Abstract # 025 – 1134

Ethics issues in supply management: from a literature review to a conceptual framework

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POMS 23rd Annual Conference
Chicago, Illinois, U.S.A.
April 20 to April 23, 2012
1. Introduction

Most of empirical research in Supply Chain Management (SCM) associated with unethical practices or behaviors in the buyer-supplier relationship is concerned to the opportunism, generally under the theoretical lens of transaction costs economics. Although opportunism is considered an unethical behavior, it is not the only one: Carter (2000, p.194) offers an extensive list of unethical practices which may benefit the firm and/or the professional involved in the transaction. Apparently, there are few empirical studies addressing unethical conducts or behaviors in SCM, excepting the opportunism, despite supply chain professionals are probably more vulnerable to unethical choices because there are simply plenty of opportunities to abuse. Facing increasing demands for cost reductions and unattainable goals, supply chain personnel may succumb under such pressure, engaging in unethical practices (Rottig, Koufteros, & Umphress, 2011).

The field of supply management, and in particular procurement, is quite vulnerable to ethical considerations, since procurement personnel are entrusted to spend significant financial resources in many organizations (Carter, 2000). Similar to marketing and sales personnel, procurement professionals are highly exposed to external organizational environment, representing an important risk to the firm reputation and performance when engaged in unethical conducts (Wood, 1995). Additionally, supply chain personnel cannot absolve its responsibility to select, control and monitor its suppliers to assure that they do not violate ethical and legal principles (Amaeshi, Osuji & Nnodim, 2008). In the last two decades, global brands like Nike, GAP, IKEA and Nestlé have been under intense pressure from groups working for responsible supply chain. Since it is difficult to reach the global brands directly, much of the pressure is channeled through the supply chain, targeting the sourcing activities, mainly in developing countries, looking for evidences of exploitation of cheap labor conditions (Amaeshi, Osuji, & Nnodim, 2008).
Recent news have highlighted the investigation conducted by Brazil's ministry of labor against Zara, after a sub-contractor in São Paulo was found to be using employees in sweatshop conditions to make garments for the Spanish company (The Guardian, 18/08/2011; Folha de São Paulo, 19/08/2011). The subsequent 4% fall in the Inditex share prices, the Zara parent company, in addition of the reputational damage, well illustrate how much relevant and current is the ethical issues discussion in supply chain.

A literature review was conducted aiming to collect and analyze all relevant papers complying with empirical studies that address the specific issue of ethics in the buyer-supplier relationship and along the supply chain. As a result of this review, a discussion about how ethical issues in supply chain have evolved is provided and a tentative model is proposed.

2. Review methodology

A literature review is a systematic, explicit and reproducible process that aims identifying, evaluating and interpreting the content of the target documents (Hart, 1998). As a result, the conceptual content of the field can be identified, contributing to the theory development (Meredith, 1993). The structure of this review follows, partially, the structure employed by Burgess, Singh, & Koroglu (2006) to analyze the content of the articles in the following order: the terminology found in the literature is presented, the scope of the review and searching procedures are described, followed by the paper’s classification criteria. The results are then presented and discussed.

2.1. Terminology

The theoretical background underlying this review comprises three different fields of knowledge: supply chain management, business ethics, and behavioral ethics. In this study,
the definition of supply chain management used is that offered by Mentzer, DeWitt, Keebler, & Min (2001, p.18):

“Supply chain management is defined as the systemic, strategic coordination of the traditional business functions and the tactics across these business functions within a particular company and across business within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as whole”.

With this definition, the focus of SCM is on the different levels of analysis and the business operations within the channel from the point-of-origin to the point-of-consumption.

Business ethics pertains to the conceptual field of social responsibility, which has been centered a real debate for decades, showing very different philosophical positions. For example, Friedman (1962) argued that the doctrine of social responsibility is “fundamentally subversive”, asserting: “Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible” (Friedman, 1962, p.133). Acknowledging the primacy of economic concerns, (McGuire, 1963) accommodates a broader view of the firm’s social responsibility: “The idea of social responsibilities supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations” (McGuire, 1963, p. 144). In a slightly different path, Sethi (1975) proposes a set of three dimensions to corporate social responsibility: (1) social obligation, (2) social responsibility, and (3) social responsiveness. Social obligation involves corporate behavior in response to market forces or legal constraints. Social responsibility “implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values and expectations” (Sethi, 1975, pp.58-64).

