee-owned supermarket that specialises in selling high-quality foods with an emphasis on customer service. It has 221 branches and its supermarket division has existed since 1955. Waitrose is the sixth largest grocery retailer in the UK. Waitrose has more than 37,000 employees and employees are assigned

	Case 1: Waitrose	Case 2: Tesco
Firm size	Employees: 37,000; branches: 221	Employees: 472,000; stores: 4811
Firm strategy	Selling high-quality foods while focused on customer service; commitment from employees and acknowledging them as partners	Create value for customers and earn their lifelong loyalty
Relationship with supply chain	Select suppliers according to complimentary values (proactive)	Suppliers are required to meet specific set expectations on quality and value (reactive)
Model for creating social change	Partnering with all other participants in the supply chain	Make a difference in local communities (e.g. opening stores in areas rife with unemployment)
Development over 3 years	Expanded model to other African countries and allowing more exporters into partnership agreement	Appointing a permanent representative to deal with sustainability issues in South Africa

Table 2. Summary of the two cases

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the title of partner or co-owner of the business. They also receive benefits like the Partnership bonus, a percentage of the Partner's yearly salary. This is believed to produce a high level of commitment amongst employees.

The core values reflect the concept of collaboration and sharing. A quote by CEO, Mark Price states 'We believe there is a causal link between the way you look after the people who work in the business and the quality of service and products you supply to your customers. The Waitrose business approach is based on building a long term sustainable model, nurturing suppliers through fair price agreements and investing in quality produce whilst growing at a pace consistent to these values'. They also emphasise their strong relationship with their suppliers.

Relationship With Supply Chain

Waitrose states that supply chain relations are based on values of honesty, fairness and courtesy and prompt attention. They invest in supplier partnerships built on commitment and trust. In addition to the day-to-day communications between suppliers and buying teams, they engage with suppliers through conferences, forums, workshops, partnered projects, information programmes, open days, dedicated supplier online data-exchanges and specific initiatives, such as their 'responsible sourcing programme'.

Waitrose states that they expect their suppliers not only to obey the law, but also to respect the rights, interests and well-being of their employees, their communities and the environment. In sourcing products from many different countries, they strive to uphold internationally agreed standards of labour.

In selecting importers specifically, a priority issue is to have shared values. In this selection process sustainability requirements for growers are discussed with them. Environmental issues are worked on together with supply chain partners.

Waitrose's Model for Creating Social Change on Farms and Surrounding Communities

Taking a general approach, described elsewhere as 'joint governance of sustainable supply chains' (Vermeulen, 2010), Waitrose expects suppliers to comply with Globalgap standards to ensure sustainable environmental practices. In addition it also has its own certification scheme, called LEAF.

To address social needs in the supply chain, Waitrose launched the Waitrose Foundation in 2005, aiming to help improve the lives of the workers in South Africa who grow and pick the fruit they sell. This was done in partnership with importers, export agents and growers.

The original initiative for a partnership came from Waitrose in the UK. As reasoning for this initiative they state that they 'source large amounts of fruit from South Africa and are keen to contribute to the long-term development of the country and the happiness of the people who work to supply our shops'. Instead of funding through a price premium like in the case of fair trade schemes, Waitrose (in conjunction with growers, importers and exporters) pass a percentage of their profits into a registered independent legal entity, called the Waitrose Foundation, to pay for educational, social and healthcare projects. The Waitrose Foundation is a partnership created to improve the lives of farm workers on fruit exporting farms. Its aim is long-term social development in South Africa and to raise money to contribute to social, educational and health projects for farm workers and their local communities. This scheme does not create additional costs to customers; funding comes from members at various links of the supply chain (Figure 2). The Waitrose Foundation is therefore a unique partnership between Waitrose supermarket, South African producers and the export and import agents.

Locally elected worker committees decide what the community needs most, such as crèches, adult education classes or skills training to help people find additional year-round income, since fruit picking is a seasonal job. Since its inception, the Foundation has raised more than £2 million, of which Waitrose contributed 60%. This money has supported more than 100 community projects and is helping improve the quality of life for more than 16,000 workers.

