

# Beyond brokering: Sourcing agents, boundary work and working conditions in global supply chains

human relations

2018, Vol. 71(4) 481–509

© The Author(s) 2017

Reprints and permissions:

[sagepub.co.uk/journalsPermissions.nav](http://sagepub.co.uk/journalsPermissions.nav)

DOI: 10.1177/0018726716684200

[journals.sagepub.com/home/hum](http://journals.sagepub.com/home/hum)



**Vivek Soundararajan**

University of Birmingham, UK

**Zaheer Khan**

University of Kent, UK

**Shlomo Yedidia Tarba**

University of Birmingham, UK

## Abstract

The role that sourcing agents, autonomous peripheral actors located in developing economies, play in the governance of working conditions in global supply chains has been greatly underexplored in the literature. The present article reports on an in-depth qualitative study of garment supply chains that examined the boundary work of Indian sourcing agents aimed at dismantling or bridging the boundaries that affect the interaction between western buyers and local suppliers, in order to facilitate development and implementation of meaningful working conditions or social relations at work. We identify four types of boundary work that sourcing agents used to manage combinations of accommodative and non-accommodative buyers and suppliers in order to work through boundaries created by buyers' liability of foreignness: reinforcing, flexing (type 1 and 2) and restoring. We also found four essential conditions for a sourcing agent to become an effective boundary spanner in practice: acquiring knowledge about the relevant fields and actors, gaining legitimacy in the relevant fields and in the opinion of the parties involved, effectively translating the expectations of each party to the other, and benefiting from satisfying incentives. We contribute to the literature on governance for working conditions in global supply chains, boundary theory and liability of foreignness.

---

## Corresponding author:

Vivek Soundararajan, Birmingham Business School, University of Birmingham, Birmingham, B15 2TY, UK.

Email: [v.soundararajan@bham.ac.uk](mailto:v.soundararajan@bham.ac.uk)

**Keywords**

boundary spanners, garment industry, India, liability of foreignness, social relations

**Introduction**

One of the important features of globalization has been the emergence of powerful global supply chains<sup>1</sup> (GSCs), mostly coordinated and controlled by lead firms in developed economies. For suppliers in developing economies, GSCs have created both opportunities (e.g. economic upgrading and employment) and challenges (e.g. meeting the strict demands and standards of their powerful buyers) (Touboulic and Walker, 2016). Suppliers face especially strict scrutiny in maintaining and improving working conditions, mainly because of many issues in developing countries that may prevent them from meeting required standards. These problems demand the attention of various actors within the GSCs, including local government, sourcing agents, lead firms, civil society and non-governmental organizations (NGOs) (Donaghey et al., 2014; Levy, 2008).

Lead firms, multinational enterprises (MNEs) or buyers (we use these terms interchangeably throughout the article), across industries, have responded to these issues by asking suppliers to pay closer attention to labour-related standards and to adopt standards and certifications that promote workers' social welfare at work (Locke, 2013; Reinecke et al., 2012). But scholars have questioned the contributions of such practices and have criticized them for making supply chains socially unsustainable rather than the opposite (Pagell and Shevchenko, 2014; Soundararajan and Brown, 2016; Soundararajan et al., 2016), pointing out the fact that such programmes did not stop incidents such as the one at the Rana Plaza factory in Bangladesh.

One of the main reasons, in addition to legitimacy-related ones, for lead firms not being able to fully address these issues is that they face the inherent liability of foreignness (LOF) (Husted and Allen, 2006; Hymer, 1976; Zaheer, 1995; Zaheer and Mosakowski, 1997) in the developing countries where suppliers are located. LOF is much greater in the cross-border implementation and transfer of programmes and practices having to do with improving working conditions at independent supplier factories, because of the higher coordination costs resulting from operational, cultural and institutional boundaries (Berry et al., 2010; Campbell et al., 2012; Hymer, 1976; Shenkar, 2001). These boundaries<sup>2</sup> must be overcome to facilitate effective interaction between buyers and suppliers to improve working conditions and the ensuing social relations in GSCs. Research on MNEs has suggested ways that lead firms can use to overcome LOF (e.g. Luo et al., 2002; Mezias, 2002). But most research focuses on subsidiaries owned and managed by lead firms, not on independent suppliers, and not on the issue of working conditions. With regard to GSCs and working conditions, we argue that lead firms can overcome the boundaries created by LOF by using an external actor, or sourcing agent, who is in a better position than the lead firms to understand the local conditions of the suppliers.

In the GSCs of the apparel and many other industries, the role of sourcing agents, based mostly in developing economies, has become increasingly important, as they negotiate and broker the trade interactions between suppliers and lead firms. Because of

their knowledge of local market conditions, sourcing agents – the actors who span boundaries – are often better positioned than the lead firms to address issues related to working conditions in supplier facilities. The literature on working conditions in GSCs has not fully considered the vital role of sourcing agents in the governance of working conditions in supplier facilities in developing economies.

To fill these gaps, the present article examines how sourcing agents use their brokering position to improve working conditions in supplier facilities in developing economies. We focus on the following three interrelated research questions: (a) What are the boundaries that influence the interaction between buyers and suppliers with regard to improving working conditions in GSCs? (b) What tactics do sourcing agents employ to bridge the boundaries between buyers and suppliers in order to overcome LOF? and (c) What are the conditions that enable them to effectively perform this role? To answer these research questions, we conducted an in-depth qualitative study in the Indian knitwear garment export industry – one of the important and problematic industries from the point of view of labour issues.

We build on the theoretical concepts of boundary work (Essers and Benschop, 2009; Llewellyn, 1998), boundary spanning in practice (Levina and Vaast, 2005) and LOF (Zaheer, 1995; Zaheer and Mosakowski, 1997) to develop a framework that explains how sourcing agents engage in different types of boundary work to manage various combinations of accommodative and non-accommodative buyers and suppliers with the aim of facilitating improvements in working conditions. Boundary work refers to ‘how individuals engage in the effort of constructing, dismantling, and maintaining’ (Kreiner et al., 2009: 707) boundaries. We conceptualize sourcing agents as boundary spanners in practice (Levina and Vaast, 2005), who actively engage in boundary-spanning practices that connect the bounded interests of buyers and suppliers.

The contribution of the study is threefold. First, to the best of our knowledge, this is the first study to examine and conceptualize the important role of sourcing agents in GSC governance and working conditions. The article contributes to the literature on responsible GSC governance (Amaeshi et al., 2008; Seuring and Müller, 2008), especially to the literature on labour governance in GSCs (Donaghey et al., 2014; Lund-Thomsen and Nadvi, 2010) by studying the important underexplored role played by sourcing agents, who act as boundary spanners. We also address the call for more research on regulatory intermediaries ‘whose presence necessarily makes regulation (or some aspects of regulation) indirect, as the intermediary stands between the regulator and its target’ (Abbott et al., 2015: 5). Second, most research on boundary spanners focuses on actors within an organization. By showing how sourcing agents, the external boundary spanners (although they are appointed to engage in trade brokering), become self-declared boundary spanners in practice for labour governance in GSCs, we contribute to the literature on boundary work (Essers and Benschop, 2009; Llewellyn, 1998) and boundary spanning (Khan et al., 2015a; Richter et al., 2006; Zhao and Anand, 2013). In doing so, we also apply novel cross-disciplinary theoretical perspectives to the understanding of GSCs and their effects on working conditions. Finally, we contribute to the literature on LOF (Berry et al., 2010; Shenkar, 2001; Zaheer, 1995), which has so far neglected the role of independent boundary spanners in overcoming LOF. The article further enriches our understanding of how lead firms can span boundaries created by power, linguistic and cultural

differences, and address issues of working conditions at their independent supplier facilities through external actors such as sourcing agents.

The remainder of the article is structured as follows. First, we review the literature on GSCs, working conditions, LOF, sourcing agents, and boundaries and boundary work. In the second section, we present our research setting and method. In the third section, we describe our findings. Finally, we present the discussion and conclusions.

## **Global supply chains, working conditions, liability of foreignness and sourcing agents**

One of the central drivers of globalization has been the changing production geography of MNEs, whose activities have resulted in new organizational forms and relationships across the globe (Dicken, 1992; Dunning, 1997; Gereffi, 1999; Rugman and D'Cruz, 2000). The literature on GSC governance has moved from focusing only on 'geographical patterns of value creation, retention and capture in the global economy' (Neilson et al., 2014: 1) to appreciating 'the importance of different institutional and regulatory contexts that shape international production systems' (Bair, 2008: 355). As a result, the roles and contributions of different firm and non-firm actors within GSCs are being studied increasingly (Bair, 2005; Coe et al., 2008; Henderson et al., 2002; Hess and Yeung, 2006; Pickles et al., 2015).

Initial research in this area has greatly enhanced our understanding of issues related to GSC governance, especially the product, process and chain upgrading possibilities of local firms affiliated with lead firms across industrial sectors ranging from the automotive industry (Pavlínek and Ženka, 2011) to clothing (Bair and Peters, 2006; Morris and Staritz, 2014; Pickles et al., 2015); and of how the countries, regions and various actors improve or maintain their position in the changing GSCs (Coe et al., 2008; Gereffi and Frederick, 2010; Gereffi et al., 2005). Recently, however, there has been an increasing focus, both in research and practice, on working conditions in GSCs. In part, this is because of the recent media and civil society exposure of substandard working conditions in supplier facilities in developing countries, and partly because of an increasing number of fatal accidents, such as the Rana Plaza disaster, caused by substandard working conditions. Some studies show that GSC relationships and governance structure have led to improvements in working conditions (e.g. Flanagan, 2006), but most studies have found that they have led to a decline in the already poor working conditions in supplier factories, particularly those of women (Azmeh, 2014; Barrientos, 2013).