Finally, Carrol (1979) proposed a definition of social responsibility that fully address the entire range of obligations business has to society: “social responsibility must embody the
economic, legal, ethical, and discretionary expectations that society has of organizations at a
given point in time” (Carrol, 1979, p.500). These four categories are not mutually exclusive,
nor are they intended to represent a continuum. According to Carrol (1979), these categories
are neither cumulative nor additive. Although all these responsibilities have always
simultaneously existed for business organizations, the history suggests an early emphasis on
the economic and then legal aspects and a later concern for the ethical and discretionary
aspects. For this review purposes, the framework proposed by Carrol (1979, p. 499-500)
comprises the concept of ethical responsibility to be used going forward: although the
economics and legal responsibilities embody ethical norms, there are “additional behaviors
and activities that are not codified into law but nevertheless are expected of business by
society’s members”. Important to note that the discretionary responsibilities, as described by
Carrol (1979), are those purely voluntary, and the decision to assume them is guided only by a
business’s desire to engage in social roles not mandated, not required by law, and not even
generally expected of businesses in an ethical sense.

Unethical behavior conceptualization is often found in the decision-making literature.
For some authors, unethical intention is used as a proxy of unethical behavior (Kish-Gephart,
Harrison, & Trevino, 2010). Unethical intention is defined as the expression of one’s
willingness or commitment to engage in an unethical behavior. Unethical behavior is defined
as any organizational member action that violates widely accepted (societal) moral norms.
These definitions are convergent with recent behavioral ethics literature (Kaptein, 2008;
Trevino, Weaver, & Reynolds, 2006). Despite research that address individual-level
determinants of ethical and unethical decision making at work has grown significantly in the
past few years, a recent meta-analysis on the topic concludes that still little is known about
how and under what circumstances individuals make unethical choices. The most studied
ethical decision-making framework was proposed by Rest (1986) and comprises a sequence
of elements considered antecedents of an ethical/unethical behavior/decision: moral awareness, moral judgment and moral motivation. Recognizing an ethical issue and solving it means determining whether a specific behavior or decision is right or wrong (Treviño, Weaver, & Reynolds, 2006). In this sense, formal communication of organizational values and principles, by the establishment of codes of conduct and codes of ethics, have been allowed firms express expectations or guidelines for employees regarding a variety of issues (Rottig, et al., 2011).

2.2. Scope of the review and searching procedures

As can be noted in the above discussion, ethics in supply chain management (SCM-ethics) encompasses three different fields: the corporate social responsibility (organizational sciences), the ethical decision-making (moral psychology) and supply chain management (business/operations management). The key words should be chosen in such a way as to cover these three areas: ethical responsibility and corporate social responsibility, unethical behavior, moral awareness and business ethics resulted in a huge amount of papers without explicit or implicit connotations of a supply chain/buyer-supplier relationship approach. So, the simultaneous use of the above key words associated with supply chain, supply management, supply chain management, buyer-supplier relationship in the ISI of Knowledge, accounted less than thirty papers, being only four of empirical nature. A new search in the Google Scholar recovered much more papers, including several related with sustainable supply chain management. Empirical studies related with corporate social responsibility (CSR) related to sustainable supply chain management, reverse logistics, and remanufacturing were not considered. Articles related to CSR in supply chains or focused in SCM-ethics concepts but without an empirical content were also excluded from the review, although they have been useful for informing the researcher about the main concepts in the field. Reading
the papers, cited references were used as a secondary source. Some articles produced in the 1980s and in the beginning of the 1990s were generally found in journals no peer-reviewed, so they were automatically excluded. Finally, 28 empirical studies published in journals peer-reviewed were selected because they dealt with the subject of interest, although in different levels of analysis.

2.3. Classification framework

The articles were analyzed following the Burgess et al. (2006) classification framework, which enable a holistic conceptual and research methodological analysis of the field. Summarized in the Table 1, the grouping 1 provides descriptive features of SCM-ethics literature. The grouping 2 captures the definitional issues; the grouping 3 classifies the articles following their theoretical lens, and the grouping 4 examines issues related to research methodology.