Initiatives of the Foundation benefit workers on sourcing farms and the producers are also committed to ethical trading. The Foundation operates as a legal entity that is called a 'non-profit organisation' and only functions on farms exporting fruit to Waitrose supermarkets in the UK. Currently 34 farms participate in the partnership. Other organisations that specialise in community upliftment are used to assist with the achievement of its goals. Businesses like Mediaworks (providers of adult literacy training) and Grassroots Educare Trust (a NGO involved in managing nursery schools) are used locally. Farm workers establish their own workers' committees and determine

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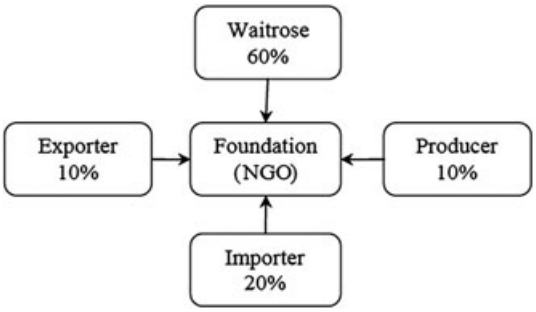

Figure 2. Contributions by partners to the Waitrose Foundation

their own needs on the specific farms. A social worker or social consultant then evaluates these identified needs and organisations are linked to the workers' committee to determine a strategy in order to satisfy the identified needs and address solutions to social problems. The goal is to also include surrounding communities. In this way realistic targets can be set for real problems as opposed to those perceived by external parties, like the retailer, importer, exporter or producer, or even Western NGOs. Other projects implemented include children's crèches on farms, recreation facilities, resource centres, computer centres and medical clinics. One example where not only farm workers benefited is a farm committee in Robinson that established their own NGO: farm workers started a library and linked it to other surrounding farms to extend the benefit to surrounding farming communities.

The reasoning behind a partnership to achieve social development stems from very specific problems in South African history. The past existence of paternalism was a big problem preventing farm workers from taking responsibility for their own problems and circumstances, and changing this pattern is not easy. Another problem is having too much freedom too fast, while not having developed the necessary skills of self-responsibility. One way to address this problem is by having farm workers working together with a consultant providing them with advice on applicable social strategies. This is another example of a partnership within the partnership.

Waitrose believes the Foundation is a model for the future of socially responsible trading; it also links in with the South African government's strategy of black economic empowerment. It is a framework intended to support and enable the participation of black South Africans as owners, managers, professionals and skilled employees in the agricultural sector. Farm workers need to have the necessary skills to manage the land effectively, and the Foundation is their response. The programme will ultimately offer grants for buying land, to be held in trust on the workers' behalf.

Strengths and Weaknesses Identified in this Model

All the supply chain partners work together in addressing social initiatives. This is carried through to also taking financial responsibility for initiatives. The effect is that workers are empowered to make their own decisions and believe in the changes that develop from the partnership. It is clear that values from the retailer are reflected by the supply chain by making all supply chain actors partners in the processes of achieving social sustainable development.

Practices and Events Resulting in the Supply Chain from the Stated Strategy

From all interviews the message was that this model has positive results. Programmes are evaluated by professional social workers and monitored on a continual basis.

Developments Over a 3-year Period Connected to Previous Points

In 2009 the Foundation expanded to Ghana and Kenya, because, after South Africa, they are the African countries from which most produce is sourced. Although the model started out by only using one exporter (Green Marketing) they have now expanded to also include other exporters.

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Case Study 2: a Unilateral Approach in Which a Company Prescribes Norms of Socially Responsible Behaviour at the Ground Level

Background

Tesco is the world's third largest grocery retailer and the UK's largest grocery retailer, with 4811 stores operating in 14 countries. They cater for various markets including specialist ranges such as organic, Fairtrade and healthy living. Tesco are also more than a food retailer; non-food ranges accounted for 21% of group turnover in 2008 and include electrical goods, books, home-ware, sports equipment, personal finance and clothing. Tesco employs 472,000 people, while the direct supply chain provides jobs for 1.8 million people around the world.