Scholars and practitioners have been advocating alternative initiatives, developed on the basis of collaboration between multiple stakeholders, as an effective way of solving complex governance issues in GSCs (Bartley, 2011; Locke, 2013). Multi-stakeholder initiatives are 'private governance mechanisms involving corporations, civil society organizations, and sometimes other actors, such as governments, academia or unions, to cope with social and environmental challenges across industries and on a global scale' (Mena and Palazzo, 2012: 528). At the same time, multi-stakeholder initiatives have been criticized for ignoring many relevant actors and not taking into consideration the power disparities between them. Above all, these initiatives have failed to create viable

information-sharing ecosystems related to working conditions, particularly for GSCs. Scholars argue that the contribution made by various actors to GSC governance must not be ignored (Donaghey et al., 2014; Locke, 2013; Mena and Palazzo, 2012).

Sourcing agents are one such neglected but important actor in the governance of working conditions in GSCs. Sourcing agents, who are located in developing economies, act as brokers between suppliers and buyers within the GSCs; they span the boundaries between lead firms and suppliers, balancing the institutional, cultural and physical boundaries created by the LOF of lead firms. It is through these actors that buyers communicate their expectations regarding working conditions to most suppliers in developing economies (Soundararajan and Brown, 2016).

LOF has attracted a great deal of research interest in the field of international business and strategy (e.g. Hymer, 1976; Zaheer, 1995, 2002; Zaheer and Mosakowski, 1997). Scholars have suggested that lead firms face comparative disadvantages vis-a-vis local firms conducting business in overseas markets because of their lack of familiarity with doing business in host markets (Hymer, 1976). Zaheer (1995: 342) extended Hymer's argument further, introduced the LOF concept and defined it as the 'costs of doing business abroad that result in a competitive disadvantage for a multinational enterprise's subunit'.

LOF is mainly the result of differences arising from structural, relational, cultural and institutional differences (Berry et al., 2010; Shenkar, 2001; Zaheer, 2002). Much of the LOF-related discussion has been in the context of MNEs and their owned and controlled subsidiaries, where MNEs exercise extensive control over the behaviour of their subsidiaries (Khan et al., 2015b), including corporate responsibility (CR) practices (Campbell et al., 2012; Husted and Allen, 2006; Khan et al., 2015b). But the concept of LOF has not featured much in studies on outsourcing-oriented governance mode, as in GSCs.

Governance arrangements in GSCs are different from the MNE-subsidary relationship. In GSCs, lead firms and suppliers are often loosely connected through product- or time-specific contracts, or both (Barrientos et al., 2016). Thus, the control that lead firms exercise over supplier behaviour is rather limited compared with their control over subsidiaries. In these relationships, improvement of working conditions is further hindered by the boundaries created by LOF. Addressing these boundaries requires tacit knowledge, face-to-face interaction and communication (Berry et al., 2010). The knowledge that local agents possess can enable lead firms to handle such boundaries and reduce LOF, as suggested by the research on the internationalization of firms (e.g. Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977).

Building on this argument, we explore the role that independent sourcing agents can play in negotiating interests, terms and working conditions between lead firms and local suppliers. Although some lead firms have begun to set up their own sourcing offices in developing economies, the majority still source through agents. Sourcing agents are usually trade brokers, but given the changes in global demands for the responsible production of garments, they are also expected to play an active role in facilitating improvements in working conditions within GSCs, helping lead firms achieve their CR objectives, reduce LOF and establish legitimacy in host markets (Khan et al., 2015b). Thus, understanding the role of sourcing agents as boundary spanners and brokers of improved working conditions within the GSCs can enhance our understanding of labour governance in GSCs, and significantly contribute to the discussion concerning LOF.

## Boundaries and boundary work

A boundary defines, delineates or delimits the scope of a group of objects, people or activities (Burri, 2008; Zietsma and Lawrence, 2010). Boundaries 'act as tools by which individuals and groups struggle over and come to agree upon definitions of reality' (Lamont and Molnár, 2002: 168). Such agreed-upon definitions of reality then develop into an 'essential medium through which [individuals or groups] acquire status to monopolize resources', leading to 'unequal access to and unequal distribution of resources (material and nonmaterial) and social opportunities' (Lamont and Molnár, 2002: 168). Kreiner et al. (2009) referred to this condition as boundary incongruence. As a consequence of such incongruence, individuals or groups strive to create, maintain or change boundaries to gain strategic advantage; this is referred to as 'boundary work'.

Many forms of boundary work have been identified in the literature. Zietsma and Lawrence's (2010) classification of boundary work, based on a study of conflict management between forest companies and their stakeholders over logging practices in Canada, includes connecting across boundaries, creating boundaries, bolstering boundaries, breaching boundaries and bounding the field.<sup>3</sup> Essers and Benschop (2009) studied how female entrepreneurs of Moroccan and Turkish origin in the Netherlands engage in creative boundary work to construct their ethnic, gender and entrepreneurial identities in relation to their Muslim identity. Although they did not classify boundary work in this case, they found that different identities may be used against each other to stretch boundaries.

The literature has emphasized the importance of boundary work, but the boundary work of boundary spanners has scarcely been explored (Levina and Vaast, 2005; Zietsma and Lawrence, 2010). Research on knowledge management has emphasized the significance of boundary spanners (e.g. Hargadon and Sutton, 1997; Khan et al., 2015a; Leifer and Delbecq, 1978; Richter et al., 2006), who play an essential role in facilitating the exchange and sharing of knowledge and expertise by connecting two or more groups of inter- or intra-organizational actors divided geographically, hierarchically, or functionally (Khan et al., 2015a; Zhao and Anand, 2013). Their effort enables 'cultivating the organisational ability to deal with the challenges of managing across boundaries' (Levina and Vaast, 2005: 338). Examples of boundary spanners include human resource managers, product development specialists, R&D professionals and information technology professionals (Pawłowski and Robey, 2004; Richter et al., 2006).

In the present article, we seek to understand the boundary work of sourcing agents in the garment sector. Although there is ample research about a wide range of boundary spanners, most of it focuses on inner-organizational boundary spanners. Little attention has been paid to outer-organizational or third-party boundary spanners, like sourcing agents, academic researchers and business consultants. No research has been conducted on the boundary work of sourcing agents, who play a significant role in improving working conditions and facilitate the operation of complex GSCs that span national, institutional, political and socio-cultural boundaries. Most research focuses on appointed boundary spanners:

... who occupy dominant positions in a field ... use the symbolic capital of their own positions to appoint themselves or others to various positions endowed with symbolic capital ... to foster the emergence of a new joint field across a particular boundary. (Levina and Vaast, 2005: 339)

In contrast, sourcing agents are self-made boundary spanners in practice who ‘engage in boundary spanning, relating practices in one field to practices in another by negotiating the meaning and terms of the relationship’ (Levina and Vaast, 2005: 339). We use the concepts of boundary work and boundary spanning to understand the specific ways and conditions in which sourcing agents work to bridge the interests of buyers and suppliers, using practices that allow both suppliers and buyers to negotiate more fluidly the boundaries concerning working conditions.

## Methods

### *Research setting*

The role of sourcing agents in GSCs, especially the active boundary spanning role they play in managing buyers’ and suppliers’ interests with regard to working conditions, is poorly understood. To explore this issue by means of an in-depth qualitative study, we selected the Indian knitwear garment export industry as our research setting. According to the World Trade Organization (WTO), India is the fifth largest exporter of clothing and the third largest exporter of textiles and garments combined. The sector employs around 45 million people. The importing countries include members of the European Union, the United States, the United Arab Emirates, Canada, China, Sri Lanka and Bangladesh. The highest-contributing knitwear garment-exporting firms are located in four regions in India: New Delhi, Bangalore, Mumbai and Tirupur. In all these regions, sourcing agents play a crucial role in connecting buyers with suppliers. As one CSR official said: ‘We need their [sourcing agents’] help. We can’t find appropriate suppliers without their help. India is diverse. You need someone with local knowledge and networks’ (CSR: 1).

Most suppliers in India are small and typically suffer from two types of contradictory pressures when operating in GSCs. On one hand, they suffer because of weak local formal institutions and lack of resources to effectively introduce the social practices required to participate in GSCs. On the other hand, they continually face pressure from buyers in developed markets to reduce costs, improve efficiency, and maintain the required level of working and environmental conditions in their factories. Thus, the role of the sourcing agents becomes important not only in filling the so-called institutional voids in these economies (e.g. Khanna and Palepu, 1997) and to facilitate trade, but also in facilitating meaningful improvements in working conditions by negotiating with buyers and suppliers.

### *Data collection*

Our primary source of data was in-depth, semi-structured interviews with key actors in the field, including sourcing agents<sup>4</sup> for well-known knitwear garment brands, the suppliers of these sourcing agents, workers in the suppliers’ factories, and CSR consultants in the field. The first author conducted the interviews in person, over the phone and over Skype, between November 2015 and March 2016. Most of the interviews were conducted in Tamil, the regional language, and English. To reduce potential data distortion, the

interviews conducted in Tamil were transliterated (rather than translated) into English for analysis. Only coded data were translated into English.