Table 1: Literature review classification framework

<table>
<thead>
<tr>
<th>Grouping</th>
<th>Content covered</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Descriptive features of SCM-ethics literature</td>
<td>Journal names, impact factor</td>
<td>Describe characteristics of sample of articles</td>
</tr>
<tr>
<td>2. Definitional issues</td>
<td>Definitions and level of analysis</td>
<td>Explore consistency or variation in SCM-ethics definitions on a range of dimensions.</td>
</tr>
<tr>
<td></td>
<td>Conceptual framing of SCM-ethics</td>
<td>Define the territory that researchers claim falls within SCM-ethics</td>
</tr>
<tr>
<td></td>
<td>Constructs of SCM-ethics</td>
<td></td>
</tr>
<tr>
<td>3. Theoretical concerns</td>
<td>Theoretical perspective</td>
<td>Determine the range of theories that are used to inform SCM-ethics</td>
</tr>
<tr>
<td></td>
<td>Purpose of theory</td>
<td></td>
</tr>
<tr>
<td>4. Research methodological issues</td>
<td>Paradigmatic stance</td>
<td>Determine the methodological assumptions being made and the types of research methods used to explore SCM-ethics</td>
</tr>
<tr>
<td></td>
<td>Research methods</td>
<td></td>
</tr>
</tbody>
</table>
Although this framework provides a method to check for logical links and connections (Burgess, et al., 2006), the small number of articles recovered may limit the verification of conceptual consistency.

3. Results

3.1. Descriptive features of SCM-ethics literature

The earlier article found was from 1990 and the latest, from 2011. A significant part of the articles (43%) was published after 2008. The Table 2 summarizes the list of journals: 46% of the articles (13) were found in periodicals related to operations management, 32% (9) in the Journal of Business Ethics, 18% (5) in management journals and 1 article in a psychology journal. The complete list of articles can be seen in the Appendix A.

<table>
<thead>
<tr>
<th>Sigla</th>
<th>Journal's titles</th>
<th>Number of articles</th>
<th>Impact factor (JCR) 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGIJBS</td>
<td>Corporate Governance: the International Journal of Business in Society</td>
<td>1</td>
<td>2,753</td>
</tr>
<tr>
<td>DS</td>
<td>Decision Sciences</td>
<td>1</td>
<td>2,233</td>
</tr>
<tr>
<td>IJPDL</td>
<td>International Journal of Physical Distribution &amp; Logistics Management</td>
<td>1</td>
<td>2,617</td>
</tr>
<tr>
<td>IMM</td>
<td>Industrial Marketing Management</td>
<td>1</td>
<td>1,694</td>
</tr>
<tr>
<td>JAP</td>
<td>Journal of Applied Psychology</td>
<td>1</td>
<td>3,977</td>
</tr>
<tr>
<td>JBE</td>
<td>Journal of Business Ethics</td>
<td>9</td>
<td>1,125</td>
</tr>
<tr>
<td>JBL</td>
<td>Journal of Business Logistics</td>
<td>2</td>
<td>3,905</td>
</tr>
<tr>
<td>JCP</td>
<td>Journal of Cleaner Production</td>
<td>2</td>
<td>n.m.</td>
</tr>
<tr>
<td>JIBS</td>
<td>Journal of International Business Studies</td>
<td>1</td>
<td>4,184</td>
</tr>
<tr>
<td>JM</td>
<td>Journal of Management</td>
<td>1</td>
<td>3,758</td>
</tr>
<tr>
<td>JOM</td>
<td>Journal of Operations Management</td>
<td>3</td>
<td>5,093</td>
</tr>
<tr>
<td>JSCM</td>
<td>Journal of Supply Chain Management</td>
<td>2</td>
<td>5,853</td>
</tr>
<tr>
<td>SCMJIJ</td>
<td>Supply Chain Management: An International Journal</td>
<td>2</td>
<td>2,484</td>
</tr>
<tr>
<td>TRPE</td>
<td>Transportation Research Part E</td>
<td>1</td>
<td>1,954</td>
</tr>
</tbody>
</table>

Note: n.m. = “not mentioned”
3.2. Definitional issues

From a methodological point of view, literature review can be comprehended as content analysis, where quantitative and qualitative aspects are mixed to assess structural (descriptive) as well as content criteria (Brewerton & Millward, 2001). In a quick look, the 28 articles seemed to show the evolution of a macro theme: ethics in supply chain. However, from a more careful reading emerged a factor that enabled to identify the different conceptual domains and their evolutions.

3.2.1. Level of analysis

The key factor is the level of analysis. As can be seem in the Table 3, there are three levels of analysis in the articles reviews: the individual, the relational and the supply chain approach.