Their core purpose is to create value for customers to earn their lifetime loyalty and they acknowledge that their success depends on people: 'the people who shop with us and the people who work with us'. Underpinning this purpose are two values: 'No one tries harder for customers', and 'Treat people how we like to be treated'.

To support the purpose and its values, Tesco have five Community Promises: (i) actively supporting local communities; (ii) buying and selling products responsibly; (iii) caring for the environment; (iv) giving customers healthy choices; (v) good jobs for local people.

Relationship with the Supply Chain

Tesco states on their website that they have high expectations of their suppliers on both a local and global scale. By working in partnership with them they 'deliver the quality, value and ethics our customers expect'. They have thousands of suppliers from around the world, ranging from farmers and small companies delivering a single product directly to a few local stores, to large multinational companies whose products they stock in all their markets. They acknowledge that strong and constructive relationships with reliable suppliers are needed in order to provide customers with the best quality, choice and value for money. Recognising supply chain members, they agree that 'building long-term relationships with our suppliers is important as it is recognised that company successes is linked to theirs. This leads to offering fair terms and conditions while getting the best value for customers'.

Suppliers are required to meet specific set expectations on quality and value – as well as on hygiene, environmental, animal welfare and labour standards. The core value of 'treating people how we like to be treated', are demonstrated in their relationships with suppliers of all sizes and types. Tesco states that they 'listen to suppliers to make sure we understand their views, and share customer views with them so they fully understand the market for their products'.

In 2008, over 2300 suppliers covering all Tesco markets responded to their first group-wide anonymous supplier survey. The survey confirmed their belief that they generally live up to their values and standards: '91% say we treat them with respect; 93% say we are professional; 92% say we are clear in our dealings with them; 90% say we are reliable at paying on time; 92% say we are committed to meeting customer requirements; and 92% say we maintain high quality standards'.

Model for Creating Social Change on Farms and Surrounding Communities

The company website states that 'Tesco is committed to conducting business in an ethically and socially responsible manner'. Tesco has started regeneration partnerships where they strive to make a difference in local communities. However, these efforts are not linked to supply chain partners. Initiatives include opening stores in areas rife with unemployment; in this way they contribute towards minimising unemployment.

From a supply chain perspective Tesco contributes to sustainability practices by prescribing business standards to producers in developing countries. These standards include Globalgap, Nature's Choice/Tesco Nurture (a Tesco initiative), SEDEX and ETI requirements. SEDEX stands for 'supplier ethical data exchange', and is a 'membership organisation for businesses committed to continuous improvement of the ethical performance of their supply chains' (SEDEX, 2010). The ETI (Ethical Trading Initiative) is an alliance of companies, trade unions and voluntary organisations that 'work in partnership to improve the working lives of people across the globe who make or grow consumer goods' (ETI, 2010a, 2010b). Such systems lay down specific aspects of farming practices and the farm environment that must be monitored and compliant with set criteria. The producer's farm is then audited by

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prescribed auditors at the producer's own cost. Any capital expenditure to comply with the set regulations is also at the producer's expense. In broad terms it can be said that business standards are the market's response to pressure from civil and international society for more sustainable development practices globally.

Tesco's Community Plans reflect the Community Promises in all of their markets. The plans are designed to help change the way in which they do business. Each Community Plan has the flexibility to reflect local priorities within the common framework of the Community Promises. Local priorities are identified by meetings and surveys and by talking to customers and other stakeholders in each region. A Community Plan exists in every country in which Tesco operate. The plans identify projects where additional resource and expertise can make a step change in their corporate responsibility performance. The plans in their international business are based around four themes: climate change; local communities; responsible sourcing; and health and nutrition: 'They reflect the needs of the local communities that we serve' and are also based on 'customer and stakeholder views'. Tesco work with a wide range of organisations to improve their corporate responsibility performance, share data, knowledge and ideas and deliver specific programmes.

Strengths and Weaknesses Identified in this Model

A unilateral (paternalistic) approach, enforcing compliance with specific written initiatives such as Tesco Nurture, to bring about social development, was for the most part of our field study negatively interpreted by growers. Values stated on the Tesco website were therefore not acknowledged and reflected by growers. Comments made by growers included: 'Why should Tesco be allowed to prescribe to me?' and 'If Tesco wants certain things in place they should be prepared to contribute'. One of the smaller exporters even went as far as saying that 'the only reason they force sustainable development criteria on us is to gain competitive advantage and not because they want to realize the values represented by sustainable development'.