In a pilot study conducted in November 2015, interviews were held with five sourcing agents and two suppliers. The interviews were audio-recorded and transcribed for analysis. Similarly to most research findings on the topic (Bair, 2008; Lund-Thomsen and Lindgreen, 2014), the results of this initial study demonstrated clear boundary incongruence between most buyers and suppliers in managing working conditions. The pilot study also showed indications of how sourcing agents manage these diverse, and at times opposing, interests. Reflecting on these initial findings, we refined the research questions and modelled our main study to gain a much deeper understanding of these issues.

Following the pilot study, between December 2015 and March 2016 additional interviews were conducted with 12 sourcing agents, eight suppliers, five workers and two locally well-known CSR consultants in the field. In total, 34 interviews were conducted, of which 17 were with sourcing agents in New Delhi, Bangalore, Mumbai and Tirupur – the most important garment-exporting regions. The interviewed agents sourced for many knitwear garment brands worldwide. The interview process ended when we reached theoretical saturation (Glaser and Strauss, 2009) and answers became repetitive. We used an interview guide that covered a range of topics, including background information, the significance of improved working conditions, barriers to compliance with legal and private standards, the nature of past and present buyers and suppliers, challenges and opportunities in managing different expectations of proper work conditions, capabilities and qualities required to manage different expectations, and supporting institutions and actors. Interviewees were given the option to be interviewed in either English or Tamil. Some were comfortable speaking English, especially in New Delhi, Mumbai and Bangalore. Most interviewees in Tirupur opted to speak in Tamil. The interviews were digitally recorded and later transcribed verbatim for data analysis.

In addition to the interviews, to improve internal validity, the first author attempted to gain a deeper understanding of the topic through informal conversations with relevant actors in the field, including workers and intermediaries, as well as members of export associations, NGOs and trade unions. Additional data were obtained through field observation during both pilot and main studies. The conversations and observations were recorded as handwritten notes and later digitized for storage and analysis. We also used documents, such as the Indian Ministry of Textiles annual report and Indian labour regulations, to gain a better understanding of trade and regulations.<sup>5</sup>

### *Data analysis*

We adopted rigorous data analysis procedures. The data were analysed manually using Braun and Clarke's (2006) step-by-step framework for thematic analysis. First, the first author read the data many times to gain familiarity with the context of the research and described it to the other authors. Second, to categorize the data into meaningful themes, instead of using an existing typology or established frameworks, we used a grounded coding process (Glaser and Strauss, 2009) driven by simple inductive questions (Jay, 2013), namely: what were the sourcing agents' perceptions of suppliers and



buyers in general and of working conditions? What factors influenced such perceptions? How did sourcing agents manage different combinations of suppliers and buyers? What challenges did they face during such management? How did they overcome such challenges? What factors motivated them to engage in such management? Detailed narratives were developed that answer these questions for each sourcing agent. For purposes of triangulation, data from other sources were cross-referenced with these narratives.

Third, the first author analysed the narratives and coded the sourcing agents' perceptions of suppliers and buyers. This resulted in many first-order categories, such as 'confidence', 'support', 'openness', 'collaborative intent', 'fear', 'distrust', 'rigidity' and 'suspicion'. The second and third authors were consulted to validate the coded categories, and an agreement was reached after several iterations. Next, we independently grouped the codes to develop second-order categories. We compared our categorizations and revised them until we reached agreement. This process of inductive categorization resulted in two broad second-order categories that we initially labelled 'positive' and 'negative'. Subsequently, we rearranged codes under these two categories separately for suppliers and buyers to develop aggregate theoretical constructs, namely 'accommodative supplier', 'accommodative buyer', 'non-accommodative supplier' and 'non-accommodative buyer'. We independently reanalysed the codes under each finalized construct to understand the abstract conditions that demarcate the differences between different types of buyers and suppliers. After several iterations, we arrived at three conditions, namely 'openness', 'flexibility' and 'relationship-orientation', and we evaluated all these coded categories for internal and external heterogeneity. For internal homogeneity, we iteratively reread the codes in a construct for coherence, and removed or combined unique data. For external heterogeneity, we iteratively reread all four constructs for distinctiveness. For final validation, we compared the finalized constructs with the raw data and developed narratives.

Fourth, using the process described above, we analysed the narratives to understand factors that are keeping apart (i.e. boundaries) buyers and suppliers in their interactions concerning working conditions. This resulted in three categories: 'power', 'culture' and 'language'.

Fifth, we attempted to understand the sourcing agents' boundary work with different combinations of buyers and suppliers. We reanalysed the developed narratives in search of incidences in which sourcing agents narrated how they managed the different interests of both their buyers and suppliers regarding working conditions. Following the procedure described above, we arrived at the following aggregate theoretical constructs: 'reinforcing', 'flexing (type 1)', 'flexing (type 2)' and 'restoring'. Reanalysis of the codes under these constructs elucidated the focal boundaries in the course of a particular type of boundary work.

Finally, using the method described in stage three, we reanalysed the data to determine the conditions that enabled sourcing agents to effectively engage in boundary work, and arrived at the following aggregate theoretical constructs: 'acquiring knowledge', 'gaining legitimacy', 'effective translation' and 'satisfying incentives'. For the sake of brevity, in the findings, the interviewees are labelled as follows: sourcing agents (SA: 1–17), suppliers (S: 1–10), workers (W: 1–5) and CSR consultants (CSR: 1–2).

**Table 1.** Dimensions of accommodative and non-accommodative buyers and suppliers.

Dimensions	Accommodative buyers and suppliers	Non-accommodative buyers and suppliers
Openness	Open mindset toward new knowledge and ideas	Closed mindset toward new knowledge and ideas
Flexibility	Ready to change existing practices and/or adopt new ones	Unwilling to change existing practices and adopt new ones
Relationship-orientation	Long-term, trust-based relationship	Short-term, arm's-length relationship

## Findings

### *Accommodative and non-accommodative buyers and suppliers*

The findings emerging from the data analysis show that buyers and suppliers can be placed along a continuum, with the labels 'accommodative' and 'non-accommodative' at the extreme ends. For analytical and theory development purposes, we present the two as exclusive categories, but we cannot discount variations and overlaps in characteristics. The different types of buyers and suppliers are differentiated: (a) by their degree of openness, (b) level of flexibility and (c) relationship orientation (see Table 1). Below we explore these findings in detail.

*Accommodative buyers.* The primary objective of these buyers is to maintain long-term relationships based on mutual trust. They realize that their suppliers can create value and enhance the overall effectiveness of the products and processes. They show confidence that the suppliers' management style, workers and local institutions can support innovation and improvement in working conditions. Buyers are comfortable acquiring knowledge about local values and practices, sharing their strategies and key know-how, and establishing platforms for localized development initiatives to improve the conditions of workers. With long-term relationship in mind, buyers show great interest in developing localized institutions and mechanisms that foster local capabilities for improvement in working conditions. They also ascribe importance to the suppliers' knowledge and assign responsibilities to them. One sourcing agent said:

I've been sourcing garments for one of my buyers for nearly 10 years. We have a good relationship. Recently, they asked me to make my suppliers obtain BSCI certification. And they sent their consultants to help my suppliers overcome the challenges involved in obtaining the certification. We must agree that they [buyers] know more than we do (SA: 11).

*Non-accommodative buyers.* These buyers do not value the suppliers' uniqueness, contextual rationality and capabilities. They work with generalized, stereotypical assumptions that suppliers in developing countries lack the required capabilities, and that local institutions cannot be counted on to develop or support initiatives for

improved working conditions. Because of such cynical views, they hesitate to share information that they deem important, and strongly believe in standardized western initiatives and knowledge as the means to upgrade the working conditions in the garment factories. One sourcing agent said: 'Some buyers are very adamant and do not listen to a single thing we say. They consider us inferior to them. All they want is hundred per cent adherence to these standards. Impossible ... It is impossible' (SA: 12).

These findings show that it is important to understand the local context when importing from emerging and developing economies, and when attempting to implement global standards in these countries, because these standards might not translate into local conditions given the poor resource base and weak institutional capabilities prevalent in developing and emerging economies.

**Accommodative suppliers.** These suppliers want to move beyond their traditional values and organizational practices to achieve contemporary forms of organizing working conditions. They tend to demonstrate openness to foreign ideas, and make efforts to acquire and integrate novel field-level know-how and competences, en route to gaining a competitive advantage within their GSCs. These suppliers regard buyers' initiatives and demands as opportunities to learn and develop new capabilities, and show a great level of readiness to commit to their buyers. Such commitment involves sharing knowledge about local values, institutions and expectations that are crucial for the development of practically viable initiatives for improved working conditions. One supplier said:

I think whatever they [buyers] do and ask for is good for us. The world is changing. When they suggest changing my factory's working hours pattern, I see that as an opportunity to develop more efficient garment processing methods. I don't see any issue in trying and testing their ideas ... We have to understand their problems as well. If I face hundreds of problems everyday, they face thousands of problems. (S: 4)

**Non-accommodative suppliers.** These suppliers are intensely committed to their local traditional ways of workplace structuring. Their immediate objective is to maintain autonomy and control in accordance with locally defined workplace practices. They express contempt for foreign knowledge and values, and believe that their local competences and socio-economic networks can ensure their sustained existence. Such views normally intensify the effect of institutional distance between suppliers and buyers, and these suppliers tend to regard the buyers' initiatives for improved working conditions as post-colonial imperialistic strategies (Khan and Lund-Thomsen, 2011), invasive, intimidating and inconsiderate. These suppliers deliberately resist sharing local knowledge and experiences, which could aid in the development of useful initiatives for improving working conditions, with buyers. A sourcing agent said:

I try really hard to change their [suppliers'] negative opinion about western initiatives. But some stand by their ideologies. They think traditional ways are always better and do not want anyone to spoil the customs. They don't trust foreigners. They think buyers don't know anything

about their culture ... See, you have to understand that we have a history with westerners. Our parents and grandparents have experienced the British colonisation. (SA: 5)

### *Boundaries influencing buyer–supplier interaction related to working conditions*

We found three different but interrelated boundaries influencing the interaction between buyers and suppliers with regard to working conditions: power, language and culture.