The individual approach is related to the antecedents and outcomes associated with unethical decisions of a professional, often concerned to the procurement professional from the buyer side or the seller from the supplier side.

The relational level of analysis is clearly related to a stakeholder approach. The concept of corporate social responsibility is largely explored in most of the papers, bringing the ethics to an organizational level, rather than an individual level. Buyer-supplier relationship is often the unit of analysis of these articles.

<table>
<thead>
<tr>
<th>Level of analysis</th>
<th>Articles reference numbers (Appendix A)</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>[1][3][8][18][22][24][25][26][27][28]</td>
<td>10</td>
</tr>
<tr>
<td>relational</td>
<td>[4][5][6][9][13][14][15][16][17][20][21][23]</td>
<td>12</td>
</tr>
<tr>
<td>supply chain</td>
<td>[2][7][10][11][12][19]</td>
<td>6</td>
</tr>
</tbody>
</table>

The supply chain level of analysis appears in more recent papers and is concerned with the several relationships present along the supply chain. The stakeholder approach is largely present, stressing the role and the responsibility boundaries of a focal company along the
supply chain. The Table 4 presents the articles classified according the level of analysis over time.

**Table 4: Distribution of the papers over time according the level of analysis**

<table>
<thead>
<tr>
<th></th>
<th>individual</th>
<th>relational</th>
<th>supply chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-1999</td>
<td>[25] [26] [27] [28]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000-2003</td>
<td>[22] [24]</td>
<td>[20] [21] [22]</td>
<td>[19]</td>
</tr>
<tr>
<td>2004-2007</td>
<td>[18] [13] [14] [15] [16] [17]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Figure 1 presents the amount of papers over time, allowing noting that research focused in the individual level of analysis remains since the 1990s, slightly rising in the last three years. Yet research focused in the relational and supply chain level of analysis is more recent.

![Figure 1: Distribution of the papers over time according to the level of analysis](image)

**3.2.2. Definitions**

The definitions – when found – seem to follow the rationale of level of analysis categorizations: the articles with individual and relational approach generally used the terms “unethical behavior” or “unethical decision” or “unethical practices”, or even the euphemism “questionable practices” (Moberg & Speh, 2003; Razzaque & Hwee, 2002). As ethicality is perceived as an abstract concept, most of the authors offered a definition, implicit or explicit
of unethical behavior in the workplace, some of them presenting examples about differences between illegal and unethical practices (Cooper, Frank, & Kemp, 1997, 2000; Husted, Dozier, McMahon, & Kattan, 1996; Tadepalli, Moreno, & Trevion, 1999). The review showed a reasonable degree of convergence among these papers about the meaning of unethical behavior, already presented in the introduction section.

A definition for ethics in supply chain management (SCM-ethics) was sought in the reviewed articles, mainly in those presenting the supply chain level of analysis. The paper produced by (Svensson & Baath, 2008), “Supply chain management ethics: conceptual framework and illustration”, despite the title, a definition of SCM-ethics was not presented. Of course, the concept of SCM-ethics is captured along the text, whilst the authors present the foundations of the proposed framework. In short, SCM-ethics may be distinguished by four different orientations:

1. **Relationship orientation** refers to the vertical unions of ethical values and principles (EVP) of corporate behavior and business operations, i.e. within a supply chain, but limited to direct connections to others’ EVP in SC, as such suppliers and customers (dyads).

2. **Channel orientation** refers to the vertical unions between EVP of corporate behavior and business operations within a SC. It also comprises others connections in SC, such as suppliers’ suppliers, customers’ customers or beyond. So, it includes all the supply chain members.

3. **Competition (or comparative) orientation**: it considers the horizontal unions of EVP between supply chains. It comprises direct connections to EVP in other supply-chains. This is a broadened approach of SCM-ethics.
Environment orientation: It comprises indirect connections to EVP in the society. This is the broadest approach of SCM-ethics compared to the previous orientations.