Although it is clear from the website that Tesco has community as central to its value system, the practices in enforcing these stated values seems to be still market driven. Change is brought to customer communities, and although supply chain actors are called partners, the main route for achieving sustainable development practices is a prescription of compliance with Tesco-compiled criteria. A sentiment conveyed by one grower and echoed by many others are that such business standards systems 'is written by a guy sitting behind a desk thinking up rules from his utopian little office'.

An advantage of such a system is that compliance with set criteria (that underpin the values of sustainable development) is enforced and therefore growers will have met 'specific set expectations on quality and value – as well as on hygiene, environmental, animal welfare and labour standards' as set out in the section on the supply chain message; if growers do not perform in line with these values (by having the audits done), then their produce will not be accepted by Tesco (in principle). However, this also leads to a disadvantage of such a system; should the grower stop providing Tesco as a client, then the sustainable development practices can also very easily be stopped.

Events Resulting from the Stated Strategy

In general all interviewees agreed that the system of complying with standards has brought about positive change to their farms in terms of record keeping, hygiene and general good practice. However, the majority of growers resented the cost implication and the fact that they have to carry it themselves to secure exports.

One reported incident shows the effects of a chain where the demand side is not actively involved in social issues at the supply side. In 2007 ActionAid, an international aid organisation, was alerted by a local NGO, Women on Farms, about apparent worker exploitation on a South African farm that produced and delivered products to Tesco. As the producer exports grapes to the UK, these actors identified UK retailers as a solution to the worker's problems, in this case Tesco. Subsequently ActionAid bought one share in Tesco to allow one female worker the right to speak up at the retailer's annual meeting (Mesure, 2007). The worker reported that her wages were set at the minimum wage set by the South African government and that it is insufficient to raise her children. She also alleged that she had to work with pesticides using her bare hands. Furthermore she was 'risking her job by speaking out'. She also clarified the purpose of travelling to the UK saying that she was 'here today to ask Tesco what it is going to do about my problem'. Mesure states that this employee 'differs from many fruit-pickers because she does

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not live in the inadequate housing provided by the farmers, instead, she remains in her parents' home, which she shares with her three children, her disabled brother and her sister's two children...' (Mesure, 2007). In response to the above, it was reported that David Reid, Tesco's chairman, said 'the supermarket's ethical trading team had visited South Africa but had found no proof to back up the allegations made...' (Mesure, 2007).

The solution to the above, as advocated by ActionAid, is reported by Hickman (2007). According to ActionAid Tesco has a responsibility to invest in poor countries and lift people out of poverty. A comment made by a Tesco spokesperson was reported as 'we think it is better for Tesco to be in South Africa investing in the local economy, working with farmers and creating jobs that otherwise wouldn't be there. Workers on our suppliers' farms are paid at least the minimum wage and that is one of the things that the ethical audits we have carried out will verify. The minimum wage is not imposed by us but by the South African government. We would hate to see anyone being exploited in the name of publicity. We believe the way you change things is through investment, not by making someone a cause célèbre.' (Hickman, 2007).

Consequently Tesco directors visited farms in South Africa and even though they could not find any unethical practices on the farms implicated, more audits were imposed on producers as precautionary measures.

Developments Over a 3-year Period (2007–10)

Tesco has appointed an Ethical Action Team with a representative in South Africa. The purpose of this appointment is to deal with problems in achieving sustainable development practices. Business standards is still the main method of ensuring sustainable development practices on farms and third-party audits still need to be done at the grower's expense.

Case Comparison and Conclusion

Values must be taken up in a company strategy, usually in the mission or value statement which is given by top management who set long-term strategies. In order to determine underlying values practised by a supply chain actor, interviews with employees from the company itself, and even the CEO, will not necessarily provide a true picture. The answer to what values drive actions must be determined from their practices and in the way their strategies gives way to action plans and its consequences.