*Power differences.* Buyers are large, highly resourceful MNEs located in developed countries such as the United Kingdom, Europe and the United States, with relatively stable legal, economic and political conditions. They possess high levels of social, political and intellectual capital. They are often not dependent on individual suppliers and are able to change and expand their supplier network. By contrast, suppliers in Tirupur are small, less resourceful firms, located in India, where legal, economic and political conditions are relatively less stable. These suppliers depend on orders from buyers for their survival. They do not have access to high-level social, political and intellectual capital, which would match that of buyers. Therefore, to survive, suppliers need to satisfy the requirements concerning working conditions imposed by their buyers: ‘Buyers can do anything. They are big. These suppliers’ and their workers’ life depends on orders they get’ (CSR: 1).

*Linguistic differences.* In India, there are more than a hundred important languages. In Tirupur, which is a city in the State of Tamil Nadu, Tamil is the common regional language in use. Because there is no national language in India, and because Tamil Nadu opposes the use of Hindi as the official language, English and Tamil are the languages of government, business and education in Tirupur. Nevertheless, the level of English proficiency among the people in Tirupur is rather low, mainly because most of them were farmers and are less educated. One supplier commented: ‘I studied in a Tamil medium school. I can barely speak English’ (S: 4).

Therefore, it is almost a norm that individuals must speak Tamil for their survival, especially in trade and factory settings. Few suppliers in Tirupur are proficient in English, and often they cannot use it to coordinate with workers, government officials and their suppliers. By contrast, buyers use English as their business language, and their requirements, both related to trade and to working conditions, are formulated in English.

*Cultural differences.* Suppliers and buyers are embedded in different cultural contexts, as manifested in differences in social structures (for example, class and gender) and cultural formations (for example, values, belief systems, habits and forms of expressions). These differences affect their expectations from each other regarding working conditions. Social structures and cultural formations are deeply ingrained into the labour process, and it is easy to misconstrue everyday life inside a factory in the absence of cultural sensitivity. This is evident in the contestation between buyers and suppliers, especially in cases of gender relations and local ways of workplace structuring in Tirupur (see the relevant interview excerpts in the following sections).

These boundaries must be reduced or bridged to enable constructive interaction between buyers and suppliers and to improve working conditions in a meaningful way. The difficulty in working through these boundaries is compounded by the fact that different combinations of accommodative and non-accommodative buyers and suppliers must be accommodated in the process of boundary work. In the next section, we show that sourcing agents, actors who are aware of power differentials and cultural differences, and who have the required linguistic capabilities, engage in different types of boundary work to work around the boundaries between buyers and suppliers.

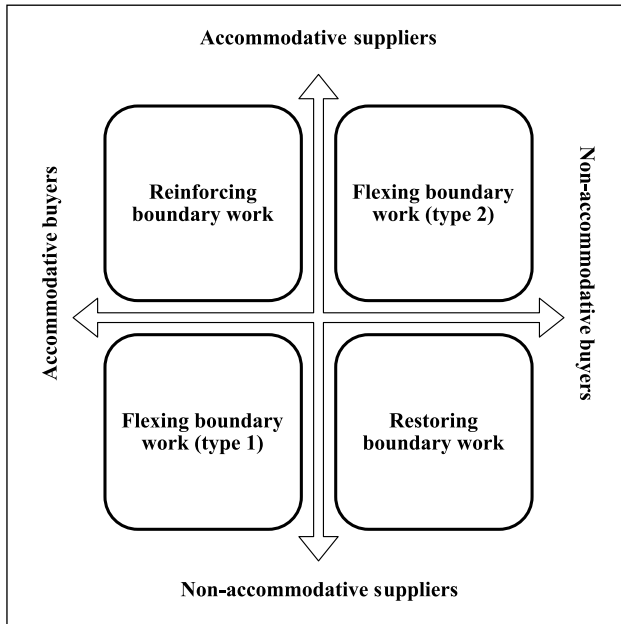
### *Sourcing agents, boundary spanning in practice, and boundary work*

The findings suggest that sourcing agents engage in four types of boundary work to accommodate different combinations of accommodative and non-accommodative suppliers and buyers: reinforcing, flexing (type 1), flexing (type 2) and restoring (Figure 1 and Table 2). Below we explain and illustrate these types in detail.

*Reinforcing boundary work.* When both buyers and suppliers are accommodative, sourcing agents' efforts are aimed at reinforcing boundary work, which amounts to boundary-spanning practices aimed at smoothing, maintaining, bolstering or protecting the existing boundary that demarcates the buyers' and suppliers' interests with respect to working conditions. Although these buyers and suppliers are compatible and open to learn from each other, the shortage of channels for communication restricts the free flow of knowledge required to develop a set of proper workplace practices. Usually, the shortage is the result of cultural and linguistic differences between the actors. Sourcing agents, who are local actors with outside experience and English proficiency, work to reduce the communication gaps by engaging in frequent conversations with both parties, becoming familiar with their needs and expectations, and facilitating uniform knowledge transfer between them. One sourcing agent said:

I often call them and talk to them. Suppliers are here and so I visit them often. I have been to buyers' countries many times. In fact, last month I was in the UK to meet one of my buyers. These things help, you know. I need to update my knowledge about their expectations. Otherwise I can't manage them even if they are good. (SA: 12)

Frequent discussions with both parties also involve reminders of the boundary, so that buyers and suppliers do not exploit each other for their own gains. Exploitation is common in GSCs, and it usually involves enormous amounts of power play. Dominant actors from developed parts of the world attempt to exploit smaller actors from less-developed parts by making demands for workplace practices that are nearly impossible and culturally insensitive. Similarly, smaller actors, from less-developed parts of the world, attempt to exploit dominant actors by engaging in ethically questionable practices that are often too complex for outsiders to identify. Although inappropriate practices of this type do not normally surface between accommodative buyers and suppliers, as the relationships develop, the dynamics of the interaction may change. Under such circumstances,



**Figure 1.** Model of sourcing agents' boundary work, aimed at managing the interests of buyers and suppliers with regard to working conditions.

sourcing agents emphasize adherence to what constitute appropriate actions for a sustained relationship. One sourcing agent said:

He [the supplier] was really good. Very considerate. The buyer was also happy with his supplies and factory conditions. Recently, through my network, I heard that he is not providing proper overtime pay for his workers. I was shocked. I went to his factory and spoke to him. I told him not to spoil his reputation. He felt sorry. Now he's all right. (SA: 7)

Sourcing agents are also wary of intruders who might change the dynamics of the relationship between buyers and suppliers. To avoid such destructive intrusion, they try to control access to suppliers and buyers within their network. One sourcing agent said:

In a forest, there are foxes and deer. Likewise, in our business, there are both nice and bad people. I don't want any bad ones to enter my network. This is my business. I spent a lot of energy to build my network. They trust me and I need to retain their trust. (SA: 9)

Buyers and suppliers make possible such actions by conferring legitimacy on the sourcing agents' representativeness. Although legitimizing the work of sourcing agents may not have been the original motivation of buyers and suppliers, they realize the importance of such recognition for sustained business performance.

In sum, the characteristics of accommodative buyers and suppliers are fundamentally compatible and thus conducive to the development of locally compatible institutions and

**Table 2.** Nature of buyer–supplier interactions and sourcing agents’ boundary work.

Nature of interaction	Boundaries addressed	Type of boundary work	Definition	Boundary work tactics
Accommodative buyer – accommodative supplier	Linguistic and cultural	Reinforcing	Boundary-spanning practices of sourcing agents aimed at smoothing, maintaining, bolstering, or protecting the boundary that demarcates buyers’ and suppliers’ interests	<ul style="list-style-type: none"><li>• Frequently communicating with both parties</li><li>• Reminding both parties of their boundaries</li><li>• Blocking destructive intruders</li></ul>
Accommodative buyer – non-accommodative supplier	Power and cultural	Flexing (type 1)	Boundary-spanning practices of sourcing agents aimed at pushing, broadening, stretching, loosening, or tightening the boundary that defines buyers’ and suppliers’ interests	<ul style="list-style-type: none"><li>• Persuading buyers to modify requirements</li><li>• Helping buyers to prioritize issues</li><li>• Changing suppliers’ perceptions of buyers</li><li>• Threatening suppliers to terminate the trade relationship</li></ul>
Non-accommodative buyer – accommodative supplier	Power and cultural	Flexing (type 2)	Same as above	<ul style="list-style-type: none"><li>• Resorting to the services of other legitimate actors in the field</li><li>• Threatening buyers to increase prices</li><li>• Helping suppliers improve their capabilities</li><li>• Experimenting with new models of meeting buyers’ expectations</li><li>• Recoupling with different actors</li></ul>
Non-accommodative buyer – non-accommodative supplier	Power, linguistic and cultural	Restoring	Boundary-spanning practices of sourcing agents aimed at reconstituting, repairing, or re-establishing the boundary that defines buyers’ and suppliers’ interests	

workplace practices. In such settings, sourcing agents act merely as facilitators of the already appropriate exchange between buyers and suppliers. They are aware that overdoing boundary work under such circumstances may destroy the dynamics between buyers and suppliers.