3.2.3. Analyzing the constructs

A large diversity of constructs was found, mainly in the articles pertaining to the supply chain level of analysis. Table 6 summarizes the constructs, not always explicit, since all studies have a qualitative approach. This apparent lack of convergence in constructs,

<table>
<thead>
<tr>
<th>Author, Year</th>
<th>Type of empirical research</th>
<th>Constructs</th>
<th>Theoretical approach</th>
<th>Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rottig et al., 2011</td>
<td>Survey</td>
<td>moral awareness, moral judgment and moral intention</td>
<td>moral psychology</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Kish-Gephart, 2010</td>
<td>Meta-analysis</td>
<td>Individuals characteristics: cognitive moral development, idealism, relativism, Machiavellianism, locus of control, job satisfaction. Moral issue characteristics: concentration of effect, magnitude of consequences, probability of effect, proximity, social consensus, temporal immediacy, general moral intensity. Organizational environment characteristics: egoistic ethical climate, benevolent ethical climate, principled ethical climate, ethical culture, code of conduct, code enforcement.</td>
<td>Antecedents</td>
<td></td>
</tr>
<tr>
<td>Wasieleski &amp; Weber, 2009</td>
<td>Experiment</td>
<td>ethical reasoning, job function</td>
<td>evolutionary psychology</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Carter, 2004</td>
<td>Survey</td>
<td>PSR is five-dimension construct: diversity, environment, human rights, philanthropy and community, and safety.</td>
<td>not clear</td>
<td>not applied</td>
</tr>
<tr>
<td>Razzaque &amp; Hwee, 2002</td>
<td>Survey</td>
<td>Antecedents of perception of ethical dilemmas</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Cooper et al., 2000</td>
<td>Survey</td>
<td>Unethical practices</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Tadepalli et al., 1999</td>
<td>Survey</td>
<td>perception of ethical situations</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Cooper et al., 1997</td>
<td>Survey</td>
<td>Unethical practices</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Husted et al., 1996</td>
<td>Survey</td>
<td>Moral reasoning</td>
<td>Social cognitive theory</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Forker, 1990</td>
<td>Survey</td>
<td>not clear</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
</tbody>
</table>

theoretical approach and perspectives along these studies is suggestive of an incipient stage of theory development. Otherwise, more consistencies are found among the articles related to the
individual approach (Table 4). The articles from the relational group present an intermediary condition (Table 5). A recent meta-analysis focused in individual level of analysis suggests that this research branch is presently the more developed (Kish-Gephart, et al., 2010).

**Table 5: Summary of articles (relational level of analysis)**

<table>
<thead>
<tr>
<th>Autor</th>
<th>Journal</th>
<th>Type of empirical research</th>
<th>Constructs</th>
<th>Theoretical approach</th>
<th>Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strand, 2009</td>
<td>JBE</td>
<td>Case Study (4)</td>
<td>partnership, honesty, trust-based relationship, cooperative advantage</td>
<td>not clear</td>
<td>Antecedents and outcomes</td>
</tr>
<tr>
<td>Halter et al., 2009</td>
<td>JBE</td>
<td>Case Study (1)</td>
<td>Transparency of SCM, ethics and communication</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Hill et al., 2009</td>
<td>JOM</td>
<td>Survey</td>
<td>subtle and deceitful unethical behaviors, trust and psychological contract violation</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Kaptein, 2008</td>
<td>JM</td>
<td>Survey</td>
<td>unethical behavior related to financiers, customers, employees, suppliers, and society</td>
<td>stakeholder theory</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Perrini et al., 2007</td>
<td>JBE</td>
<td>Survey</td>
<td>environmental management, employment, supply chain, local community, controlling &amp; reporting, community volunteering</td>
<td>Stakeholder theory</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Bendixen &amp; Abratt, 2007</td>
<td>JBE</td>
<td>Case Study + Survey</td>
<td>Ethical standards, candid relationships</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Griffith et al., 2006</td>
<td>JOM</td>
<td>Survey</td>
<td>Procedural Justice, distributive justice, long-term orientation and relational behavior</td>
<td>Social exchange theory</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Carter, 2005</td>
<td>IJPDLM</td>
<td>Survey</td>
<td>PSR, supplier performance, organizational learning and cost reduction</td>
<td>Stakeholder Theory, Resource Base View</td>
<td>Antecedents and outcomes</td>
</tr>
<tr>
<td>Carter &amp; Jennings, 2004</td>
<td>JBL</td>
<td>Survey</td>
<td>PSR drivers and dimensions</td>
<td>Stakeholder Theory</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Moberg &amp; Speh, 2003</td>
<td>JBL</td>
<td>Survey</td>
<td>Questionable practices in SC relationships, trust, and commitment.</td>
<td>not clear</td>
<td>Outcomes</td>
</tr>
<tr>
<td>Carter &amp; Jenning, 2002</td>
<td>TRPE</td>
<td>Survey</td>
<td>Purchasing Social Responsibility (PSR), Buyers' Trust, Buyers' Commitment, Cooperation and Supplier's performance</td>
<td>Stakeholder Theory</td>
<td>Outcomes</td>
</tr>
<tr>
<td>Carter, 2000</td>
<td>JOM</td>
<td>Survey</td>
<td>Deceitful practices, subtle practices</td>
<td>Social Exchange theory</td>
<td>Outcomes</td>
</tr>
</tbody>
</table>
Another interesting point is the different perspective found in the articles: most of them (19 of 28) test the constructs as antecedents to an unethical practice, behavior or intention. Five of them consider the outcomes of an unethical practice, and only two present a double approach: antecedents and outcomes (see Tables 4, 5 and 6).