The Waitrose Foundation was established as a vehicle for social change on farms and seems to have had measurable success in social programmes. This example of a partnership within one sector seems to achieve sustainability goals and therefore conforms to the essence of a sustainability partnership. This partnership has evolved into other intersectoral partnerships between the Foundation and local NGOs and government departments, linking all spheres of society in the quest towards sustainable development goals. In other studies NGOs have been noted as important initiators of change, with specific reference to sustainability partnerships (Bitzer *et al.*, 2008). From the field research and interviews this was the only partnership identified where different supply chain participants worked together to effect positive change on farms. From the literature it is clear that partnerships are about relationships with other parties. This shows commitment to a joint interest and requires trust and mutual respect as values. This seems to be true from the Waitrose partnership. Shared values lead to a cooperative approach to realising a set of objectives with regards to social change on farms.

Tesco followed the more generally practised route of enforcing business standards. This is a unilateral route of prescribing a set of criteria for managing social conditions on farms, thus the opposite of a cooperative approach. One result is poor communication between stakeholders and has the effect that Tesco does not have as much control over the supply chain. It thus seems that Tesco's way of doing business has made it vulnerable to external parties. The lack of formal structure in achieving shared goals provides an opportunity for misunderstanding and manipulation as values and norms are publicly available on websites, for example, as can be seen in the case study. This had negative consequences for both Tesco and producers in South Africa in terms of image and costs.

Other interconnected findings were observed. From the case studies it becomes clear that the participative approach is the more successful strategy for attaining long-term sustainability change. It is not the purpose of this paper to comment on different leadership styles, but a need for research into a more value-driven leadership culture in global supply chains has been identified.

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It would not be very prudent to determine organisational culture in terms of values, ethics and norms by analysing company documentation such as policy documents, strategies and statements. Although this might give an indication, the proof is in the pudding, and the practices and their results will determine what a company's true value approach towards sustainability practices is.

A difference exists between an operations management and corporate social responsibility strategy. An operational strategy ultimately aims to maximise output and productivity and does not require shared values as it is measured in a one-dimensional criterion, namely profit. Other operational objectives are relevant as well, such as quality, availability, speed and dependability (Slack and Lewis, 2008), but these ultimately serve the overall goal of profit for oneself (Cox, 1999, p. 171) and ensuring dominance in the supply chain (Gereffi, 2005). However, a corporate social responsibility strategy requires a shared value system or a certain culture that dictates commitment, trust and reciprocal respect. Social change needs to take a dynamic form.

Social change in practice does take two forms and serves two purposes: (i) social change as a marketing tool and (ii) social change as a value that is realised and practised. When social change is only used as a marketing tool, risk is only connected to the bottom line, but businesses need to work in another way to achieve sustainable change.

Our observation here is that the paternalistic strategy is not necessarily unsustainable in itself, because of the value system, but because it was not reflected by the direct actors within the chain.

Because organisational cultures are deeply rooted, both in the organisation's social history and in individual believes and values, they are hard to change as they have also developed into collective habits which also reflect national ways of doing things. Trying to change them is a major challenge to be addressed by the top management, a task which cannot be delegated. According to Hofstede (1994) turning around an organisation's culture demands visible leadership which appeals to the employees' feelings as much as to their intellect.

It is clear from the case studies that the level of control and involvement of the retailer has an effect on sustainable development. Tesco is a good example of group interrelations where producers have to follow business standards without sharing in the setting out of mutual goals and outcomes. Prescribing business standards as a tool to achieve social sustainability does not necessarily lead to sustainable development in the long term and makes the management of such outcomes burdensome. Manipulation is easy if there are no formal partnerships and rules are not defined for interaction between role players. Relying only on group interactions and group interrelations in setting and striving towards sustainable development outcomes, applying unilateral business standards has therefore been shown to be less effective than entering into partnerships between actors in a supply chain.

In comparison Waitrose has a management by objectives approach; a cooperation strategy that encourages communication and partnerships, not only in one sector (as shown by the partnership between markets) but also extending to intersectoral partnerships that can bring positive long-term change on farms. It is clear that more research in the field of sectoral sustainability partnerships and the values underlying such partnerships could contribute to the sustainable development debate in global supply chains.

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