*Flexing boundary work.* If one of the two parties, either the buyer or the supplier, is non-accommodative when it comes to initiatives for improved working conditions, two scenarios are possible: accommodative buyers versus non-accommodative suppliers, or vice versa. In both scenarios, suppliers and buyers are discordant and the sourcing agents must engage in flexing boundary work to make the accommodative party more accommodative and non-accommodative party less non-accommodative. Sourcing agents are aware that continuous exposure of an accommodative party to a non-accommodative one is untenable. Flexing boundary work refers to the boundary-spanning practices of sourcing agents aimed at pushing, broadening, stretching, loosening or tightening the boundary that defines the interests of buyers and suppliers.

In both scenarios, the sourcing agents use the accommodative nature of one of the parties to develop strategies for alignment. In the first scenario, dealing with accommodative buyers and non-accommodative suppliers, sourcing agents use certain boundary work tactics to make suppliers realize the necessity to alter their perspective. They make an effort to understand the reasons behind the supplier's hesitance to meet the buyer's requirements, and communicate these to the buyer. One supplier said: 'I know what my workers need. I was not ready to do what they [buyers] asked me to do. My agent asked me for the reasons' (S: 3).

Because buyers are open-minded and flexible, the sourcing agents persuade them to modify certain requirements to accommodate suppliers' interests. As the ability of the sourcing agents to assess the on-site reality is validated, buyers amend their requirements by prioritizing aspects of working conditions by their apparent urgency and importance.

Buyers' requirements concerning working conditions consist of a combination of multiple simultaneous demands. Some requirements can be relatively emphatic and pressing: for example, eliminating child labour and bonded labour, improving health and safety; others, such as lack of collective bargaining arrangements and gender balance, may be less urgent. Buyers consult with sourcing agents to make speedy and effective analyses of which issue is the most salient and most likely to be resolved immediately. One sourcing agent said:

Things won't change in a day. Buyers should understand that ... Some issues are more important. After the Bangladesh fire incident, fire safety and training have become very important. I ask my buyers to focus more on such important issues. They know what I'm talking about. Some of them are big players in this business. They gave us more time to address other issues. (SA: 5)

Sourcing agents then communicate these changes to suppliers and persuade them to adhere to the requirements. They explain the difficulty involved in making buyers change their requirements. Persuaded by the sourcing agents' genuine support and seeing the buyers' display of flexibility and contextual sensitivity, over time suppliers begin to perceive this as an indication of the buyers' commitment to improving working conditions



and the suppliers' values. With this new perception, suppliers attempt to accommodate the buyers' interests by modifying their practices, granting buyers access to local knowledge to develop meaningful labour initiatives. One supplier said:

My agent made them [buyers] offer me more time to solve ESI [Employee State Insurance] and PF [Provident Fund] issues [ESI and PF are legal social security measures]. See, they are trying to do good by me. Buyers do not normally listen. If they are changing for me, I should listen to them as well. (S: 7)

With stubborn and non-adaptive suppliers, sourcing agents threaten to end their relationship in order to make them realize the need to attend to the issues being raised and to reduce disagreements with the buyers. One sourcing agent said:

I know how much it costs my buyers if the order is not delivered properly or the standards are not met. You know, our people [Indians in general] are not disciplined at times. You give them [suppliers] all specifics; still they make mistakes. I make sure they understand the real repercussions of their mistakes. (SA: 1)

In the second scenario, dealing with accommodative suppliers and non-accommodative buyers, sourcing agents resort to a combination of boundary work tactics to make the two compatible with each other. Although this scenario appears to be similar to the previous one, the power dynamics determine the type of tactics that the sourcing agents employ. In contrast to the previous scenario, in this case the sourcing agents must manage the non-accommodative demands of the most dominant actors in GSCs: the buyers.

It is quite difficult for sourcing agents to persuade non-accommodative buyers, who normally adopt a domineering posture against suppliers in developing economies. To deal with such buyers, sourcing agents seek the help and mobilize the resources of other legitimate and powerful actors or institutions, such as trade unions, trade associations, third-party auditors and NGOs. These actors are considered to be legitimate representatives of various stakeholders in the field, and deemed to have profound knowledge of it. In collaboration with such actors, sourcing agents attempt to clarify to buyers their responsibility to support suppliers in meeting the imposed requirements. But because sourcing agents are careful to avoid interference from destructive intruders, such collaborations are held at arm's length, used only to convey the need to accommodate the suppliers' interests. Persuaded by the triangulated evidence about the reality on the ground that the sourcing agents demonstrate, buyers make an effort to modify their stance. One sourcing agent said:

These guys [the buyer] were not listening to me. I tried and tried. Suppliers were ready to do anything, but wanted time and support. These guys [the buyer] want everything readymade. It can't happen. One day they called and said, 'we want this and that, otherwise we'll terminate the contract ...'. I asked the help of X [an NGO]. They are well connected and do certifications for a lot of brands. They used their reports to explain to them [the buyer] about what is really happening ... After all these dramas, they [the buyer] decided to give them [the supplier] more time. (SA: 15)

In the case of extremely unsupportive buyers, sourcing agents quote a higher price to get the buyer's attention. Cost-effectiveness is the core reason for sourcing from developing countries, therefore buyers are forced to consider the sourcing agent's suggestions. One sourcing agent said:

I need to speak in a language that makes them listen to me. If you quote a high price, they will automatically listen. They know that they can't get a better price and quality. They pushed me to do it. (SA: 6)

In addition to persuading buyers, sourcing agents also help suppliers expand their capabilities, so as to meet the buyers' requirements and gain a competitive advantage. One way of supporting suppliers is by helping them obtain bank loans. Suppliers use such financial support to acquire infrastructure and renovate factories to improve working conditions. Sourcing agents also provide technical and managerial guidance, which suppliers often lack. In some cases, sourcing agents partner with suppliers in order to provide them with ongoing support to upgrade their capabilities. One supplier said: 'My agent is a very nice guy. He has a strong network. He can make things happen. I asked him to be a partner. He agreed. I'm learning a lot' (SA: 2).

*Restoring boundary work.* When both buyers and suppliers are at extreme opposite poles from each other in their interests regarding working conditions and overtime, they pose a challenge to a sustained relationship. Such a confrontational stance is likely to produce a spiral of mutual mistrust and misapprehension, leading to such destructive activities as termination, sham implementation, and manipulation. To avoid such undesirable outcomes, sourcing agents engage in what we refer to as restoring boundary work: boundary-spanning practices aimed at reconstituting, repairing or re-establishing the boundary that defines the suppliers' and buyers' interests concerning working conditions. We found only one case in which a sourcing agent (SA: 7) was able to restore the boundary between two contrasting parties, using recoupling as the dominant tactic.

When buyers and suppliers work with contrasting models, it is necessary for them to experiment with new models that make possible interaction between them, without complete alignment of interests. Sourcing agents, as legitimate representatives of both buyers and suppliers, must create platforms for such experiments to take place. The sourcing agent who succeeded in bridging such a gap, SA: 7, first created, in consultation with the buyer, an instruction manual that delineated the standards for working conditions that the buyer expected. This manual was a simplified version of the buyer's requirements applicable to suppliers. The manual was translated into the local language (Tamil), because most suppliers are not proficient in foreign languages. The instruction manual provided suggestions for meeting the buyer's expectations but did not dictate how to meet them:

I was frustrated. They were not being considerate. I wanted to give it one more try. But I knew it had to be different. So, I created this manual [showing it to the interviewer]. I have both Tamil and English versions. (SA: 7)

The simplified version of the buyer's requirements was then sent to every supplier to obtain their feedback on how they could meet such expectations, in their own ways. Different suppliers treated the set of requirements in different ways. The sourcing agent collated the information about these different treatments and reviewed the suppliers' performance against the buyer's requirements. When a supplier did not make enough progress in some aspect of working conditions, the sourcing agent provided guidance on alternative models that other suppliers in the network employed. The buyer was then asked to evaluate the supplier's performance against its expectations, and the evaluation was fed back to the supplier to reflect upon it. This process produced some level of alignment between the boundaries of the buyer and the supplier, both of whom were able to distance themselves from each other while meeting each other's expectations: 'It worked. It was not easy though. But, it convinced both parties' (SA: 7).

When even immense efforts by sourcing agents failed to produce a positive outcome, sourcing agents terminated the existing relationship and sought to rematch the buyer and supplier with different partners. One sourcing agent said: 'They live in different worlds. I tried my best to bring them together. I could not. Neither was flexible. I couldn't do anything more. Finally, I connected them with different ones' (SA: 9).

In Table 3, we show additional examples of negotiated improved working conditions in supplier factories; that is, the outcomes of sourcing agents' boundary work.

### *Conditions sourcing agents must meet to be effective boundary spanners in practice*

Based on our interview data, we found four essential conditions for a sourcing agent to become an effective boundary spanner in practice. These conditions have to do with the following: sourcing agents acquiring in-depth knowledge about the relevant fields and parties; gaining legitimacy in the relevant fields and in the opinion of the parties involved; effectively translating the expectations of each party to the other; and having motivation to engage in boundary work.