Table 6: Summary of articles (supply chain level of analysis)

<table>
<thead>
<tr>
<th>Author</th>
<th>Type of empirical research</th>
<th>Constructs</th>
<th>Theoretical approach</th>
<th>Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cilibert et al., 2011</td>
<td>Case Study (4)</td>
<td>power, adverse selection and moral hazard</td>
<td>Agency Theory</td>
<td>Outcomes</td>
</tr>
<tr>
<td>Svensson, 2009</td>
<td>Case Study (2)</td>
<td>transparency in SCM-ethics</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Cilibert et al., 2008</td>
<td>Case Study (5)</td>
<td>suppliers’ dependence, relationship duration, practices towards suppliers</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
<tr>
<td>Svensson &amp; Baath, 2008</td>
<td>Case Study (2)</td>
<td>Values &amp; principles, code of conduct communication, external threat, external opportunities, relationship</td>
<td>not clear</td>
<td>not applied</td>
</tr>
<tr>
<td>Tencati et al., 2008</td>
<td>Case Study (25)</td>
<td>CSR implementation outcomes: higher quality of management, higher productivity, lack of long-term financial sustainability</td>
<td>Stakeholder theory</td>
<td>Outcomes</td>
</tr>
<tr>
<td>Roberts, 2003</td>
<td>Case Study (3)</td>
<td>reputational vulnerability and power of SC members</td>
<td>not clear</td>
<td>Antecedents</td>
</tr>
</tbody>
</table>

4. Research methodological issues

4.1. Theoretical background

To develop a better understanding, the articles were analyzed to determine, in the first instance, if a theoretical perspective was apparent. Those articles that seemed to reflect theoretical perspectives were classified following the list of theories suggested by (Amundson, 1998). A glance over the Tables 4, 5 and 6, allows noticing that 55% of the articles present no apparent theory. Theories rooted in psychology are prevalent in those articles pertaining to the individual level of analysis.

Yet the articles from the relational branch with theoretical background declared, 42% (5) used the stakeholder theory and two of them, social exchange theory. Finally, only two of the six articles acknowledged as supply chain level of analysis group declared their background: stakeholder theory and agency theory.
4.2. Methodological approach

The Figures 2 and 3 provide a panoramic view about the amount of case studies, surveys and experiment over time and over level of analysis. As case research usually provides a means of studying emergent practices, leading to theory development (Voss, 2009), the prevailing case methodological approach in the articles from the supply chain level of analysis group, confirms the very early stages of SCM-ethics development.

![Figure 2: Methodological approaches over time](image)

![Figure 3: Methodological approach versus level of analysis](image)

The content of the articles pertaining to the individual and relational level of analysis groups, where survey represents the prevalent methodological approach, allows noticing the (still) exploratory nature of these quantitative studies. However, the meta-analysis carried out by Kish-Gephard (2010) is a strong evidence of a relative maturity in theory-building of the
individual level of analysis group, when compared to the relational level of analysis. Finally, the Table 7 provides a fast search for papers according the methodological approach and level of analysis.

Table 7: Articles according methodological approach and level of analysis

<table>
<thead>
<tr>
<th>Methodological Approach</th>
<th>Individual</th>
<th>Relationship</th>
<th>Supply Chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Study</td>
<td>[4][5]</td>
<td></td>
<td>[2][7][10][11][12][19]</td>
</tr>
<tr>
<td>Survey</td>
<td>[1][3][6][18][22][24][25][26][27][28]</td>
<td>[13][14][15][16][17][20][21][23]</td>
<td></td>
</tr>
<tr>
<td>Experiment</td>
<td>[8]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. A tentative model of ethics in SCM

As discussed above, the theoretical development of ethics in the supply chain may be classified as an incipient stage, given the low degree of convergence in constructs. It is clear that any tentative model may comprise the three different levels of analysis: individual, relational and SC levels.