*Acquiring knowledge about relevant fields and actors.* Boundary spanning requires 'an ability to negotiate the relationship between the involved practices' (Levina and Vaast, 2005: 353). To be an effective boundary spanner in practice, the sourcing agent must make efforts to acquire in-depth knowledge about the assumptions, practices and values of the buyers and suppliers they manage. Gaining such knowledge also requires an in-depth understanding of the field in which buyers and suppliers operate. Without such knowledge, the sourcing agent cannot ensure that the expectations of the various parties are met. For example, when a buyer's representative visited a supplier's factory, they raised concerns about the low level of female representation in collective bargaining arrangements as well as in fire, safety and health committees. The sourcing agent (SA: 3) clarified that in rural contexts such as Tirupur, females are not expected to perform in such roles, and often do not perceive themselves to be suited for such functions:

**Table 3.** Additional examples of negotiated improved working conditions in supplier factories.

Aspect of working condition	Description	Illustrative quotes
Health and safety	Workers are required to wear metal gloves while working with heavy-duty cutting machines, but they were not wearing them. The supplier (S: 9) was not prepared to enforce, arguing that 'they are not used to it'. The buyer was accommodative and open to alternative solutions. The sourcing agent requested more time, and asked the buyer to send its representatives to explain the importance of wearing the gloves, using videos and pictures	What could I do? My workers were not listening to me. I can't force them. Then they leave ... My agent helped me buy time. He made the buyer send their guys to educate workers. It was interesting. They showed graphic videos and images. Workers are listening to me now. (S: 9)
Working hours	Working hours are normally flexible because of fluctuating and seasonal orders. The buyer of the supplier (S: 5) kept insisting on maintaining appropriate working hours, without understanding the contextual reality. The sourcing agent used the help of a third-party CSR consultant to develop a programme for increasing the efficiency of the workers. The buyer agreed to it, and they have now managed to increase worker efficiency and reduce working hours	I knew they were not going to understand. So I told my agent that I don't know what to do. His relative is a consultant. They developed this training programme for workers. See, we don't recruit like big companies. It is pretty informal here. There is no systematic training process. This programme actually helped increase production efficiency. So my buyer is happy that I managed to reduce working hours. (S: 5)
Gender	Research shows that female representation in supervisory roles is low. Women are employed mostly to perform light work such as trimming, mending, winding, cleaning and linking. Men dominate the jobs that are considered labour-intensive. Culture plays an important role. In India, women are not expected to perform such tasks, and the women themselves perceive that they are not suitable for them. A buyer collaborated with the sourcing agent to develop a program to increase female representation in supplier factories. They developed a training program to educate and mentor both male and female workers about gender equality. As a result of that program, in some supplier factories female representation in supervisory roles and committees has increased	One of my buyers said that they would like to invest in a programme to increase female representation. The suppliers were hesitant. It is a cultural problem. You go ask any female worker if they want to lead a bunch of male workers. They would say no. There is a need for a mentality change. The buyer knew and continuously supported me in implementing the gender equality programme ... Now some factories are doing better than, say, one or two years ago. (SA: 5)

They [female workers] want to do simple work and go home to take care of their family. So, when he [the buyer's representative] was not happy with this, I had to clarify things for him. I even made him talk to some women workers so that he gets an idea of how things work here. (SA: 3)

The sourcing agent arranged a conversation between the buyer's representative and female workers to shed light on the situation. These findings illustrate the importance of understanding the local context in order to make appropriate global work standards sustainable in developing economies; lead firms must pay attention to local conditions and to different gender roles in the economic spheres of sourcing countries.

*Gaining legitimacy in the relevant fields and in the opinion of the parties involved.* To be an effective boundary spanner, the sourcing agent must gain the approval of the buyers and suppliers involved, and recognition in the field to which the parties they represent belong. Without such recognition as a legitimate actor, eligible and capable to represent and negotiate exchanges between the parties involved, they may not be able to effectively carry out their boundary-spanning practices even if they have adequate knowledge about the actors and the field. This is especially pertinent in the garment industry, where the prevailing impression is that sourcing agents, who are located in the same environment as the suppliers, are biased toward the latter. As a result, buyers like Gap and C&A have already established their own buying offices to manage procurement and monitoring. Many interviewees reinforced this impression, but a CSR consultant put it bluntly, as follows:

Only because of them [sourcing agents] did foreign buyers come to Tirupur for business ... But now some are losing their credibility. They are not performing their jobs properly. No one will do business with you if you are untrustworthy ... I can understand that they are trying to provide business to needy suppliers, but then they are cheating their buyers. If this situation continues, there won't be any sourcing agents. Every company will have their own buying offices, even if they are expensive to manage. (CSR: 1)

*Effectively translating the expectations of each party to the other.* Sourcing agents manage parties from different national, political, socio-cultural and institutional backgrounds. These differences are the underlying reason for the boundary incongruence that develops between suppliers and buyers in their exchanges concerning working conditions. Working around these differences requires effective translation skills. In addition to linguistic capabilities, agents also need in-depth knowledge about the values that actors in a certain field share. Without such skills, expectations cannot be translated, which can hinder the improvement of working conditions. Sourcing agents are aware of the fact that although buyers and suppliers belong to different worlds, they need to understand the assumptions and values that underpin each other's practices and expectations. One sourcing agent said:

I need to translate the requirements and expectations properly. It is not always straightforward, you know. Buyers may ask for something that suppliers can't provide. Suppliers can ask for something that buyers can't provide ... They both belong to different worlds. Most often they

don't understand each other ... First of all, I talk to them to try to clearly understand why they need what they need. Then I carefully explain the underlying reasons to both parties. It is like consulting for a married couple. (SA: 7)

**Benefiting from satisfying incentives.** For sourcing agents to be effective boundary spanners in practice, they need to have incentives that they perceive to be fair. These incentives do not necessarily take the form of monetary rewards. Although financial benefits play an important role in motivating sourcing agents to engage in boundary work, our data show that they also look for other forms of incentives. One often-mentioned incentive is a long-term relationship. In an environment in which sourcing agents are expanding and brands are establishing their own buying offices, sourcing agents appreciate long-term commitments from both buyers and suppliers. Sourcing agents also look for symbolic forms of incentives, such as appreciation and introductions to additional business contacts. They perceive such forms of feedback as signals of trust, which increase their commitment to engaging in useful boundary-spanning practices.

They know me very well [the suppliers]. They know how good I'm in business. I have shaped every one of my suppliers to reach the standards required. So, they introduced me to more factory owners. I have a good set of suppliers in hand now ... I have a good reputation in this business. Because of that, I'm getting more business from buyers as well. (SA: 11)

## Discussion and conclusions

The aim of the present article was to understand the role that sourcing agents play within GSCs in facilitating improvements in working conditions. In particular, we used the concepts of boundary work and boundary spanner to understand the role that sourcing agents play in enabling interaction between buyers and suppliers with regard to working conditions by attempting to bridge boundaries and reduce the LOF of lead firms. We showed that sourcing agents engage in four types of boundary work – reinforcing, flexing (type 1), flexing (type 2) and restoring – to manage combinations of accommodative and non-accommodative buyers and suppliers across the power, cultural and linguistic boundaries created by LOF with regard to improving working conditions.

We also showed that for sourcing agents to be effective boundary spanners in practice, they must do the following: acquire in-depth knowledge about the field and parties involved; gain legitimacy within their fields and the recognition of the parties involved; translate adequately the expectations of each party to the other; and be motivated to engage in boundary work. By serving as effective boundary spanners in practice, sourcing agents negotiate not only the trade deals but also the terms of the labour standards suitable for environments in which formal institutions are constantly evolving and in a state of flux. In doing so, sourcing agents also reduce the LOF of lead firms (Kostova and Zaheer, 1999; Zaheer, 1995).

Our findings indicate the emergence of boundary objects-in-use (Levina and Vaast, 2005), in the form of the instruction manual developed by one of the sourcing agents. Boundary objects-in-use are 'artefacts that, with or without designation, are not only usefully incorporated in the practices of diverse fields, but also acquire a common identity in joint practices' (Levina and Vaast, 2005: 342). The instruction manual,

which was developed to connect buyers and suppliers with completely different sets of expectations, enabled both parties to serve their interests while defending their functional autonomy.

The present study has three important theoretical implications. First, as noted, within the scope of our knowledge, this is the first study that attempts to understand the important role of sourcing agents in the governance of working conditions in GSCs. Scholars are increasingly acknowledging the important contributions by firm and non-firm actors to GSC governance. Research in labour governance in GSCs has explored the roles of numerous actors, including transnational corporations (Nadvi, 2008), suppliers (Plank and Staritz, 2015; Soundararajan and Brown, 2016), labour contractors (Barrientos, 2013), unions (Fichter et al., 2011), and NGOs and third-party organizations (Khan et al., 2010). We add to this strand of literature by focusing on one important but neglected actor, the sourcing agent. The study contributes to the literature on GSCs and working conditions by showing how sourcing agents, beyond simply acting as trade brokers, assume a regulative intermediary role (Abbott et al., 2015) to informally manage and reconcile the interests of buyers and suppliers by working around boundaries created by LOF. Thus, the study helps open a new line of inquiry into the key roles that sourcing agents play within GSCs, including helping lead firms achieve their CR objectives, reduce LOF and establish legitimacy in host markets.