The literature review carried out allowed identifying a certain maturity in theory-building of the individual level of analysis, when compared to the others levels of analysis groups, mainly for the research conducted by (Kish-Gephart, Harrison, & Trevino, 2010). This study offers a meta-analysis of the antecedents associated with unethical decisions in organizations, covering 30 years of research to examine individual ("bad apple"), moral issue ("bad case"), and organizational environment ("bad barrel"), considered as antecedents of unethical choices. Findings provide empirical support for several foundational theories and paint a clearer picture of relationships characterized by mixed results. Structural equation modeling revealed the complexity (multi-determined nature) of unethical choice, as well as a need for research that simultaneously examines different sets of antecedents. The constructs were organized in three groups: (1) Individuals characteristics: cognitive moral development,
idealism, relativism, Machiavellianism, locus of control, job satisfaction; (2) Moral issue characteristics: concentration of effect, magnitude of consequences, probability of effect, proximity, social consensus, temporal immediacy, general moral intensity; (3) Organizational environment characteristics: egoistic ethical climate, benevolent ethical climate, principled ethical climate, ethical culture, code of conduct, code enforcement. Findings suggest a need to more strongly consider a new "ethical impulse" perspective in addition to the traditional "ethical calculus" perspective (Kish-Gephart et al., 2010).

Most of the studies classified to the relational level of analysis presents “trust” as a central construct (see Table 5). Several and different approaches are used to identify antecedents and outcomes of a breach of trust. For example, Hill et al. (2009) examine the psychological contract violations, which partially mediate the effect of unethical behavior on trust. There is the presence of a statistically significant direct effect of subtle unethical behaviors on trust, one that is not fully mediated by feelings of psychological contract violation. One plausible explanation is attributable to the theory of motivated blindness (Gino, Moore, & Bazerman, 2008), a subcategory of bounded rationality. Feelings of psychological contract violation by the supplier maybe bypassed if the unethical actions are serving the supplier's own self-interest. The perceived act is to the supplier's advantage and they will make the rational (cognitive) decision to ignore it (Hill et al., 2009).

The set of studies classified as SC level of analysis showed different constructs and approaches. One of the most interesting approaches is offered by Roberts (2003). The study investigates why ethical sourcing codes of conducts have been implemented so much more successfully in some sectors than others. The author examines the relationship between CSR, reputation, power and supply network conditions in three different supply networks - branded clothes and footwear, forest products and branded confectionary (chocolate) - and identifies the main factors that affect the propensity to introduce an ethical code of conduct: (1) Number
of links of the supply network between the member demanding code and the member under scrutiny; (2) Number of members of stage supply network under scrutiny; (3) Reputational vulnerability of different network members; (4) Power of different members of supply network. As a conclusion, the author posits that at an operational level, implementing ethical sourcing initiatives may require new roles for procurement staff, building the capacity of the procurement function to manage environmental and social issues in their supply chain and engaging in effective relationship with different members of the SC and other external organizations such as non-governmental organizations (Roberts, 2003).

On the assumption that the SC level comprises the relational and individual levels of analysis, a tentative model can be schematized as showed in the Figure 4.

![Figure 4: a tentative model about ethics in supply chain management](image-url)
6. Conclusions

This study, through a systematic review of literature, provides insights into the conceptualization and research methodological bases of the multi-disciplinary field of ethics in the supply chain management. Although in an incipient way, a model is proposed to try to understand this complex and multi-disciplinary issue. Concerning the articles sample analyzed, the empirical work developed in ethical behavior and corporate social responsibility seems to be in a more advanced position than research in supply chain ethics, whilst a conceptual wire driving may link the three areas.

The low number of articles recovered from this peer-review journals searching can lead to two different conclusions: first, the current artifacts of searching, as ISI of Knowledge and Google Scholar, have been performed ineffectively. Second, the amount of empirical research is truly low, although the diversity of constructs may constraint the theory-building process. Other relevant challenge is the different levels of analysis, mainly when an expanded supply chain is considered. These considerations represent an important limitation to this study. From this initial model, several lines of research can be conducted in the future.

References


Appendix A