Second, the study contributes to boundary theory, especially to the literature on boundary work and boundary spanning, where research to date has focused typically on appointed boundary spanners operating within the organizational boundary. Numerous studies in the knowledge management literature focus on the various roles that boundary spanners perform (Khan et al., 2015a; Levina and Vaast, 2005). Nevertheless, to the best of our knowledge, no study has focused on external unappointed or self-made boundary spanners and their boundary work. We fill this gap by exploring how sourcing agents, external self-made boundary spanners, work through the boundaries created by LOF in managing the varying interests of buyers and suppliers with regard to working conditions. By focusing on the micro-level, mundane practices of sourcing agents, we emphasize the important need for more practice-oriented (Whittington, 1996) research in GSC governance. Additionally, drawing on insights from boundary theory concerning GSC governance, the study answers the calls for the integration of novel perspectives into the governance of working conditions in GSCs.

Finally, our study contributes to the LOF literature. Lead firms incur LOF because of their lack of embeddedness in the information networks, management practices and structural factors of the host market. This is compounded in the case of GSCs, where lead firms have limited control over their suppliers' behaviour. The effect of LOF on the governance of working conditions in GSCs is immense, ranging from minor incompliances and relationship failures to factory disasters. We know how lead firms manage LOF in the context of their owned and managed subsidiaries, but our knowledge of LOF is limited as far as GSCs and working conditions are concerned. We address this gap by showing that sourcing agents, as independent boundary spanners, can play an active role in managing the relationship between buyers and suppliers with respect to working conditions, helping lead firms overcome or reduce LOF and meet strategic objectives, including CR.

When interpreting the findings of the present study, it is important to consider its limitations. The first limitation of the study lies in the generalizability of the findings. Similarly to other qualitative studies, the findings of our study cannot be generalized because the sourcing agents we interviewed were selected based on their active involvement with working conditions in GSCs. They do not adequately represent the thousands of sourcing agents in India and other developing countries. Second, the aim of the study was achieved through purposive sampling of sourcing agents, based on previous research experience and a pilot study. This may have resulted in a set of biased responses. We managed to reduce this bias, however, by corroborating our data with that collected in interviews with suppliers, workers and CSR consultants, as well as in field observations, informal conversations and documents. A third limitation of the study is that it does not include the perspective of the lead firms or buyers. This is a common limitation of this research area, especially in the case of sensitive materials such as those used in the present study. Our efforts to contact buyers were not successful. To partially address this limitation, we interviewed CSR consultants, who have been recently emerging as boundary spanners in the field. Finally, the categories in our framework were developed using a limited number of interviews. Therefore, future research is needed to test, expand or modify our framework.

Overall, the study highlighted the important role that sourcing agents in GSCs play in facilitating improvements in working conditions in emerging economies. To understand the difficulties associated with implementing global labour standards in emerging and developing economies, it is important to understand the nature of the boundaries that LOF creates, the work that sourcing agents perform, and the way in which they handle both accommodative and non-accommodative buyers and suppliers to translate the expectations of one into the language of the other. These findings come at a time of intensive media coverage of labour issues and of growing pressure on suppliers in developing economies to introduce proper working conditions in their factories, which allow them to establish trade relations with their buyers in developed economies.

### **Acknowledgements**

We would like to thank the special issue guest editors Juliane Reinecke, Jimmy Donaghey, Adrian Wilkinson and Geoffrey Wood, as well as the three anonymous reviewers for their extremely useful comments on this article. We are also grateful to Peter Lund-Thomsen for his comments on an earlier draft. This article benefited from the discussions at an interdisciplinary conference titled 'Global Production Networks and Social Upgrading: Labour and Beyond' at the University of Manchester, UK, and Northampton University's conference on 'Change Maker for Tomorrow: Creating Business Impact Through Research'.

### **Funding**

This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

### **Notes**

- 1 The terms 'global supply chains', 'global value chains' and 'global production networks' differ in their perspectives, but we use the term 'global supply chains' for analytical clarity.



- 2 A boundary refers to the difference between individuals and groups (Zietsma and Lawrence, 2010).
- 3 A field refers to 'a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field' (Scott, 2001: 56).
- 4 The pilot study and the first author's many years of experience in conducting research in this context made possible a careful selection of sourcing agents who actively contribute to the improvement of working conditions in the factories from which they source.
- 5 The first author has visited and conducted numerous non-participant observations in many factories for previous as well as on-going projects in the same field of research. The second author has also visited factories in a similar context. Although we reflected on the knowledge gained from such observations, no observations of sourcing agents were conducted specifically for this project.

## References

- Abbott KW, Levi-Faur D and Snidal D (2015) *Intermediaries in regulatory governance*. Paper presented at the Society for the Advancement of Socio-Economics 27th Annual Conference, London, UK.
- Amaeshi KM, Osuji OK and Nnodim P (2008) Corporate social responsibility in supply chains of global brands: A boundaryless responsibility? Clarifications, exceptions and implications. *Journal of Business Ethics* 81(1): 223–234.
- Azmeh S (2014) Labour in global production networks: Workers in the qualifying industrial zones (QIZs) of Egypt and Jordan. *Global Networks* 14(4): 495–513.
- Bair J (2005) Global capitalism and commodity chains: Looking back, going forward. *Competition & Change* 9(2): 153–180.
- Bair J (2008) Surveying the post-MFA landscape: What prospects for the global south post-quota? *Competition & Change* 12(1): 3–10.
- Bair J and Peters ED (2006) Global commodity chains and endogenous growth: Export dynamism and development in Mexico and Honduras. *World Development* 34(2): 203–221.
- Barrientos S (2013) 'Labour chains': Analysing the role of labour contractors in global production networks. *The Journal of Development Studies* 49(8): 1058–1071.
- Barrientos S, Gereffi G and Pickles J (2016) New dynamics of upgrading in global value chains: Shifting terrain for suppliers and workers in the global south. *Environment and Planning A* 48(7): 1214–1219.
- Bartley T (2011) Transnational governance as the layering of rules: Intersections of public and private standards. *Theoretical Inquiries in Law* 12(2): 517–542.
- Berry H, Guillén MF and Zhou N (2010) An institutional approach to cross-national distance. *Journal of International Business Studies* 41(9): 1460–1480.
- Braun V and Clarke V (2006) Using thematic analysis in psychology. *Qualitative Research in Psychology* 3(2): 77–101.
- Burri RV (2008) Doing distinctions boundary work and symbolic capital in radiology. *Social Studies of Science* 38(1): 35–62.
- Campbell JT, Eden L and Miller SR (2012) Multinationals and corporate social responsibility in host countries: Does distance matter? *Journal of International Business Studies* 43(1): 84–106.
- Coe NM, Dicken P and Hess M (2008) Global production networks: Realizing the potential. *Journal of Economic Geography* 8(3): 271–295.
- Dicken P (1992) *Global Shift: The Internationalization of Economic Activity*. New York: Guilford Press.

- Donaghey J, Reinecke J, Niforou C and Lawson B (2014) From employment relations to consumption relations: Balancing labor governance in global supply chains. *Human Resource Management* 53(2): 229–252.
- Dunning JH (1997) *A Business Analytic Approach to Governments and Globalisation*. Oxford: Oxford University Press.
- Essers C and Benschop Y (2009) Muslim businesswomen doing boundary work: The negotiation of Islam, gender and ethnicity within entrepreneurial contexts. *Human Relations* 62(3): 403–423.
- Fichter M, Helfen M and Sydow J (2011) Employment relations in global production networks: Initiating transfer of practices via union involvement. *Human Relations* 64(4): 599–622.
- Flanagan RJ (2006) *Globalization and Labor Conditions: Working Conditions and Worker Rights in a Global Economy*. New York: Oxford University Press.
- Gereffi G (1999) International trade and industrial upgrading in the apparel commodity chain. *Journal of International Economics* 48(1): 37–70.
- Gereffi G and Frederick S (2010) The global apparel value chain, trade and the crisis: Challenges and opportunities for developing countries. *World Bank Policy Research Working Paper Series*. Washington, DC: World Bank Publications.
- Gereffi G, Humphrey J and Sturgeon T (2005) The governance of global value chains. *Review of International Political Economy* 12(1): 78–104.
- Glaser BG and Strauss AL (2009) *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Piscataway, NJ: Transaction Publishers.
- Hargadon A and Sutton RI (1997) Technology brokering and innovation in a product development firm. *Administrative Science Quarterly* 42(4): 716–749.
- Henderson J, Dicken P, Hess M, et al. (2002) Global production networks and the analysis of economic development. *Review of International Political Economy* 9(3): 436–464.
- Hess M and Yeung HW (2006) Whither global production networks in economic geography? Past, present, and future. *Environment and Planning A* 38(7): 1193–1204.
- Husted BW and Allen DB (2006) Corporate social responsibility in the multinational enterprise: Strategic and institutional approaches. *Journal of International Business Studies* 37(6): 838–849.
- Hymer SH (1976) *The International Operations of National Firms: A Study of Foreign Direct Investment*. Cambridge, MA: MIT Press.
- Jay J (2013) Navigating paradox as a mechanism of change and innovation in hybrid organizations. *Academy of Management Journal* 56(1): 137–159.
- Johanson J and Vahlne JE (1977) The internationalization process of the firm: A model of knowledge development and increasing market commitments. *Journal of International Business Studies* 8(1): 23–32.
- Johanson J and Wiedersheim-Paul F (1975) The internationalization of the firm: Four Swedish cases. *Journal of Management Studies* 12(3): 305–322.
- Khan FR and Lund-Thomsen P (2011) CSR as imperialism: Towards a phenomenological approach to CSR in the developing world. *Journal of Change Management* 11(1): 73–90.
- Khan FR, Westwood R and Boje DM (2010) ‘I feel like a foreign agent’: NGOs and corporate social responsibility interventions into Third World child labour. *Human Relations* 63(9): 1417–1438.
- Khan Z, Lew YK and Sinkovics RR (2015a) International joint ventures as boundary spanners: Technological knowledge transfer in an emerging economy. *Global Strategy Journal* 5(1): 48–68.
- Khan Z, Lew YK and Park BI (2015b) Institutional legitimacy and norms-based CSR marketing practices: Insights from MNCs operating in a developing economy. *International Marketing Review* 32(5): 463–491.

- Khanna T and Palepu K (1997) Why focused strategies may be wrong for emerging markets. *Harvard Business Review* 75(4): 41–54.
- Kostova T and Zaheer S (1999) Organizational legitimacy under conditions of complexity: The case of the multinational enterprise. *Academy of Management Review* 24(1): 64–81.
- Kreiner GE, Hollensbe EC and Sheep ML (2009) Balancing borders and bridges: Negotiating the work-home interface via boundary work tactics. *Academy of Management Journal* 52(4): 704–730.
- Lamont M and Molnár V (2002) The study of boundaries in the social sciences. *Annual Review of Sociology* 28: 167–195.
- Leifer R and Delbecq A (1978) Organizational/environmental interchange: A model of boundary spanning activity. *Academy of Management Review* 3(1): 40–50.
- Levina N and Vaast E (2005) The emergence of boundary spanning competence in practice: Implications for implementation and use of information systems. *MIS Quarterly* 29(2): 335–363.
- Levy DL (2008) Political contestation in global production networks. *Academy of Management Review* 33(4): 943–963.
- Llewellyn S (1998) Boundary work: Costing and caring in the social services. *Accounting, Organizations and Society* 23(1): 23–47.
- Locke RM (2013) *The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy*. New York: Cambridge University Press.
- Luo Y, Shenkar O and Nyaw MK (2002) Mitigating liabilities of foreignness: Defensive versus offensive approaches. *Journal of International Management* 8(3): 283–300.
- Lund-Thomsen P and Lindgreen A (2014) Corporate social responsibility in global value chains: Where are we now and where are we going? *Journal of Business Ethics* 123(1): 11–22.
- Lund-Thomsen P and Nadvi K (2010) Clusters, chains and compliance: Corporate social responsibility and governance in football manufacturing in South Asia. *Journal of Business Ethics* 93(2): 201–222.
- Mena S and Palazzo G (2012) Input and output legitimacy of multi-stakeholder initiatives. *Business Ethics Quarterly* 22(3): 527–556.
- Mezias JM (2002) Identifying liabilities of foreignness and strategies to minimize their effects: The case of labor judgments in the United States. *Strategic Management Journal* 23(3): 229–244.
- Morris M and Staritz C (2014) Industrialization trajectories in Madagascar's export apparel industry: Ownership, embeddedness, markets, and upgrading. *World Development* 56: 243–257.
- Nadvi K (2008) Global standards, global governance and the organization of global value chains. *Journal of Economic Geography* 8(3): 323–343.
- Neilson J, Pritchard B and Yeung HW (2014) Global value chains and global production networks in the changing international political economy: An introduction. *Review of International Political Economy* 21(1): 1–8.
- Pagell M and Shevchenko A (2014) Why research in sustainable supply chain management should have no future. *Journal of Supply Chain Management* 50(1): 44–55.
- Pavlinek P and Zenka J (2011) Upgrading in the automotive industry: Firm-level evidence from Central Europe. *Journal of Economic Geography* 11(3): 559–586.
- Pawlowski SD and Robey D (2004) Bridging user organizations: Knowledge brokering and the work of information technology professionals. *MIS Quarterly* 28(4): 645–672.
- Pickles J, Plank L, Staritz C and Glasmeier A (2015) Trade policy and regionalisms in global clothing production networks. *Cambridge Journal of Regions, Economy and Society* 8(3): 381–402.
- Plank L and Staritz C (2015) Global competition, institutional context and regional production networks: Up-and downgrading experiences in Romania's apparel industry. *Cambridge Journal of Regions, Economy and Society* 8(3): 421–438.

- Reinecke J, Manning S and Von Hagen O (2012) The emergence of a standards market: Multiplicity of sustainability standards in the global coffee industry. *Organization Studies* 33(5–6): 791–814.
- Richter AW, West MA, Van Dick R et al. (2006) Boundary spanners' identification, intergroup contact, and effective intergroup relations. *Academy of Management Journal* 49(6): 1252–1269.
- Rugman AM and D'Cruz JR (2000) *Multinationals as Flagship Firms: Regional Business Networks*. Oxford: Oxford University Press.
- Scott WR (2001) *Institutions and Organizations* (2nd edn). Thousand Oaks, CA: SAGE.
- Seuring S and Müller M (2008) From a literature review to a conceptual framework for sustainable supply chain management. *Journal of Cleaner Production* 16(15): 1699–1710.
- Shenkar O (2001) Cultural distance revisited: Towards a more rigorous conceptualization and measurement of cultural differences. *Journal of International Business Studies* 32(3): 519–535.
- Soundararajan V and Brown JA (2016) Voluntary governance mechanisms in global supply chains: Beyond CSR to a stakeholder utility perspective. *Journal of Business Ethics* 134(1): 83–102.
- Soundararajan V, Spence LJ and Rees C (2016) Small business and social irresponsibility in developing countries: Working conditions and 'evasion' institutional work. *Business & Society*, DOI: 10.1177/0007650316644261.
- Touboulis A and Walker H (2016) A relational, transformative and engaged approach to sustainable supply chain management: The potential of action research. *Human Relations* 69(2): 301–343.
- Whittington R (1996) Strategy as practice. *Long Range Planning* 29(5): 731–735.
- Zaheer S (1995) Overcoming the liability of foreignness. *Academy of Management Journal* 38(2): 341–363.
- Zaheer S (2002) The liability of foreignness, redux: A commentary. *Journal of International Management* 8: 351–358.
- Zaheer S and Mosakowski E (1997) The dynamics of the liability of foreignness: A global study of survival in financial services. *Strategic Management Journal* 18(6): 439–464.
- Zhao ZJ and Anand J (2013) Beyond boundary spanners: The 'collective bridge' as an efficient interunit structure for transferring collective knowledge. *Strategic Management Journal* 34(13): 1513–1530.
- Zietsma C and Lawrence TB (2010) Institutional work in the transformation of an organizational field: The interplay of boundary work and practice work. *Administrative Science Quarterly* 55(2): 189–221.

**Vivek Soundararajan** is a Research Fellow at Birmingham Business School, University of Birmingham, UK. He received his PhD from Royal Holloway University of London, UK. His core research interest lies around understanding the ways in which businesses can contribute to social, environmental and economic sustainability and create value for stakeholders. Under this broad theme, he conducts research on corporate responsibility, the political role of business, multi-stakeholder initiatives, labour and environmental standards, and labour rights in global production networks, modern slavery and forced labour, sustainable entrepreneurship and stakeholder value creation. His work has been published in *Business & Society*, *Journal of Business Ethics*, *Academy of Management Best Paper Proceedings* and books. Vivek has obtained various grants, honours and awards for excellence in education and research. Currently, Vivek is an Associate Editor of the journals *Business Ethics: A European Review* and the *Annual Review of Social Partnerships*. [Email: v.soundararajan@bham.ac.uk]

**Zaheer Khan** is a Reader (Associate Professor) in International Business at the Kent Business School, University of Kent, UK. His research focuses on global technology management, with a particular interest in knowledge transfer through FDI to emerging economies. His work has been

published in *Journal of International Business Studies*, *International Business Review*, *Global Strategy Journal*, *Critical Perspectives on International Business*, *International Marketing Review*, *Industrial Marketing Management*, *Industry and Innovation*, *International Journal of Production Economics*, *Journal of World Business* and *International Journal of Human Resource Management*, among others. [Email: [khan.zaheer@gmail.com](mailto:khan.zaheer@gmail.com)]

Shlomo Yedidia Tarba is a Reader (Associate Professor) in Business Strategy and Head of Department of Strategy & International Business at the Birmingham Business School, University of Birmingham, UK. He received his PhD in Strategic Management from Ben-Gurion University and a Master's in Biotechnology degree at the Hebrew University of Jerusalem, Israel. His research interests include agility, organizational ambidexterity and innovation, emotions, resilience, cross-cultural management, HRM, and mergers and acquisitions. Dr Tarba is a member of the editorial board of *Journal of Management Studies*, *British Journal of Management*, *Human Resource Management* (US, Wiley) and *Journal of World Business*. He has served as a guest-editor for special issues of *Journal of Organizational Behavior* (US, Wiley), *Human Resource Management* (US, Wiley), *British Journal of Management*, *California Management Review*, *Journal of World Business*, *Management International Review* and *International Business Review*. His research articles are published/forthcoming in journals such as *Journal of Management*, *British Journal of Management*, *Academy of Management Perspectives*, *California Management Review*, *Human Resource Management* (US, Wiley), *Journal of World Business*, *Long Range Planning*, *Management International Review*, *International Business Review*, *International Journal of Human Resource Management*, *Human Resource Management Review*, *Thunderbird International Business Review* and others.